Lytix Biopharma

Interim Report

Fourth quarter and second half-year 2024

Letter from the CEO

Successful capital raise and strong clinical progress setting the stage for an exciting 2025 ahead

Dear Shareholders,

As we close 2024, Lytix Biopharma stands on the brink of significant milestones, underscoring the strength of our technology, strategy, and partnerships. This past half-year has not only demonstrated our ability to deliver significant progress across multiple fronts but has also validated the huge potential of our unique immuno-oncology platform to redefine cancer treatment.

Exceptional Results Validating Our Technology
Our licensing partner, Verrica Pharmaceuticals, has achieved groundbreaking results in the Phase II study for basal cell carcinoma (BCC) – the most common cancer type globally. The impressive 97% calculated objective response rate positions LTX-315 as a potential first-line treatment, offering new hope to countless patients. Planned discussions with the FDA in the first half of 2025 represent a critical step towards a Phase III trial and, ultimately, commercialization. This success not only confirms the strength of our technology but also strengthens our confidence in our collaborative approach.

Advancing Our Clinical Pipeline
In addition to our partnership with Verrica, our own clinical programs have reached significant milestones. The initiation of the NeoLIPA study in early-stage melanoma patients at Oslo University Hospital marks a major advancement. This study leverages the promising immune-activating capabilities of LTX-315, targeting patients with robust immune system. With interim results expected in Q3 2025, we believe this trial has the potential to broaden the therapeutic horizons of LTX-315.

Meanwhile, the ATLAS-IT-05 study continues to provide encouraging interim data in late-stage melanoma, with 40% disease control rate in a heavily pre-treated patient population. These results highlight the durable efficacy of LTX-315 in some of the most challenging cancer cases. Furthermore, the advancement of LTX-401, supported by its new formulation with enhanced anticancer activity and extended patent life, opens avenues into deeper-seated cancer types, with clinical trial preparations underway for a targeted launch in 2026.

Strengthened Financial Position and Strategic Focus
In a year marked by volatility in the biotech sector, we successfully raised NOK 111 million from both existing and new shareholders. This funding provides the operational stability essential for reaching critical milestones across our pipeline and executing our strategy of generate clinical results and commercialization through partnerships. Our enhanced focus on early-stage patient groups, combined with a robust commercial agreement, significantly reduces risk and positions us to capitalize

on the growing market potential for intra-tumoral immunotherapy.

Building Momentum for a Pivotal Year
Looking ahead to 2025, we see huge potential for Lytix Biopharma to achieve what few Norwegian oncology companies have accomplished in recent years: advancing a product candidate into Phase III clinical trials. This journey is not merely about reaching milestones but about demonstrating our commitment to providing new therapeutic options to patients who need them most. Our differentiated approach, supported by groundbreaking science and strong partnerships, continues to set us apart in the biotech landscape.

The accomplishments of 2024 reflect the relentless dedication of our team and the trust of our partners and shareholders. I extend my deepest gratitude to each of you for your unwavering support. Together, we are building a company poised to deliver breakthrough treatments and generate lasting value for both patients and shareholders.

With significant progress behind us and a clear path forward, I am confident that the coming year will be a defining chapter in the Lytix Biopharma story.

Sincerely,

Øystein Rekdal, CEO and co-founder
Lytix Biopharma

Highlights and key figures

Highlights for the second half of 2024 and post-periodic events

Partnership

- Licensing partner Verrica Pharmaceuticals reported a remarkable impressive 97% calculated objective response rate in its Phase II study for basal cell carcinoma (BCC), the most common cancer type globally
- Verrica showcased three posters at the 2025 Winter Clinical Dermatology Conference in Florida, emphasizing LTX-315's potential to revolutionize basal cell carcinoma treatment and Lytix's robust oncolytic technology platform.
- Verrica is preparing for FDA discussions in H1 2025 to outline plans for Phase III

Clinical progress

- **NeoLIPA:** Phase II study in early-stage melanoma patients with a robust immune system initiated at Oslo University Hospital, with the first patient treated in November 2024. Interim results expected Q3 2025
- **ATLAS-IT-05:** Promising interim data shows; 40% disease control in heavily pre-treated late-stage melanoma patients. The study expected to conclude during in H2 2025
- **LTX-401:** New formulation demonstrates enhanced anticancer effects and extended patent life. Clinical trial preparations underway, targeting launch in 2026

Intellectual Property and Organization:

- Lytix Biopharma has secured a pivotal US patent for the combination of its oncolytic peptide, LTX-315, with PD-1 immune checkpoint inhibitors.
- Mette Husbyn has been appointed as Lytix Biopharma's new Chief Technology Officer (CTO). Maciej Gil has been appointed as Lytix Biopharma`s Executive Director of Clinical Development

Business and Financial:

- Successfully raised NOK 111 million from existing and new shareholders, providing sufficient capital to support key milestones and ensuring operational stability for the upcoming period.
- Increased focus on late-stage development and commercialization through strategic partnerships, with heightened activity expected following the NeoLIPA interim results.

Key figures

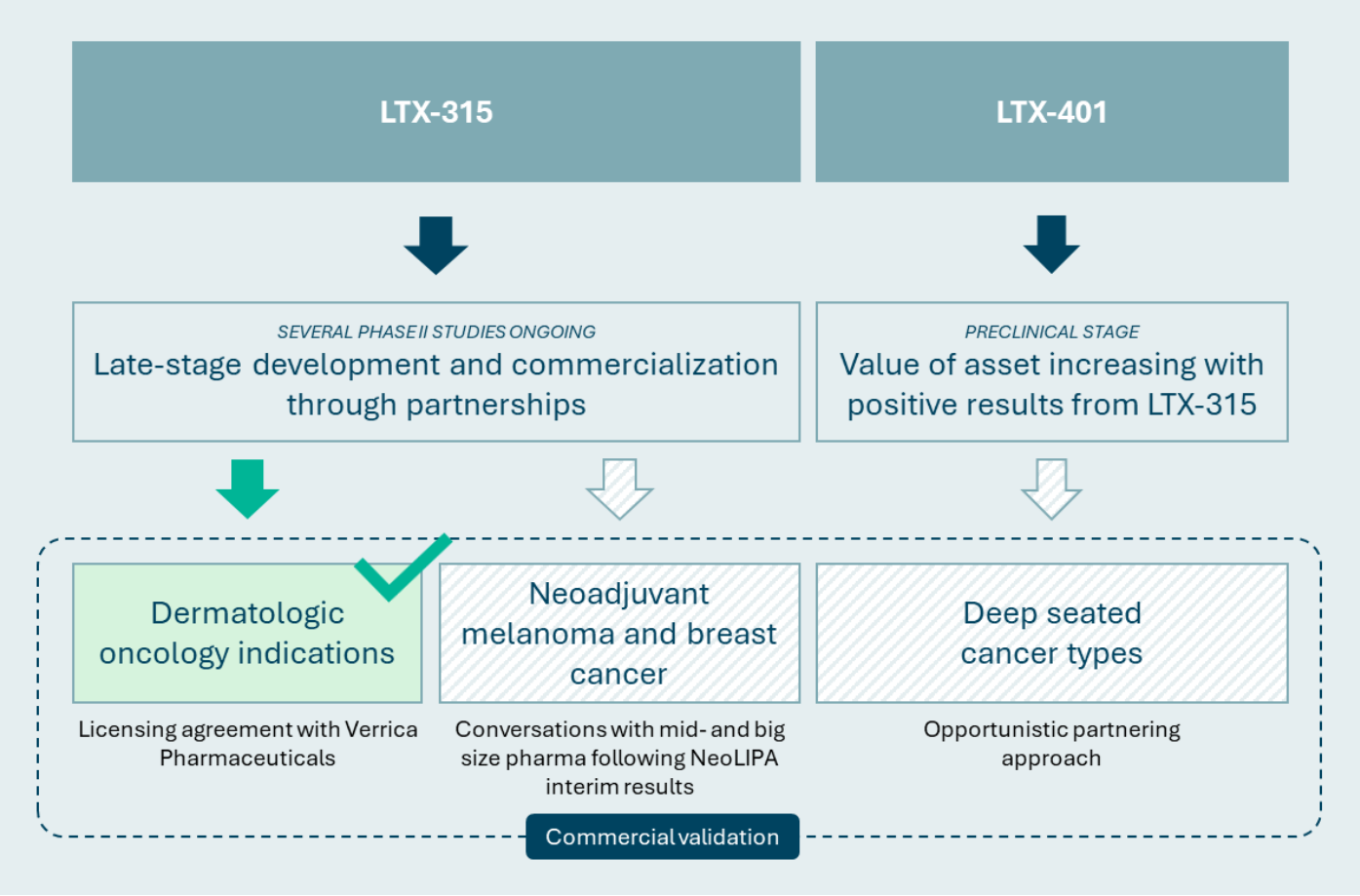
Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**FY 2024**	FY 2023
Total operating income	**377**	-	**607**	3,917	**11,134**	3,991
Total operating expense	**(32,998)**	(19,581)	**(56,278)**	(42,118)	**(107,029)**	(100,776)
Loss from operations	**(32,622)**	(19,581)	**(55,671)**	(38,201)	**(95,896)**	(96,785)
Loss for the period	**(31,910)**	(18,566)	**(54,648)**	(36,803)	**(94,265)**	(87,897)
Property, plant and equipment					**42**	110
Right of use asset					**2,589**	438
Trade and other receivables					**13,113**	12,777
Short-term financial investments					**-**	23,183
Cash position at the end of the period					**130,791**	27,365
Total assets					**146,535**	**63,874**
Total equity					**107,894**	51,319
Total liabilities					**38,641**	12,555
Total equity and liabilities					**146,535**	**63,874**

Our strategy towards commercialization

A clear and proven strategy towards commercialization

At Lytix Biopharma, we have a groundbreaking technology developed by a team of industry experts. Already, the lead drug candidate LTX-315 is commercially validated through a licensing agreement with Verrica Pharmaceuticals, a US-based company specializing in dermatological therapeutics for skin diseases.

Looking ahead, Lytix is strategically focused on efficiently advancing our product candidates to market. Lytix are continuously evaluating partnerships and collaborations for its portfolio, aiming to bring multiple projects forward and partner for late-stage development and commercialization.



Review of the second half of 2024

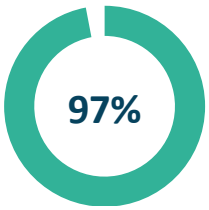
Operational Review

Partnerships

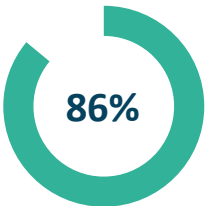
LTX-315 development in partnership with Verrica Pharmaceuticals

A significant milestone was reached in August, when Verrica presented positive clinical data on the Phase II study in patients with basal cell carcinoma (BCC) – the largest skin cancer indication globally with a projected global market size of USD 11.5 billion in 2028 (CAGR 7.9%) and approximately 3.6 million new cases in the US alone, each year.

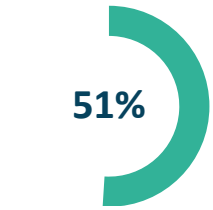
The results showed promising efficacy of LTX-315, including:



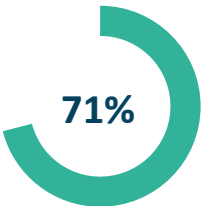
Calculated Objective Response Rate (CORR)



Overall reduction of tumor size



Complete clearance rate of basal cell carcinomas



Reduction in tumor size on patients with residual carcinomas

These preliminary efficacy findings, based on data from 93 patients, also highlighted a highly favorable safety profile with no severe adverse events reported. Encouraged by these results and supportive market research, Verrica is optimistic about the potential of LTX-315 to become a first-line therapy for BCC.

Verrica expect to request an End-of-Phase 2 meeting with the U.S. Food and Drug Administration (FDA) to discuss the next steps in the development of LTX-315 as a treatment for BCC during H1 2025. Verrica, who notably completed a successful capital raise in November 2024, further expects genomic and T-cell (immune response) data in the Q1 2025.

The positive Phase II data underscores Lytix commitment to advancing innovative immunotherapies for cancer patients. Lytix remain enthusiastic about the prospects of LTX-315 and are closely following Verrica's progress toward its commercialization. These developments reaffirm Lytix's pivotal role in the global cancer therapy landscape.

ClinicalTrials.gov Identifier: NCT05188729

Research and development

NeoLIPA study (ATLAS-IT-06)

Neoadjuvant immunotherapy is expected to play an increasingly significant role in future cancer immunotherapy strategies and Lytix has in collaboration with Dr. Henrik Jespersen, Head of the Melanoma Oncology Unit at Oslo University Hospital, Radiumhospitalet, initiated a neoadjuvant study (NeoLIPA) in patients with early-stage melanoma. Use of LTX-315 in a neoadjuvant setting refers to the administration of LTX-315 before surgery and therefore the study has certain similarities to the Verrica phase II study (LTX-315 given before surgery).

The first patient was treated at Radiumhospitalet in November, and interim results are expected to be presented during H2 2025.

Compared with melanoma patients enrolled in the ATLAS-IT-05 trial, these patients have a better functioning immune system and lower tumor burden and therefore is expected to respond better to LTX-315 treatment. The commercial potential in early-stage melanoma is much larger due to a larger patient population compared with later-stage and PD-1 therapy refractory patients.

NeoLIPA is an investigator-led study where the efficacy of neoadjuvant LTX-315 given prior to curative surgery in combination with pembrolizumab will be assessed. NeoLIPA is a phase II, open-label study that will enroll approximately 27 patients with clinically detectable and fully resectable stage III-IV melanoma.

There is still an unmet medical need for innovative and more effective neoadjuvant treatment regimens, as many patients experience limited or short-term effects with today's treatment options. The NeoLIPA study aims to address this need by adding LTX-315 to the current standard of care treatment (pembrolizumab).

With its unique and dual mode of action, LTX-315 is a promising drug candidate for combination therapy with a PD-1 inhibitor in the neoadjuvant setting. By directly killing cancer cells in the injected lesion, LTX-315 has the potential to locally shrink tumors before surgery. Simultaneously, LTX-315 has demonstrated ability to increase number of tumor-specific immune cells in treated patients, potentially reducing the risk of disease relapse after surgery. In pre-clinical studies we have demonstrated that re-establishment of tumors was not possible after LTX-315 treatment followed by surgery. The study offers an opportunity to demonstrate whether combining LTX-315 with standard of care in the neoadjuvant setting could improve clinical outcomes for early-stage melanoma patients.

EU-CT No: 2023-508649-42-00

ATLAS-IT-05 trial (LTX-315 in combination with pembrolizumab in patients with advanced solid tumors)

The ongoing ATLAS-IT-05 trial is assessing the effect of LTX-315 in combination with pembrolizumab (Keytruda®) in patients with metastatic melanoma, who have previously failed treatment with PD-1/PD-L1 immune checkpoint inhibitors. The patients enrolled in the trial are all late-stage patients that have previously been treated with several lines of treatments. Generally, these patients have very poor prognosis with rapid disease progression and few available treatment options left.

An interim analysis performed on all 20 evaluable melanoma patients showed a disease control rate of 40%. Stabilization of the disease in patients was obtained for up to 22 months. Two patients have achieved a durable partial response. The treatment has demonstrated impressive effects in both injected and non-injected lesions. Two patients are still receiving study treatment with pembrolizumab.

No serious related events related to LTX-315 have been reported. Most of the reported adverse events associated with LTX-315 were local (injection site pain, redness and/or swelling) and generally of mild to moderate intensity. No increase in immune-related adverse events was observed compared to what has been observed with pembrolizumab alone, when LTX-315 was administered together with pembrolizumab.

These interim results are considered encouraging, given that patients enrolled in the ATLAS-IT-05 trial are hard to treat with very advanced disease, compromised immune systems and a high tumor burden at baseline. Further, all enrolled patients were heavily pre-treated and tend to have rapidly progressive disease. Data also suggest that LTX-315 in combination with pembrolizumab can have both local and systemic anti-tumor activity.

ClinicalTrials.gov Identifier: NCT04796194

U.S. patent application covering LTX-315 in combination with PD-1 immune checkpoint inhibitors secured

This U.S. patent will enhance Lytix's competitive edge in the rapidly growing pharmaceutical market in U.S. The patent will not only extend the effective patent life of LTX-315, but also enhance the commercial value of Lytix's two clinical trials described above where LTX-315 is combined with the anti-PD-1 antibody, pembrolizumab.

LTX-401

In addition to the great strides made in taking LTX-315 closer to commercialization, Lytix are in parallel progressing the next generation molecule, LTX-401, towards clinical phase.

The new and improved LTX-401 formulation not only offers strong intellectual property protection but also holds promise for improved therapeutic efficacy. Data from two hard-to-treat in vivo cancer mice models (K7 osteosarcoma and B16F1 melanoma) showed superior anti-cancer efficacy of the new LTX-401 formulation compared to LTX-401 without new formulation.

In December, Lytix Biopharma met with European regulatory authorities to seek scientific advice on the development of LTX-401, including its formulation and proposed clinical study design. The feedback received on key aspects of trial preparation, including manufacturing, dosing, and safety assessments, ensure alignment with regulatory expectations.

This guidance represents an important step in advancing LTX-401 toward first-in-human clinical trials, supporting a strategic and efficient development pathway.

Business

In December 2024, Lytix successfully raised NOK 111 million through a private placement and a PrimaryBid offering extending its cash runway into 2026.This funding will help the company to reach significant milestones in the near future, including interim results from the NeoLIPA study and the advancement of LTX-315 toward a Phase III study in BCC led by our partner Verrica Pharmaceuticals.

Lytix is very pleased with the strong support from its existing shareholders, as well as the interest from new investors. In addition, Lytix is proud to have made equal treatment of all shareholders a key priority as one of the first companies leveraging the new PrimaryBid platform. The PrimaryBid offering raised NOK 11.3 million and attracted strong interest with participation from over 200 retail investors across Norway, Denmark and Finland.

Financial review

Accounting policies

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. This interim financial report does not include all information and disclosures required by other standards within the International Financial Accounting Standards ("IFRS") for a complete set of annual financial statements. Hence, this report should be read in conjunction with the annual report prepared in accordance with IFRS for the year ended 31 December 2023.

Profit and loss

Revenue for the six months ended 31 December 2024 amounted to NOK 0.6 million (NOK 3.9 million for the second half of 2023) and is related to services delivered to Verrica Pharmaceuticals.

Personnel expenses for the second half of 2024 came in at NOK 12.2 million (NOK 11.8 million for the second half of 2023). The increased personnel expenses are mainly explained by a bonus provision for 2024.

Depreciation and amortization expenses was stable at NOK 0.4 million for the second half of 2024 compared to NOK 0.5 for the same period 2023. The majority is depreciation of leased assets.

Direct R&D expenses amounted to NOK 39.2 million for the second half (NOK 23.6 million for the same period in 2023). As the ATLAS-IT-05 study nears completion, with the last patient expected to exit by mid-2025, Lytix has conducted a thorough cost review to reconcile incurred versus invoiced expenses at clinical sites. Due to delayed invoicing from European sites, NOK 17.1 million has been accrued in H2 2024, reflected in other current liabilities. Consequently, the majority of ATLAS-IT-05 study costs have now been recognized, and Lytix anticipates a decline in related expenses in the coming periods.

Other operating expenses was NOK 4.4 million for the second half of 2024 compared to NOK 6.3 million for the same period last year.

Loss from operations for the last six months of 2024 amounted to NOK 55.7 million compared to NOK 38.2 million for the same period in 2023.

Net financial items contributed positively to the net result with NOK 1.0 million in the second half of 2023 (NOK 1.4 million).

Cash flow

Cash flow from operating activities amounted to negative NOK 33.1 million in the second half of 2024, compared with negative NOK 50.2 million for the second half of 2023.

Cash flow from investing activities in the second half of 2024 amounted to NOK 1.1 million (NOK 19.8 million) and is received interest. The cash flow in second half of 2023 is mainly related to the realization of a part of the short-term financial asset.

As the result of the capital increase in Q4 2024, where Lytix raised NOK 111.3 million in gross proceeds, the cash flow from financing activities for the second half of 2024 amounted to NOK 102.6 million (negative NOK 0.5 million for the same period last year). The transaction costs for the capital increase were NOK 8.3 million of which NOK 0.6 million was a fee to two shareholders who collectively guaranteed for NOK 25 million.

Statement of financial position / balance sheet

Cash and cash equivalents at the end of the reporting period amounted to NOK 130.8 million, compared with NOK 27.4 million as of 31 December 2023.

As of December 31, 2024, Lytix had total assets of NOK 146.5 million, compared to NOK 63.9 million by the end of 2023.

Total equity amounted to NOK 107.9 million by December 31, 2024, compared to NOK 51.3 million by the end of 2023. The equity ratio amounted to 73.6 percent by the end December 2024 compared to 80.3 percent by the end of 2023.

Total liabilities amounted to NOK 38.6 million by December 31, 2024, compared to NOK 12.6 million by end of 2023.

Platform technology

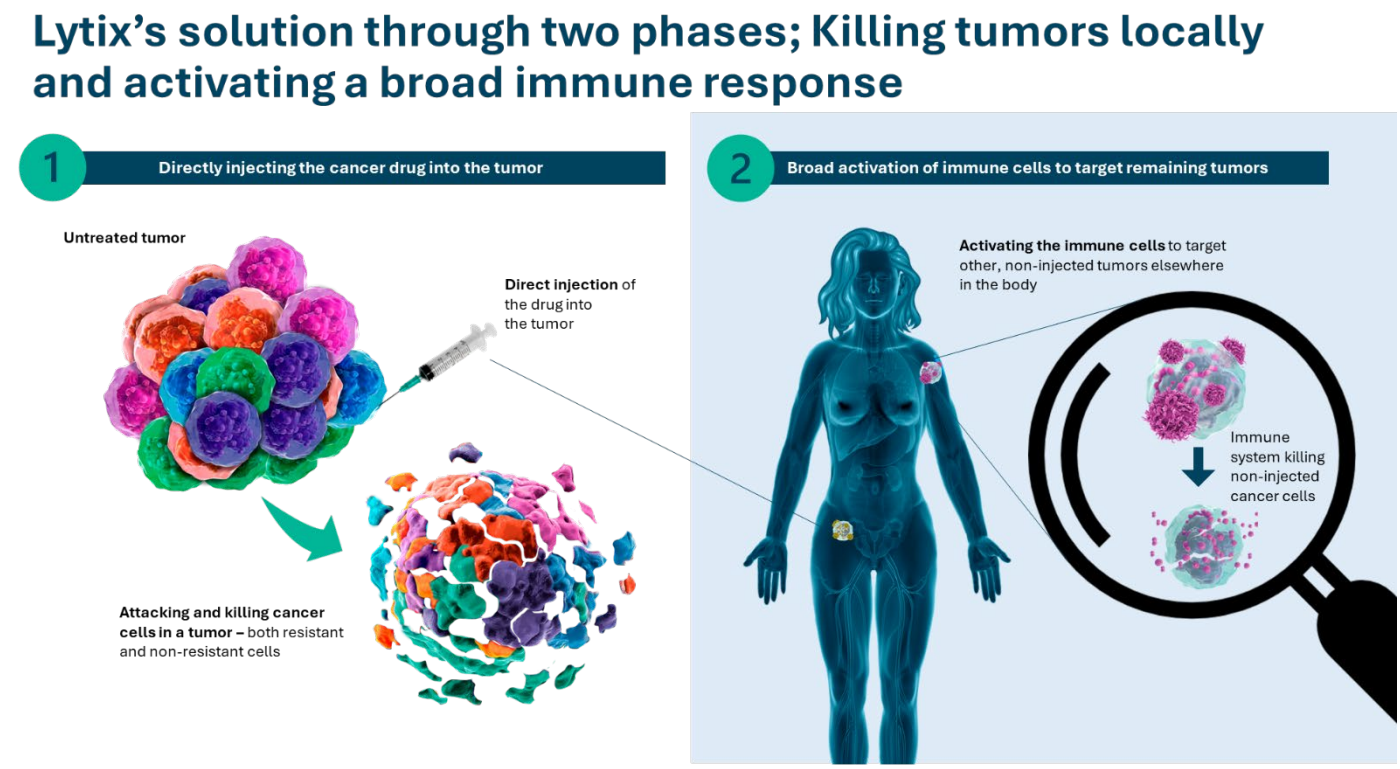
Lytix' technology platform is based on solid preclinical and clinical research and originates from UiT, The Arctic University of Norway, Tromsø. The company has successfully generated several highly active oncolytic molecules from naturally occurring host defense peptides. These have the potential to address the main challenge to deal efficiently with cancer; the heterogeneity of the tumor, enabling the cancerous cells to escape various targeting therapies.

Generating a systemic and lasting anti-tumor immunity

Oncolytic molecules work by a dual mode of action; killing of cancer cells and activating the immune system. When these molecules are injected straight into the tumor environment, they both kill cancer cells and potentiate the patient's immune system. Lytix' approach represents an alternative and unique treatment approach to active the patient's own immune system to fight cancer. So far, data has demonstrated that Lytix' molecules can generate a systemic and lasting anti-tumor immunity.

Lytix' oncolytic molecules kill cancer cells in a unique way resulting in an efficient release of tumor neoantigens (mutated proteins) and immune activating molecules. This process results in the activation of the patient's own killer T cells which will enter into circulation and search for and kill cancer cells.

The oncolytic molecules are also ideal for combination with other types of immune therapies where the lack of immune cells in the patients' tumors is one of the major hurdles for these therapies to be effective.



Oncology is the largest pharmaceutical market by revenue. Oncology therapeutics represented USD 184 billion in sales in 2021 (~20% of global pharmaceutical sales) [1]. To capture a larger market share, parallel development across multiple indications, increases the value of an individual asset and makes deal-making more likely. Unmet need remains high, and the market is expected to reach $269 billion by 2025 [2]. The key driver behind this future growth is

[1] Source: IQVIA Research, 2023
[2] Source: IQVIA Research, 2023

expected to be immuno-oncology combination therapies. Lytix' oncolytic molecules are synergistic and complementary to other immuno-oncology therapies with the potential to create new treatment paradigms.

By addressing the main challenge across a wide section of cancer indications as well as being able to combine with many other immuno-oncology therapies, Lytix' oncolytic molecules have the potential to claim a unique position within immuno-oncology, creating significant patient impact as well as value for Lytix.

Product candidates and portfolio

Lytix Biopharma's unique in oncolytic technology platform offers a whole range of product opportunities and has the capacity to improve the lives of patients across many cancer types.

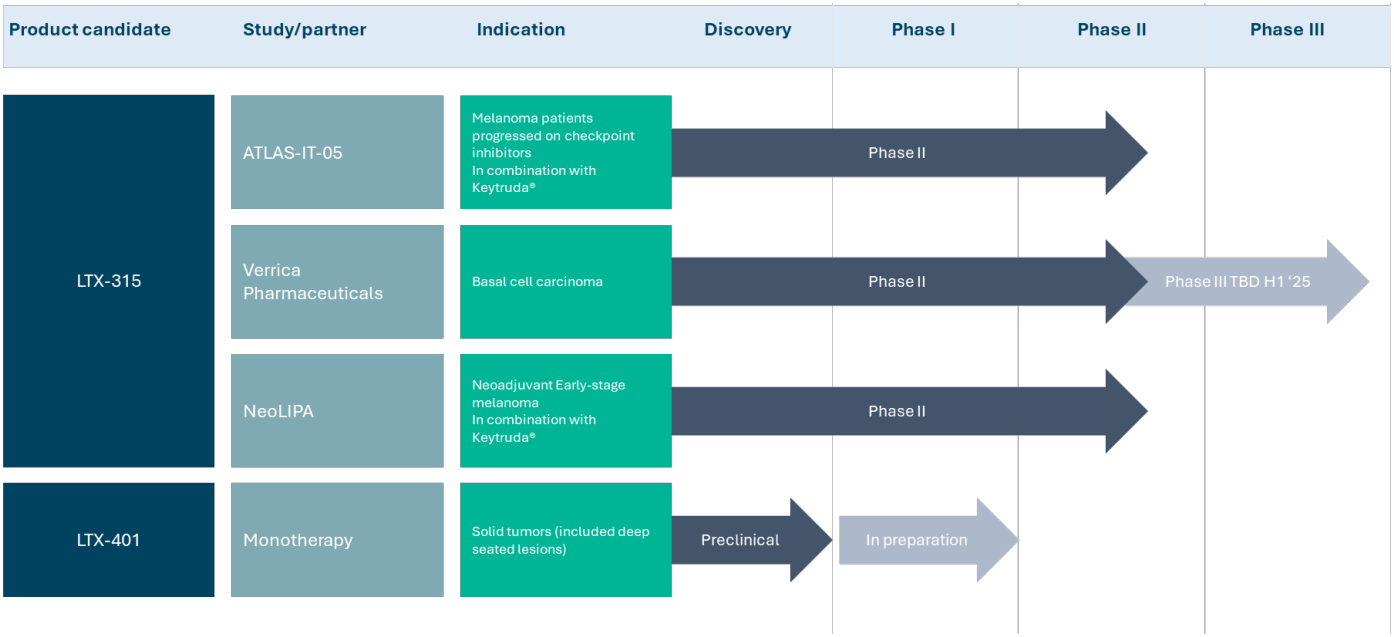
The developmental program is progressing the oncolytic molecules both as monotherapy, as a combination partner with checkpoint inhibitors and as an adjunct to cell therapy.

LTX-315 is currently being evaluated in two different Phase II trials, both as monotherapy and as combination therapy with the checkpoint inhibitor pembrolizumab. A third trial in the neoadjuvant setting is planned to open for enrolment Q3 2024.

Lytix' ATLAS-IT-05 clinical trial with LTX-315 was initiated at the MD Anderson Cancer Centre in the US and expanded to six sites in Europe. The study recruited patients with metastatic melanoma, a patient population with a significant unmet medical need, The study is fully recruited and several of the patients are still on treatment with pembrolizumab.

LTX-401 is a second-generation candidate drug; it is a small molecule and seem to be ideal for deep-seated tumors such as liver cancer. A new and improved formulation of LTX-401 offers potentially strong intellectual property protection and improved anticancer efficacy in preclinical models.

Lytix is pursuing several new opportunities, all of them based on oncolytic technology platform that delivered LTX-315 and LTX-401. Further information on these molecules will be provided as they advance from early stage of development.



Partnerships

Verrica Pharmaceuticals Inc.

Verrica is a Nasdaq-listed dermatology therapeutics company developing medications for skin diseases requiring medical interventions, and it is headquartered in West Chester, Pennsylvania. In August 2020, Lytix announced that it entered into a license agreement providing Verrica with a world-wide license to develop and commercialize LTX-315 for all malignant and pre-malignant dermatological indications (skin cancer). Lytix maintains all rights to the use of LTX-315 in patients with metastatic melanoma and metastatic Merkel cell carcinoma. Verrica will assume responsibility for manufacturing of the LTX-315 drug product, while Lytix retains responsibility for manufacturing of the active pharmaceutical ingredient (API).

Under the exclusive worldwide license agreement with Verrica, Lytix has received an upfront payment, along with two development milestones, $ 3,5 MUSD in total. Lytix stand to receive up to USD 110 million in aggregate payments upon achieving specified clinical, regulatory, and sales milestones, in addition to tiered royalties on worldwide annual net sales, ranging from the low double digits to mid-teens.

Verrica intends to focus initially on basal cell and squamous cell carcinoma as the lead indications for development for LTX-315. Basal cell carcinoma, the most prevalent form of cancer globally, continues to see rising incidence rates, with approximately 3-4 million new cases diagnosed annually in the U.S. alone. BCC predominantly affects sun-exposed areas of the body, with around 80% of cases occurring on the face and head. Given the high unmet need for new treatment options, LTX-315 presents a compelling alternative to traditional invasive surgery, offering significant advantages such as reduced pain, infection, bleeding, and scarring. With a projected global market size of USD 11.5 billion by 2028 (CAGR 7.9%), LTX-315 is well-positioned to meet the growing demand for more effective BCC therapies.

In August 2024, Verrica announced positive top-line results from this ongoing Phase II trial, demonstrating the promising efficacy of LTX-315.

Risks and Uncertainties

FINANCIAL RISKS

Lytix is a clinical-stage biotech company currently incurring financial losses, which are expected to continue through the development phases of its products. Aside from potential milestone payments from the licensing agreement with Verrica, the company does not anticipate revenue-generating operations until one or more products are commercialized.

The company has no interest-bearing debt, and while bank deposits are exposed to interest rate fluctuations, the impact on financial income is minimal. Lytix regularly conducts transactions in currencies other than NOK, exposing it to currency risk, particularly in relation to EUR- and USD-denominated transactions. Credit risk remains low due to minimal revenue, excluding public grants and drug supply sales to partners.

Lytix manages its cash flow through rolling cash forecasts, with no loan covenants or other financial restrictions in place. The company relies on external funding, primarily through equity contributions, to finance ongoing operations. There is inherent risk in securing future financing, which depends on the company’s performance and broader financial market conditions. Access to capital or financing may be constrained or available only on unfavorable terms.

NON-FINANCIAL RISKS

Lytix focuses on the development of pharmaceutical medications, a capital-intensive process fraught with significant risk until regulatory approval is achieved. The company's cancer treatment candidates and technology platform face risks at every stage of development.

TECHNOLOGY RISK

The company's product candidates are in early development stages, and preclinical or clinical studies may not yield successful outcomes. Continued research and development are essential but may face delays or higher-than-expected costs.

COMPETITIVE TECHNOLOGY

The immunotherapy and cancer therapeutics sectors are highly competitive and rapidly evolving. Lytix operates in this dynamic environment, where competing treatments may affect the company's ability to complete clinical trials, secure marketing authorization, or achieve future sales if approval is granted.

MARKET RISKS

The company's financial success hinges on securing favorable partner agreements and achieving market access with attractive pricing and reimbursement. There are no guarantees that these conditions will be met. Additionally, the company requires approvals from the European Medicines Agency (EMA) for the European market, the U.S. Food and Drug Administration (FDA) for the U.S. market, and equivalent regulatory authorities in other jurisdictions to commercialize its products globally.

Outlook

In Lytix Biopharma we are dedicated to further advance our immuno-oncology pipeline during 2025. With positive Phase II results for LTX-315 in basal cell carcinoma (BCC) from our partner, Verrica Pharmaceuticals critical discussions with the FDA in early 2025 will guide the path to a Phase III trial

The ATLAS-IT-05 study in late-stage melanoma remains promising and our NeoLIPA study in early-stage melanoma at Oslo University Hospital has been launched, targeting patients with a robust immune system. Interim results from the NeoLIPA study are expected Q3 2025. The very positive results accomplished with LTX-315 so far highlights LTX-315's commercial potential.

We are also advancing LTX-401 towards first-in-human trials, with an improved formulation showing enhanced efficacy for deeper tumors like liver cancer, and we anticipate launching the trial in 2026.

Additionally, following a successful NOK 111 million capital raise in December 2024, we remain focused on strategic partnerships and financing to maximize stakeholder value.

With a clear strategy and strong financial foundation, Lytix is well-positioned to drive its innovative therapies toward commercialization for the benefit of patients and shareholders

Oslo, February 12, 2025

The Board of Directors and the Chief Executive Officer of Lytix Biopharma AS

Marie Roskrow
Chairperson of the Board

Brynjar Forbergskog
Board Member

Evelina Vågesjö
Board Member

Jayson Rieger
Board Member

Kjetil Hestdal
Board Member

Marie-Louise Fjällskog
Board Member

Øystein Rekdal
Chief Executive Officer

Financial statements

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousands	*Notes*	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	FY 2024	FY 2023
Revenue	*5,6*	377	-	607	3,917	11,134	3,991
Other operating income		-	-	-	-	-	-
Total operating income		**377**	**-**	**607**	**3,917**	**11,134**	**3,991**
Payroll and related expenses	*7, 8*	(7,352)	(5,594)	(12,212)	(11,787)	(22,590)	(24,344)
Depreciation and amortization expenses		(221)	(242)	(443)	(484)	(915)	(962)
Direct R&D expenses	*7*	(22,894)	(10,643)	(39,209)	(23,595)	(72,565)	(63,167)
Other expenses	*7*	(2,531)	(3,102)	(4,415)	(6,253)	(10,960)	(12,303)
Total operating expenses		**(32,998)**	**(19,581)**	**(56,278)**	**(42,118)**	**(107,029)**	**(100,776)**
Loss from operations		**(32,622)**	**(19,581)**	**(55,671)**	**(38,201)**	**(95,896)**	**(96,785)**
Financial income	*9*	1,075	1,026	1,445	1,422	2,184	8,945
Financial expenses	*9*	(363)	(11)	(422)	(23)	(553)	(58)
Net financial items		**712**	**1,015**	**1,023**	**1,398**	**1,631**	**8,887**
Loss before tax		**(31,910)**	**(18,566)**	**(54,648)**	**(36,803)**	**(94,265)**	**(87,897)**
Tax expense		-	-	-	-	-	-
Loss for the period		**(31,910)**	**(18,566)**	**(54,648)**	**(36,803)**	**(94,265)**	**(87,897)**
Net other comprehensive income (loss), net of tax							
Items that may be reclassified to profit and loss in subsequent periods		-	-	-	-	-	-
Items that will not be reclassified to profit and loss in subsequent periods		-	-	-	-	-	-
Total comprehensive loss for the period		**(31,910)**	**(18,566)**	**(54,648)**	**(36,803)**	**(94,265)**	**(87,897)**
Earnings (loss) per share							
Basic and diluted earnings (loss) per share	*12*	(0.54)	(0.46)	(0.93)	(0.92)	(1.74)	(2.19)

STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousands	*Notes*	30.06.2024	30.09.2024	31.12.2024	31.12.2023
Assets					
Non-current assets					
Property, plant and equipment		76	59	42	110
Right-of-use assets	*10*	2,998	2,793	2,589	438
Total non-current assets		**3,074**	**2,853**	**2,631**	**548**
Current assets					
Other receivables		14,410	9,902	13,113	12,777
Short-term financial investments		-	-	-	23,183
Cash and cash equivalents	*11*	60,181	43,529	130,791	27,365
Total current assets		**74,591**	**53,431**	**143,904**	**63,326**
Total assets		**77,665**	**56,283**	**146,535**	**63,874**
Shareholder's equity and liabilities					
Issued capital and reserves					
Share capital	*11*	4,961	4,961	6,816	4,007
Share premium reserve		54,260	31,869	101,078	47,312
Total equity		**59,221**	**36,830**	**107,894**	**51,319**
Liabilities					
Non-current liabilities					
Lease liabilities	*10*	2,266	2,074	1,878	41
Total non-current liabilities		**2,266**	**2,074**	**1,878**	**41**
Current liabilities					
Trade payables		4,196	2,443	5,015	3,572
Other current liabilities		11,251	14,190	30,987	8,492
Lease liabilities	*10*	731	746	762	451
Total current liabilities		**16,178**	**17,379**	**36,764**	**12,514**
Total liabilities		**18,444**	**19,453**	**38,641**	**12,555**
Total equity and liabilities		**77,665**	**56,283**	**146,535**	**63,874**

Oslo, February 12, 2025

The Board of Directors and the Chief Executive Officer of Lytix Biopharma AS

Marie Roskrow
Chairperson of the Board

Brynjar Forbergskog
Board Member

Evelina Vågesjö
Board Member

Jayson Rieger
Board Member

Kjetil Hestdal
Board Member

Marie-Louise Fjällskog
Board Member

Øystein Rekdal
Chief Executive Officer

STATEMENT OF CASH FLOWS

Amounts in NOK thousands	*Notes*	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**FY 2024**	**FY 2023**
Cash flows from operating activities							
Profit (loss) before income tax		(31,910)	(18,566)	(54,648)	(36,803)	(94,265)	(87,897)
Adjustments for:							
Depreciation of property, plant and equipment		17	17	34	34	68	62
Depreciation of right-of-use assets	*10*	204	225	409	450	847	900
Interest income/(expense), net		(1,069)	(433)	(1,140)	(1,006)	(1,503)	(2,348)
Share-based payment expense	*8*	1	1,001	349	2,079	878	4,183
Increased/decreased in trade and other receivables		(3,211)	(11,525)	1,297	(6,818)	(336)	(6,042)
Increased/decreased in trade and other payables		19,369	869	20,556	(8,135)	23,938	(4,828)
Cash generated from operations		**(16,598)**	**(28,413)**	**(33,143)**	**(50,200)**	**(70,372)**	**(95,969)**
Income tax paid		-	-	-	-	-	-
Net cash flows from operations		**(16,598)**	**(28,413)**	**(33,143)**	**(50,200)**	**(70,372)**	**(95,969)**
Investing activities							
Investment in tangible assets		-	-	-	-	-	(49)
Interests received		1,075	434	1,147	1,007	1,510	2,351
Investment in other short-term investments		-	9,425	-	18,778	23,183	27,423
Net cash from/(used in) investing activities		**1,075**	**9,860**	**1,147**	**19,785**	**24,693**	**29,725**
Financing activities							
Interests paid		(6)	(1)	(7)	(1)	(7)	(3)
Proceeds from share issue	*11*	111,295	-	111,295	-	161,295	-
Transaction cost	*11*	(8,322)	-	(8,322)	-	(11,333)	-
Payment of principal portion of lease liabilities	*10*	(181)	(239)	(358)	(476)	(849)	(940)
Net cash from/(used in) financing activities		**102,786**	**(240)**	**102,607**	**(477)**	**149,105**	**(943)**
Net increase in cash and cash equivalents		87,262	(18,793)	70,611	(30,892)	103,426	(67,187)
Cash and cash equivalents at the beginning of the period		43,529	46,158	60,181	58,257	27,365	94,552
Cash and cash equivalents at the end of the period		**130,791**	**27,365**	**130,791**	**27,635**	**130,791**	**27,365**

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousands	Share capital	Share premium reserve	Other equity	Total equity
Balance as at January 1, 2023	**4,007**	**131,027**	**-**	**135,034**
Loss for the period	-	-	(87,897)	(87,897)
Net other comprehensive income/(loss)	-	-	-	**-**
Other comprehensive income/(loss) for the period	**-**	**-**	**(87,897)**	**(87,897)**
Share based payment	-	4,183	-	**4,183**
Reclassification of accumulated losses	-	(87,897)	87,897	**-**
Total contribution by and distributions to owners	**-**	**(83,714)**	**87,897**	**4,183**
Balance as at December 31, 2023	**4,007**	**47,312**	**-**	**51,319**
Balance as at January 1, 2024	**4,007**	**47,312**	**-**	**51,319**
Loss for the period	-	-	(94,265)	(94,265)
Net other comprehensive income/(loss)	-	-	-	**-**
Other comprehensive income/(loss) for the period	**-**	**-**	**(94,265)**	**(94,265)**
Capital increase May	954	49,046	-	**50,000**
Capital increase December	1,855	109,440	-	**111,295**
Transaction cost May	-	(3,011)	-	**(3,011)**
Transaction cost December		(8,322)	-	**(8,322)**
Share based payment	-	878	-	**878**
Reclassification of accumulated losses	-	(94,265)	94,265	**-**
Total contribution by and distributions to owners	**2,809**	**53,765**	**94,265**	**150,840**
Balance as at December 31, 2024	**6,816**	**101,078**	**-**	**107,894**

Notes to the interim report

1. GENERAL INFORMATION

The accompanying interim financial statements of Lytix Biopharma AS, for the six month period ending December 31, 2024, and the comparable financial statements for the period ending December 31, 2023, were authorized for issue on February 12, 2025, by resolution of the Board of Directors.

Lytix Biopharma AS (the 'Company' or 'Lytix Biopharma') is a limited liability company incorporated and domiciled in Norway. The Company was established in 2003, and the registered office is located at Sandakerveien 138, 0484 Oslo. The Company's shares are currently traded on Euronext Growth Oslo.

Lytix Biopharma is a clinical-stage biotech company with a highly novel technology based on world-leading research in host-defense peptide-derived molecules. Lytix Biopharma has a pipeline of molecules that can work in many different cancer indications and treatment settings, both as mono- and combination therapy. The company's lead product, LTX-315, is a first-in-class oncolytic molecule representing a new principle to boost anti-cancer immunity. It is currently being tested in combination with the market approved immunotherapeutic drug KEYTRUDA® (pembrolizumab) in a Phase II study in the US and Europe. The Company is also supporting its licensing partner Verrica Pharmaceuticals in their Phase II trial in patients with basal cell carcinoma. In addition, the company has other candidates in the pipeline, including LTX-401, a second-generation molecule developed for treatment of visceral tumors.

As of December 31, 2024, Lytix Biopharma AS has no subsidiaries or affiliated companies.

The financial statements for the year ended 31 December 2023 are available at www.lytixbiopharma.com

2. BASIS FOR PREPARATION

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. This interim financial report does not include all information and disclosures required by other standards within the International Financial Accounting Standards ("IFRS") for a complete set of annual financial statements. Hence, this report should be read in conjunction with the annual report prepared in accordance with IFRS for the year ended 31 December 2023.

These interim financial statements are unaudited.

The accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its financial statements for the year ended 31 December 2023.

In the interim financial statements, the second half-year is defined as the reporting period from July 1 to December 31 and the fourth quarter the period starting from October 1 to December 31.

All amounts are presented in NOK thousand (TNOK) unless otherwise stated. Because of rounding differences, numbers or percentages may not add up to the sum totals.

Significant accounting judgements, estimates and assumptions

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are evaluated on an on-going basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended 31 December 2023.

3. SIGNIFICANT CHANGES, EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

In December 2024, Lytix successfully completed a share offering, raising NOK 111 million in gross proceeds. The capital injection takes Lytix through key milestones and provides operational stability for the coming period. The offering garnered strong interest from both existing and new high-quality investors.

The financial position and the performance of the company was not, other than mentioned above, particularly affected by any significant events or transactions during the second half-year in 2024.

4. PROFIT AND LOSS INFORMATION

Seasonality of operations

Seasonality in pharmaceutical operations is first and foremost associated with outbreaks of certain diseases during certain periods of the year. Such fluctuations are not commonly observed in the incidence rates of cancer. Therefore, management does not consider the business to be 'highly seasonal' in accordance with IAS 34.

NOTE 5 REVENUE

The following table presents the disaggregation of the Company's revenue from contracts with customers:

Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**2024**	2023
Revenue						
Licensing of LTX-315	-	-	-	-	-	-
Sale of API LTX-315	-	-	-	3,917	10,526	3,991
Other revenue	377	-	607	-	607	-
Total Revenue	**377**	**-**	**607**	**3,917**	**11,134**	**3,991**

The production and sale of API (LTX-315) to its licensee, Verrica Pharmaceuticals, generated a revenue of USD 10.5 million compared during the first half of 2024.

NOTE 6 SEGMENTS

Lytix' primary business is to develop proprietary intellectual property of drug candidates for out-licensing, and the production and sale of API (LTX-315) to its licensees. Operating segments are components of the Company that the chief operating decision maker of the Company ('CODM') regularly reviews to assess performance and allocate resources. The CODM for the Company is considered to be the Board of Directors collectively, which reviews the Company's performance as a whole, and therefore only one operating segment is identified.

The geographical distribution of sales by the client's place of incorporation is the following:

Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**2024**	2023
Geographical distribution						
Norway	-	-	-	-	-	-
US	377	-	607	3,917	11,134	3,991
Total operating income	**377**	**-**	**607**	**3,917**	**11,134**	**3,991**

All non-current assets (other than financial instruments) are located in Norway.

Note 1 includes a disaggregation of revenue by the main products and services provided by the Company.

NOTE 7 GOVERNMENT GRANTS

Government grants are recognized in profit or loss as deduction on Salary, Direct R&D expenses and Other operating expenses with the following amounts:

Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**2024**	2023
Government grants						
Tax refund (across all R&D activities)	1,188	4,750	2,375	4,750	4,750	4,750
Oslo Regional Research Fund (RRF)	-	375	-	750	-	1,500
Total government grants received	**1,188**	**5,127**	**2,375**	**5,500**	**4,750**	**6,250**

Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**2024**	**2023**
Costs deducted						
Payroll and related expenses	20	412	43	787	139	1,067
Direct R&D expenses	1,167	4,686	2,332	4,686	4,604	5,156
Other operating expenses		27	-	27	7	27
Total costs deducted	**1,188**	**5,125**	**2,375**	**5,500**	**4,750**	**6,250**

NOTE 8 PAYROLL AND RELATED EXPENSES

Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**2024**	**2023**
Payroll and related expenses, including directors, comprise						
Salaries and bonus	6,495	3,794	10,278	7,939	18,011	16,267
Defined contribution pension cost	210	364	466	691	1,043	1,262
Share-based payment expense	1	1,001	349	2,079	878	4,183
Social security contributions	669	826	1,121	1,576	2,704	3,015
Other personnel costs	(4)	22	42	288	92	683
Government grants	(20)	(412)	(43)	(787)	(139)	(1,067)
Total payroll and related expenses	**7,352**	**5,594**	**12,212**	**11,787**	**22,590**	**24,344**

NOTE 9 FINANCE INCOME AND EXPENSES

Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**2024**	**2023**
Financial income						
Interest income	1,075	434	1,147	1,007	1,510	2,351
Foreign exchange gains	-	17	298	(808)	298	4,008
Other financial income	-	575	-	1,222	376	2,586
Total financial income	**1,075**	**1,026**	**1,445**	**1,422**	**2,184**	**8,945**

Amounts in NOK thousands	**Q4 2024**	Q4 2023	**H2 2024**	H2 2023	**2024**	**2023**
Financial expenses						
Interest expenses	(6)	(1)	(7)	(1)	(7)	(3)
Interest expenses on lease liabilities	(53)	(9)	(110)	(21)	(119)	(53)
Foreign exchange losses	(304)	-	(304)		(379)	-
Other financial expenses	(0)	(1)	(1)	(2)	(48)	(2)
Total financial expenses	**(363)**	**(11)**	**(422)**	**(23)**	**(553)**	**(58)**

NOTE 10 LEASES

The lease for the current office space expired on June 30, 2024. On June 19, 2024, the lease was extended. Consequently, Lytix has recalculated the right-of-use asset and the corresponding lease liability in accordance with IFRS 16.

NOTE 11 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital on December 31, 2024, is NOK 6,815,942.40 (December 31, 2023: 4,006,831.9), being 68,159,424 ordinary shares at a nominal value of NOK 0.1. All shares carry equal voting rights.

	2024	**2023**
Ordinary shares at January 1st	40,068,319	40,068,319
Capital increase May 13th, 2024 [1)]	9,541,984	-
Capital increase December 23rd, 2024 [2)]	18 549,131	-
Ordinary shares per December 31	**68,159,424**	**40,068,319**

In April 2024, 9,541,984 shares were subscribed for in a private placement among existing shareholders at an average share price of NOK 5.24 for total gross proceeds of NOK 50 million. On April 25th, 2024, the extraordinary general meeting resolved to issue 9,055,607 shares, and further authorized the board of directors to issue additional shares. On April 26th, 2024, the board of directors resolved to issue 486,377 shares. The final allocation thus amounts to 9,541,984 shares, raising gross proceeds of NOK 50 million. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on May 13, 2024.

[2)] In December 2024, 18,549,131 shares were subscribed for in a private placement among existing shareholders and new investors at a share price of NOK 6.00 for total gross proceeds of NOK 111.3 million. On December 17th, 2024, the Board resolved to issue 18,549,131 shares. The contribution was confirmed and registered in the Norwegian Register of Business Enterprises on December 23rd, 2024.

No.	Shareholder	No. of shares	Percentage share of total no. of shares
1	JAKOB HATTELAND HOLDING AS	6,095,482	8.9 %
2	Citibank, N.A.	4,896,422	7.2 %
3	SATURN INVEST AS	4,485,579	6.6 %
4	TAJ HOLDING AS	4,455,566	6.5 %
5	Skandinaviska Enskilda Banken AB	2,500,000	3.7 %
6	LYR INVEST AS	2,438,863	3.6 %
7	BRØDRENE KARLSEN HOLDING AS	2,283,507	3.4 %
8	PER STRAND EIENDOM AS	2,019,102	3.0 %
9	3T PRODUKTER HOLDING AS	1,808,764	2.7 %
10	LYSNES INVEST AS	1,448,987	2.1 %
11	YNNI INVEST AS	1,392,889	2.0 %
12	HIFO INVEST AS	1,318,913	1.9 %
13	KVASSHØGDI AS	1,307,652	1.9 %
14	NORDNET LIVSFORSIKRING AS	1,197,468	1.8 %
15	CARE HOLDING AS	1,006,512	1.5 %
16	BELVEDERE AS	955,027	1.4 %
17	LTH INVEST AS	896,786	1.3 %
18	JAHATT AS	738,167	1.1 %
19	PICASSO AS	695,753	1.0 %
20	DRAGESUND INVEST AS	685,436	1.0 %
	Total number of shares for top 20 shareholders	**42,626,875**	**62.5 %**
	Total number of shares for the other shareholders	**25,532,559**	**37.5 %**
	Total number of shares	**68,159,434**	**100.0 %**

NOTE 12 EARNINGS PER SHARE

Earnings per share are calculated on the basis of the profit or loss for the year after tax, excluding other comprehensive items. The result is divided by a time weighted average number of outstanding shares over the year. The diluted earnings per share is calculated by adjusting the time weighted average number of outstanding shares by the number of employee share options that can be exercised. As the company is currently loss-making an increase in the average number of shares would have anti-dilutive effect.

	Q4 2024	Q4 2023	**H2 2024**	H2 2023	**2024**	**2023**
Loss for the period *(NOK thousands)*	(31,910)	(18,566)	(54,648)	(36,803)	(94,265)	(87,897)
Average number of outstanding shares during the period	58,884,864	40,068,319	58,884,864	40,068,319	54,133,872	40,068,319
Basic and diluted earnings per share *(NOK)*	**(0.54)**	**(0.46)**	**(0.93)**	**(0.92)**	**(1.74)**	**(2.19)**

NOTE 13 EVENTS AFTER THE REPORT DATE

On 15 January 2025, Lytix Biopharma AS registered a share capital increase with the Norwegian Register of Business Enterprises in connection with the issuance of 102,568 new shares. These shares were issued as part of the settlement of fees to underwriters in the Private Placement announced on 17 December 2024. Following the registration, the Company's new share capital is NOK 6,826,200.20, divided into 68,262,002 shares, each with a nominal value of NOK 0.10.

The Board of Directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the 2024 second half-year interim financial report for the company.

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