



# Year-end report

1 Jan – 31 Dec 2021

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# INTERIM REPORT 1 JANUARY - 31 DECEMBER 2021

## Q4 2021

- ▶ The result for the quarter amounted to -6 450 kSEK (-3 448 kSEK)
- ▶ Cash flow for the quarter amounted to -7 291 kSEK (-5 941 kSEK)
- ▶ Cash and cash equivalents at the end of the quarter amounted to 12 273 kSEK (33 620 kSEK)

<b>Summary Financial Highlights kSEK</b>	<b>Oct-Dec 2021</b>	<b>Oct-Dec 2020</b>	<b>Jan-Dec 2021</b>	<b>Jan-Dec 2020</b>
Net revenue	0	0	0	0
Operating result	-6,474	-3,423	-21,117	-17,235
Result	-6,450	-3,448	-21,136	-17,289
Balance sheet total	39,591	39,640	39,591	39,640
Cash flow	7,291	-5,941	-21,347	31,556
Cash and cash equivalents	12,273	33,620	12,273	33,620
Equity ratio %	75%	92%	75%	92%

  

<b>Data per share SEK</b>				
Number of shares at the end of the period	11,006,056	9,606,200	11,006,056	9,606,200
Result per share before and after dilution*	-0.65	-0.36	-2.17	-2.06
Cash flow per share	-0.73	-0.62	-2.19	3.75
Equity per share	2.70	3.79	2.70	3.79

\* Dilution effects is not calculated when the result is negative

## Significant events during Q4 (Oct-Dec)

Ziccum announced on November 23 2021 that the company has made a further extension of the evaluation agreement that was originally initiated on October 3, 2019 with Janssen Vaccine & Prevention B.V., one of Janssen's pharmaceutical companies belonging to Johnson & Johnson. The purpose is to complete the analysis of Ziccum's air drying technology with Janssen's vaccine platforms.

On December 16, Ziccum announced that the company successfully had carried out tests which confirm that its air-drying technology could be used to produce thermostable dry powder vaccines across four major platforms – Protein Subunits (PS), Viral Vectors (VV), Inactivated Virus (IV) and Virus Like Particles (VLP). 70% of Covid-19 vaccines approved (Phase IV) and 67% in clinical studies use one of these four platforms. Ziccum is carrying out ongoing studies to produce corresponding data around the mRNA vaccine platform.

### Directed share issue

On December 16, Ziccum carried out a directed share issue of 1 333 314 units, of which one unit consists of three shares and two free warrants (series 2021/2022). Ziccum will thus receive a total of 44 mSEK (before issue costs), provided that the share issue is approved at an Extraordinary General Meeting. Ziccum can be added a further maximum of approximately 35 mSEK upon full exercise of all warrants.

The directed share issue consists of a total of 1 333 314 units, corresponding to 3 999 942 shares and 2 666 628 free warrants, and was decided by the Board of Directors of Ziccum. The issue of 399 952 units, corresponding to 1 199 856 shares and 799 904 warrants, has been made on the basis of existing authorization from the Annual General Meeting 2021. The issue of the remaining 933 362 units, corresponding to 2 800 086 shares and 1 866 724 warrants, was conditional of a change in the Articles of Association and the approval of an Extraordinary General Meeting.

On December 21, 1 199 856 new shares and 799 904 warrants were registered as a first part of the transaction.

## Significant events during Q1-Q3 (Jan-Sep)

Ziccum published its goals for 2021 on January 12. The major goals are to enter into the first licensing agreement for one or more dry-formulated vaccines, and to present a detailed plan for establishing a modular Fill and Finish production facility for filling and final packaging of dry, thermostable powder vaccines, including the necessary partnerships and financing plans. Ziccum's medium-term goal (2–3 years) is to establish the first Fill and Finish facility for dry-formulated vaccines in Sweden.

On January 25 Ziccum announced the extension of the evaluation agreement with Janssen Vaccine & Prevention B.V. (one of the Janssen Pharmaceutical Companies of Johnson & Johnson) that was entered into on October 3, 2019. The purpose is to finalize the analysis of Ziccum's air-drying capabilities on one of Janssen's vaccine platform technologies.

On March 17 Ziccum announced that the company has been accepted as a member of NIIMBL, the US National Institute for Innovation in Manufacturing Biopharmaceuticals. NIIMBL drives innovation and uptake of new technologies within biopharmaceutical manufacturing in the US. NIIMBL is among others funded by the US National Institute of Standards and Technology (NIST) and the U.S. Department of Commerce and is able to distribute federal grants.

At the General Meeting it was decided to adopt two long-term incentive programs: one for the Board of Directors, consisting of warrants (LTI 2021/2024), and another one for the employees consisting of employee stock options (LTI 2021:1).

The warrant program LTI 2018/2021 has also closed, and all warrants were exercised. The warrant program was assigned to the Board of Directors and consisted of 200 000 warrants, with a vesting period during 26 April – 26 May 2021. To finance the share subscription, the warrant holders have sold 120 000 warrants to a long-term investor, who has also exercised the warrants. The exercise price was 11 SEK per share, hence 2.2 mSEK was added to Ziccum through the share subscriptions. The exercised warrants increased the number of shares and votes with 200 000 and the total amount of shares is hereby 9 806 200.

On the 1st of September Anna Lönn started as Development director

## Significant events after the reporting period

At the Extraordinary General Meeting held on January 18, in addition to approving the Board's proposal, it was decided to increase the limit on the number of shares and the size of the share capital in the Articles of Association, to enable the issue of the remaining 933 362 units in the private placement.

On January 18, an additional 2 800 086 shares and 1 866 724 warrants were registered, and all shares and warrants in the private placement are thus registered.

The payments from the directed share issue were received by the company in January and February 2022, a total of 40 mSEK was added to the company after deduction of issue costs.

Ziccum announced on February 7 that it has become a member of the United Nations Global Compact, the world's largest corporate sustainability initiative.

## CEO statement

Vaccinations are and have long been one of the best ways to prevent pandemics and epidemics. Right now the need has never been greater. Not least due to the Covid-19 pandemic, which has proven the enormous benefits vaccines have on society as whole. New travelling habits, population growth, climate change and overcrowding all potentially increase the risk of epidemics and pandemics, and children are the most vulnerable; one child in five still does not receive adequate vaccination protection. Approximately 1.5 million children die each year from diseases for which vaccines are already available. With the Covid-19 pandemic, many countries have come to realize the importance of taking responsibility for vaccine production.

Ziccum has a unique and patented technology – LaminarPace™ – which enables us to produce vaccines in dry powder form, which is not practically or economically possible with conventional technologies. The benefits are many. It increases the stability and so the lifespan of the vaccine, it facilitates the entire transport chain from factory to patient and it enables the distribution of vaccines to new places where, for example, cold- and freezer storage is a major challenge. The result is greater vaccination coverage at a lower cost.

Ziccum's key strategic priorities focus on three major areas: Developing thermostable formulations of vaccines, preparing for production on a commercial scale and building external collaborations with industrial actors who develop vaccines and, importantly for the industry, Non-Governmental Organizations (NGOs) and International Governmental Organizations (IGO). Several IGOs, including the WHO, are very clear that vaccine production must be increased in developing countries in so-called regional hubs, so that an equitable vaccine supply can be achieved.

Driven by the ongoing pandemic, our work on developing thermostable formulations of vaccines is focused increasingly on Covid-19 vaccines. For example, we taken on work evaluating whether LaminarPace can dry vaccines built on mRNA technology. Good results in this would broaden our offer to the vaccine industry significantly. It should also be mentioned that Covid-19 vaccines are mainly based on 4-5 different technology platforms - we feel comfortable that our technology can be used effectively on a number of these.

In parallel, we are continuing our work developing a system for large-scale industrial production of dry thermostable vaccines. This is a top priority that will speed up our discussions with external collaborators and make our offering more attractive to partners.

Our collaboration, for instance with Janssen continues as planned. At the same time, we continue discussions with new partners about new collaborations.

We are gratified to see the large number of new initiatives being taken worldwide to greatly increase the regional production capacity of vaccines. This means that the traditional customer base for our technology, ie large global vaccine companies, is being expanded with several new players, especially in developing countries. Our solution for thermostable vaccines provides a very strong competitive advantages, as many Covid-19 vaccines still have to be transported and stored at temperatures all the way down to -80 ° C. Yet storing and transporting vaccines at -80 ° C in large parts of the world with undeveloped infrastructure and insecure access to stable electricity networks is an enormous challenge.

We are also seeing completely new trends among national procurement in Western countries who are now beginning to make demands on traditional vaccine manufacturers to deliver products that are better adapted to meet the climate change. In the current situation, work is being done to change the packaging so that it takes up less space in the cold chain. At the same time, we believe that this can only partially address climate change because the cold chain is still needed.

In summary, we are well positioned for a very exciting future in an industry that will remain a key priority area globally for a long time to come. Furthermore, we are dependent on our partners' decisions, which we can not control when they are made. Therefore, we try to build Ziccum to become more independent, by being able to take projects further up the value chain. Thus becoming a more competent partner to facilitate the industrialization of LaminarPace.

Lund, February 17, 2022 Göran Conradson, CEO

## Expected future development

The company's long term goals are to:

- ▶ Enter into a first licensing agreement regarding one or more vaccine
- ▶ Present a detailed plan for establishing a modular Fill and Finish production facility for filling and final packaging of dry, thermostable powder vaccines, including the necessary partnerships and financing plans
- ▶ Expand international collaborations
- ▶ Continue to set a high pace in Research and Development activities, with the aim of generating new data that can form the basis for further patent applications
- ▶ Expand process development for the formulation process and adapt it for industrial production
- ▶ Apply for grants
- ▶ Continue to hire, to strengthen the opportunity to deliver on the company goals

## Licensing agreements

Based on the collaboration agreements and the ongoing positive dialogues with established parties on the market, it's Ziccum's goal, to generate at least one license agreement based on commercial terms.

## Process development

Ziccum puts a lot of effort into developing the process of producing thermostable vaccines and adapting the technology for industrial production. This work is done with the aim of furthering effective, ongoing and upcoming discussions with industrial partners. The project includes upscaling of production capacity, automatization, and adaption to regulatory standards.

## Production economy

During 2020 Ziccum have accomplished a conceptual design of a manufacturing facility together with KeyPlants AB based on their modular system. This study pointed out many advantages compared to traditional lyophilization (freeze-drying):

80% less electricity

65% less Operational costs (OPEX)

50% less Investment cost (CAPEX)

The conceptual design has been well received by the industry and different stakeholders within the vaccine field. By showing large production gains in a fill and finish plant, Ziccum's offer to industrial actors and end customers of vaccines can be clarified and the value significantly increase.

## International cooperation

A key to success is to make sure that stakeholders within the vaccine market know and understand that Ziccum's technology can develop new vaccine formulations that are less dependent on the cold chain. In that way, those stakeholders can demand and influence established vaccine producers to make a change towards thermostable vaccines.

## Patent

It is the company's ambition to continue setting a high pace on its own Research and Development activities with the aim of generating new data that can form the basis for new patent applications, primarily regarding more types of vaccines.

## **Grant applications**

The vaccine market offers several different opportunities to receive various forms of grants. Ziccum will apply for such grants that the company deems to be in Ziccum's interest and opportunity to receive.

## **Organizational development**

We will continue to have a great need to employ competent and experienced staff to further strengthen the company's ability to deliver on its set goals.

## Result - Q4 (Oct-Dec) 2021

Operating income from goods and services amounted to 0 kSEK (0).

Operating expenses amounted to 6 474 kSEK (3 426), of which personnel costs amounted to 2 488 kSEK (1 301).

Other external costs amounted to 3 700 kSEK (2 016).

Operating result amounted to -6 474 kSEK (-3 423) and result after financial items amounted to -6 450 kSEK (-3 448).

Result for the period amounted to -6 450 kSEK (-3 448).

Earnings per share before and after dilution amounted to -0.65 SEK (-0.36).

Cash flow during the period amounted to -7 291 kSEK (-5 941). The cash flow included a share issue of 0 kSEK (0). Cash flow per share amounted to -0.73 SEK (-0.62).

## Result and financial position - reporting period (Jan-Dec) 2021

Operating income relating to goods and services amounted to 0 kSEK (0).

Operating expenses amounted to 21 121 kSEK (17 240), of which personnel costs amounted to 9 151 kSEK (3 428).

Other external costs amounted to 11 128 kSEK (13 421).

Operating result amounted to -21 116 kSEK (-17 235) and result after financial items amounted to -21 136 kSEK (-17 289).

Result for the period amounted to -21 136 kSEK (-17 289).

Earnings per share before and after dilution amounted to -2.17 SEK (-2.06).

Cash flow during the period amounted to -21 347 kSEK (31 556). Cash flow included share issues of 2 358 kSEK (50 398) and raising of loans of 0 kSEK (2 000). Cash flow per share amounted to -2.19 SEK (3.75). Cash flow per share excluding new issues amounted to -2.43 SEK (-2.24).

Cash and cash equivalents as of Dec 31 2021 amounted to 12 273 kSEK, compared with 33 620 kSEK on December 31 2020.

The company's equity as of Dec 31 2021 amounted to 29 731 kSEK, compared with 36 381 kSEK on December 31 2020.

Equity per share as of Dec 31 2021 amounted to 2.70 SEK, compared with 3.79 SEK on December 31 2020.

The company's equity ratio as of Dec 31 2021 was 75% compared to 92% on December 31 2020.

The result follows budget expectations regarding the costs of the ongoing commercialization of LaminarPace technology. The increase of external costs is mainly driven by consulting fees and extended premises. Personnel costs have increased compared with the previous year due to increased workforce and the fact that the CEO is now employed by the company.

The investments made during the year is mainly related to development of the LaminarPace technology in order to adapt and automate the technology for industrial production by increasing production capacity and prepare for GMP production.



## Ziccum in brief

Ziccum's patented technology LaminarPace air-dries liquid vaccine into a thermostable powder vaccine. Before the vaccine is administered, the vaccine powder is mixed with liquid and can then be injected in exactly the same way as a liquid solution vaccine. The LaminarPace technology is gentle, air drying takes place at room temperature, resulting in powder vaccines becoming thermostable. This means that the vaccine can be transported and stored at room temperature, unlike today's vaccines that require costly, complex logistics with an unbroken freezer or cold chain.

### Vision

Ziccum's vision is to increase vaccination coverage worldwide. This can be made possible by minimizing dependence on expensive, impractical, and energy-intensive refrigerated and frozen transport systems and storage.

### Business model

Ziccum's business model is to offer licenses and tech transfers to vaccine companies based on Ziccum's patent portfolio.

### History

LaminarPace was developed by Inhalation Sciences Sweden AB (publ) to generate small amounts of micronized material for aerosolization. However, the many additional high-potential areas the technology could be applied to soon became apparent, and for that reason, Inhalation Sciences carried out a spin-out of LaminarPace into a subsidiary, Ziccum AB, which since mid-2017 has been developing and commercializing the technology on its own. Ziccum's shares were listed on Spotlight Stock Markets on October 25, 2018. On December 1 2020, Ziccum moved to Nasdaq First North Growth Market.

### Market

Ziccum focuses on applying LaminarPace technology to already approved vaccines, or to vaccines that are under development. The vaccine market has seen very strong growth recently, driven by COVID-19. But even apart from COVID-19, the WHO predicts growth for almost all vaccines. In 2019, the global vaccine market was worth 33 BUSD, divided into 5.5 billion doses, excluding military and travel vaccines (WHO Global vaccine market report 2020). Global vaccine production for 2021 is forecast at about 20 billion doses. Future growth largely depends on how COVID-19 develops in terms of booster jabs and mutations.

## LaminarPace technology

Ziccum has developed a method for the gentle air drying of biological drugs. The company's patented technology, LaminarPace, dries at room temperature, which provides a unique opportunity to develop stable, dry formulations of primarily sensitive biological substances.

The basic principle of LaminarPace's function is countercurrent spray drying with separate flows. The constituent liquid is nebulized, i.e. distributed in the inner column in a mist of very small droplets. The size of these can be controlled by a special net.

During the downward flow, the liquid droplets are vaporized, and the moisture is transported through a paper-based membrane which allows evaporation. The external upward flow of very dry air collects the evaporation which is then transported to the absorption column where the air is dried again.

The dry, micronized substance is retained inside the column and collected on a filter in the filter container. The drying cycle is a so-called semi-continuous process. The system not only retains all the properties of sensitive substances, but also allows great possibilities to control certain properties of the particles, e.g. particle size.

The powder produced during the process is normally very easy to dissolve, which enables flexible application possibilities, e.g. vials of intravenously administered drugs, inhalable drugs and even for topical application of single particles through the skin.

## Shares

As of January 1 2021, the total number of shares was 9 606 200 and as of December 31 2021, the total number of shares was 11 006 056. 200 000 of the increase of shares is a result of the termination of the LTI 2018/21 option program where all warrants were exercised. The remaining increase of 1199 856 shares was added in the share issue that was initiated by the company in December 2021.

All shares have a voting ratio of 1.

The Board of Directors proposes that no dividend is paid for the financial year 2021.

## Shareholders 2021-12-31

Name	Number of shares	Share capital	Votes
Försäkrings AB, Avanza Pension	939,100	8.5%	8.5%
Göran Conradson	760,738	6.9%	6.9%
Nordnet Pensionsförsäkring AB	395,855	3.6%	3.6%
Viskär AB	220,000	2.0%	2.0%
Kenneth Hopp	173,650	1.6%	1.6%
Swedbank Försäkring AB	150,494	1.4%	1.4%
Övriga aktieägare	8,366,219	76.0%	76.0%
<b>Total</b>	<b>11,006,056</b>	<b>100%</b>	<b>100%</b>

## Share price

Ziccum AB was registered as a public company by the Swedish Companies Registration Office 2018-05-31.

Ziccum's shares were listed on Spotlight Stock Markets on October 25, 2018.

The share's closing price on the first trading day amounted to SEK 5.90.

Ziccum moved to Nasdaq First North Growth Market on December 1, 2020.

The share closing price on Sep 30 2021 amounted to SEK 10.48.

## Transactions with related parties

During the reporting period, fees charged by related parties were invoiced as follows:

The Chairman of the Board, Fredrik Sjövall, has through Axelero AB invoiced fees amounting to 93 kSEK for project management.

Board member Kristian Kierkegaard has through Kristian Kierkegaard Holding AB invoiced SEK 240 thousand for work in connection with the share issue.

Board fees have been paid in accordance with resolutions at the Annual General Meeting.

There have otherwise been no significant transactions with related parties.

## Significant risk and uncertainties in brief

Ziccum's significant risk and uncertainty factors include business-related risks as well as risks related to market and technology development, patents, competitors and future financing.

The company's value is largely dependent on the success of the company's development projects and the ability to enter into partnerships, and that LaminarPace receives broad market acceptance. Ziccum is in the commercialization phase and there is a risk that the company will not reach sufficient profitability.

The company has not generated sufficient income to achieve a positive cash flow, which means that the company needs access to capital before its cash flow becomes positive.

It is the company's assessment that the company has the required financing by the end of Q3 2022.

In light of the outbreak of the coronavirus and COVID-19, Ziccum is closely monitoring the development of events and taking measures to minimize or eliminate the impact on the company's operations. Ziccum follows guidelines from the Swedish Public Health Agency. Ziccum has been able to continue its internal operations without significant impact on COVID-19. However, there is a risk of delays in the Company's external collaborative projects due to the pandemic.

## Income statement

kSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Net sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other income	0	3	5	5
<b>Total income</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>5</b>
Other external costs	-3,700	-2,016	-11,128	-13,421
Personnel costs	-2,488	-1,301	-9,151	-3,428
Depreciation of tangible and intangible assets	-286	-109	-842	-391
<b>Operating result</b>	<b>-6,474</b>	<b>-3,423</b>	<b>-21,116</b>	<b>-17,235</b>
<b>Result from financial items</b>				
Financial net	24	-25	-20	-54
<b>Result after financial items</b>	<b>-6,450</b>	<b>-3,448</b>	<b>-21,136</b>	<b>-17,289</b>
<b>RESULT FOR THE PERIOD</b>	<b>-6,450</b>	<b>-3,448</b>	<b>-21,136</b>	<b>-17,289</b>
Result per share before and after dilution*	-0.65	-0.36	-2.17	-2.06

\*Dilution effect is not calculated when the result is negative

## Balance sheet statement

kSEK	Not	2021-12-31	2020-12-31
<b>Assets</b>			
Subscribed unpaid capital		13,198	
<b>Intangible assets</b>			
Patents, licenses, trademarks and similar rights		604	813
<b>Tangible assets</b>			
Equipment & tools		9,778	3,988
<b>Total non-current assets</b>		<b>10,382</b>	<b>4,801</b>
<b>Current assets</b>			
<b>Short-term receivables</b>			
Other receivables		796	983
Prepaid expenses & accrued income		251	236
<b>Total short-term receivables</b>		<b>1,047</b>	<b>1,219</b>
Cash & cash equivalents		12,273	33,620
<b>Total current assets</b>		<b>13,320</b>	<b>34,839</b>
<b>TOTAL ASSETS</b>		<b>36,900</b>	<b>39,640</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	3	1,834	1,601
<b>Total restricted equity</b>		<b>1,834</b>	<b>1,601</b>
<b>Unrestricted equity</b>			
Share premium fund		77,900	63,756
Retained earnings		-28,867	-11,687
Result of the period		-21,136	-17,289
<b>Total unrestricted capital</b>		<b>27,897</b>	<b>34,780</b>
<b>Total equity</b>		<b>29,731</b>	<b>36,381</b>
<b>Debt</b>			
<b>Long-term debt</b>			
Loans		<b>1,429</b>	<b>2,000</b>
<b>Short-term debt</b>			
Account payables		2,680	818
Short-term loans		571	0
Tax debt		10	
Other short-term debt		269	108
Accrued expenses and deferred income		2,210	333
<b>Total short-term debt</b>		<b>5,740</b>	<b>1,259</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>36,900</b>	<b>39,640</b>

## Changes in equity

	Restricted equity	Unrestricted equity			
kSEK	Share capital	Share premium fund	Retained earnings	Result of the period	Total equity
<b>Opening balance 2020-01-01</b>	<b>1,232</b>	<b>27,621</b>	<b>-2,964</b>	<b>-8,723</b>	<b>17,166</b>
Appropriations of net result			-8,723	8,723	0
Result of the period				-17,289	-17,289
<b>Transactions with shareholders</b>					
Share issue	369	38,425			38,794
Share issue costs		-2,290			-2,290
<b>Closing balance 2020-12-31</b>	<b>1,601</b>	<b>63,756</b>	<b>-11,687</b>	<b>-17,289</b>	<b>36,381</b>
<b>Opening balance 2021-01-01</b>	<b>1,601</b>	<b>63,756</b>	<b>-11,687</b>	<b>-17,289</b>	<b>36,381</b>
Appropriations of net result			-17,289	17,289	0
Result of the period				-21,136	-21,136
<b>Transactions with shareholders</b>					
Share issue (LTI 2018/21)	33	2,167			2,200
Share issue costs		-55			-55
Warrants		213			213
Ongoing directed new issue	200	12,998			13,198
Directed new issue costs		-1,179			-1,179
Share related remunerations			109		109
<b>Closing balance 2021-09-30</b>	<b>1,834</b>	<b>77,900</b>	<b>-28,867</b>	<b>-21,136</b>	<b>29,731</b>

## Cash flow statement

kSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Cash flow from operating activities</b>				
Operating result	-6,474	-3,423	-21,117	-17,235
Ingoing interest	33	0	33	0
Paid interest	-25	-25	-100	-54
<b>Adjustments for items that is not included in the cash flow</b>				
Share related remunerations	23	0	109	0
Currency exchange	15	0	47	0
Depreciations	286	109	842	391
<b>Cash flow from operating activities before changes in working capital</b>	<b>-6,142</b>	<b>-3,339</b>	<b>-20,186</b>	<b>-16,898</b>
<b>Cash flow from changes in working capital</b>				
Changes in operating receivables	303	-116	173	-171
Changes in operating debt	1,961	174	3,911	30
<b>Cash flow from operating activities</b>	<b>-3,878</b>	<b>-3,281</b>	<b>-16,102</b>	<b>-17,039</b>
<b>Investing activities</b>				
Acquisition of non-current assets	-2,234	-2,660	-6,424	-3,803
<b>Cash flow from investment activities</b>	<b>-2,234</b>	<b>-2,660</b>	<b>-6,424</b>	<b>-3,803</b>
<b>Financing activities</b>				
Share issue (LTI 2018/21)	0	0	2,200	0
Warrants (LTI 2021/24)	0	0	213	0
Share issue	0	0	0	52,688
Loan	0	0	0	2,000
Share issue costs	-1,179	0	-1,234	-2,290
<b>Cash flow from financing activities</b>	<b>-1,179</b>	<b>0</b>	<b>1,179</b>	<b>52,398</b>
<b>Cash flow from the period</b>	<b>-7,291</b>	<b>-5,941</b>	<b>-21,347</b>	<b>31,556</b>
<b>Opening balance cash &amp; cash equivalents</b>	<b>19,564</b>	<b>39,561</b>	<b>33,620</b>	<b>2,064</b>
<b>CLOSING BALANCE CASH &amp; CASH EQUIVALENTS</b>	<b>12,273</b>	<b>33,620</b>	<b>12,273</b>	<b>33,620</b>

The payments from the share issue were received by the company in January and February 2022, and are thus not affecting cash flow in 2021. A total of SEK 40 m was added to the company after deduction of issue costs.



## Note 1 Accounting standards

Ziccum AB (publ) reports in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 (K3).

The company's accounting principles are described in the company's annual report for 2020.

Amounts are expressed in kSEK, which in this report refers to thousands of Swedish kronor.

Amounts in parentheses refer to comparative figures from the previous year, if nothing else is stated.

## Note 2 Pledged assets and contingent liabilities

<b>Pledged assets</b>	<b>2021-12-31</b>	<b>2020-12-31</b>
Floating charge	2,000	2,000

## Note 3 Changes in equity

<b>Date</b>	<b>Transaction</b>	<b>Number of serie B</b>	<b>Share capital</b>	<b>Quota-värde</b>	<b>Subscription-course</b>	<b>Total invested capital (SEK)</b>
5 Apr 17	Formation	500	50,000	1.00	1.00	50,000
29 May 17	Share issue	500	50,000	1.00	1.00	50,000
31 Dec 17	Conditional shareholder contribution*	-	-	-	-	1,996,622
25 Apr 18	Bond issue	-	400,000	1.00	-	-
27 Apr 18	Split	2,999,000	-	0.17	-	-
19 Oct 18	Share issue	3,000,000	500,000	0.17	5.26	15,776,962
14 Jan 20	Share issue	1,389,385	231,564	0.17	10.00	13,893,850
6 Jul 20	Share issue	2,216,815	369,469	0.17	17.50	38,794,263
15 Jun 21	Share issue (LTI 2018/21)	200,000	33,334	0.17	11.00	2,200,000
21 Dec 21	Share issue	1,199,856	199,976	0.17	11.00	13,198,416
<b>Total</b>		<b>11,006,056</b>	<b>1,834,343</b>			<b>85,960,113</b>

\* Inhalation Sciences Sweden AB did in 2017 provide conditional shareholder contributions amounting to 1 996 622 SEK (cash 0.3 mSEK and reverse loans arising in connection with the acquisition of intangible assets by the parent company converted to shareholder contributions amounting to approximately 1.7 mSEK).

Additional 2 800 086 shares were issued on January 18, 2022 as a final part of the share issue initiated in December 2021. The total number of shares in the company after the completion of the share issue amounts to 13 806 142.

## Note 4 Share related incentive programs

On December 31 2021, the company has three ongoing option programs:

- ▶ At the Annual General Meeting on April 27 2021, it was decided to introduce a long-term incentive program by issuing warrants to the Board (**LTI 2021/2024**), as well as a long-term incentive program for the company's employees consisting of employee stock options (**LTI 2021: 1**).
- ▶ On December 16 2021, Ziccum carried out a directed new issue of 1 333 314 units, where one unit consists of three shares and two free warrants (**Serie 2021/2022**).

No of the options entail the right to a dividend.

Based on the existing number of shares and options that is registered in the company as of 31 Dec 2021, the dilution as a result of the incentive programs, assuming that all warrants are exercised for new subscription of shares, is approximately 8% of the number of shares and votes.

### LTI 2021/24

The exercise price per share for LTI 2021/2024 amounts to SEK 28.8 and subscription can take place during the period from 1 May 2024 to 31 May 2024. The incentive program means that participants are offered to subscribe warrants at market value calculated according to the Black-Scholes valuation model.

A prerequisite for participation in the incentive program is that the participant has entered into a pre-purchase agreement with Ziccum, whereby Ziccum, with certain exceptions, reserves the right to repurchase warrants if the board member's assignment in Ziccum ends or if the participant wishes to transfer the options before the warrants can be exercised.

The Board was offered to acquire a maximum of 9 200 warrants each and all chose to acquire the maximum number, which resulted in a total of 46 000 warrants being issued.

### LTI 2021:1

LTI 2021: 1 runs for three years and means that participants are granted employee stock options free of charge that give the right to acquire shares in Ziccum at a subscription price corresponding to the share's quota value. Each employee stock option gives the right to subscribe for a new share in Ziccum, alternatively up to 40% of the number in synthetic options that give the right to cash compensation instead of shares. Each synthetic option entitles the participant to receive a cash payment corresponding to the value of a share at the time of payment.

The options will be expensed as personnel costs over a period of three years, without affecting the company's cash flow. If employee stock options are exercised, LTI 2021:1 will also entail costs in the form of social security contributions.

Social security contributions will be expensed in the income statement during a period of three years. The company intends to hedge the entire cost of social security contributions through an issue of warrants, which may be exercised by a financial intermediary in connection with the exercise of the employee stock options. If the company chooses to implement such hedging measures, the social security contributions will not affect the company's cash flow.

	<b>Number of employee stock options</b>
Ingoing balance 1 Jan 2021	0
Issued	42,456
Reversed	-6,728
Outgoing balance 31 Dec 2021	<b>35,728</b>

During 2021, costs of 175 kSEK relating to LTI 2021:1 have been charged, of which 29 kSEK relates to social security contributions. A lower share price and the reset of employee stock options at the end of the year results in only 4 kSEK of the total costs for LTI 2021:1 has been charged during the last quarter.

## Serie 2021/2022

At the end of 2021, Ziccum carried out a directed new issue consisting of 1 333 314 units, of which one unit consists of three shares and two free warrants. In Serie 2021/2022, 2 666 628 warrants have thus been issued, of which 799 904 were registered in December 2021 and the remaining 1 866 724 in January 2022. Each warrant entitles the holder to subscribe for one share at a price of 13.20 SEK, corresponding to 120 percent of the subscription price per share in the share issue, during the following periods:

- ▶ 24 February - 28 February 2022
- ▶ 27 May - 31 May 2022
- ▶ 28 September - 30 September 2022
- ▶ 28 November - 30 November 2022

## Note 5 Definitions of key figures

	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
<b>Cash flow per share</b>					
Cash flow from the period, kSEK	-7,291	-5,941	-21,347	31,556	
Average number of shares	9,949,661	9,606,200	9,751,949	8,410,673	
<b>Cash flow per share (SEK)</b>	<b>-0.73</b>	<b>-0.62</b>	<b>-2.19</b>	<b>3.75</b>	
<b>Equity per share</b>					
Equity, kSEK	29,731	36,381	29,731	36,381	
Number of shares at the end of the period	11,006,056	9,606,200	11,006,056	9,606,200	
<b>Equity per share (SEK)</b>	<b>2.70</b>	<b>3.79</b>	<b>2.70</b>	<b>3.79</b>	
<b>Equity ratio</b>					
Equity, kSEK	29,731	36,381	29,731	36,381	
Total equity & debt, kSEK	39,591	39,640	39,591	39,640	
<b>Equity ratio %</b>	<b>75%</b>	<b>92%</b>	<b>75%</b>	<b>92%</b>	

## Financial calendar

Annual report 2021: 24 March 2022

Interim report Q1 2022: 27 April 2022

General annual meeting: 28 April 2022

Interim report Q2 2022: 23 August 2022

Interim report Q3 2022: 27 October 2022

## Contact

Ziccum AB (publ)

Org no: 559107-9412

CEO: Göran Conradson

+46 709 61 55 99

[conradson@ziccum.com](mailto:conradson@ziccum.com)

Scheelevägen 22

223 63 Lund

SWEDEN

[www.ziccum.com](http://www.ziccum.com)

## Certification

The report has not been reviewed by the company's auditors.

This is a translation of the Swedish report.

The board and the CEO ensure that this report provides a fair overview of the company's operation, financial position and results and describes significant risks and uncertainties to which the company is exposed.

Lund the 17th of February 2022

**Fredrik Sjövall**

Chairman of the board

**Mattias Münnich**

**Kristian Kierkegaard**

**Mikaela Bruhammar**

**Andreas Pettersson Rohman**

**Göran Conradson**

CEO