



INTERIM REPORT

1 January – 30 September 2023



"It is a great milestone for Ziccum to be revenue generating, thanks to our successful execution of the new business model."

Ann Gidner, CEO



Financial highlights

July- September in brief

- Total revenues: SEK 2,329 (0) thousand.
- Result for the quarter: SEK -3,882 (-6,674) thousand.
- Earnings per share: SEK -0.28 (-0.48).
- Cash flow for the quarter: SEK -4,793 (-7,064) thousand.
- Cash at the end of the reporting period: SEK 9,790 (29,593) thousand.

Financial summary

KSEK	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Net revenue	2,329	-	4,743	-	-
Operating result	-3,899	-6,674	-13,857	-20,888	-28,955
Result	-3,882	-6,599	-13,720	-20,767	-28,788
Balance sheet total	21,764	42,582	21,764	42,582	33,285
Cash flow	-4,793	-7,054	-16,161	17,320	10,678
Cash and cash equivalents	9,790	29,593	9,790	29,593	22,951
Equity ratio %	73	87	73	87	88

Per share data (SEK)

Number of shares	13,806,142	13,806,142	13,806,142	13,806,142	13,806,142
Result per share before and after dilution*	-0.28	-0.48	-0.99	-1.50	-2.09
Cash flow per share	-0.35	-0.52	-0.95	1.27	0.78
Equity per share	1.51	2.69	1.51	2.69	2.12

* Dilution effects is not calculated when the result is negative

Significant events during the quarter

- On July 17th the company announced it has signed an evaluation agreement with a major global Pharmaceutical Corporation. The agreement is to perform a funded feasibility study aiming to develop thermostable dry powder formulations in the partner mRNA/LNP projects, with a planned extension for stability testing and an option to license the LaminarPace technology.
- On September 5th the company announced that Xavier Turon has been appointed as Chief Operating Officer and he will assume his position on October 9th, 2023.

Other events during the quarter

- On July 26-28, Ziccum participated at the 3rd Annual mRNA Summit in Boston. CEO Ann Gidner gave a presentation to an audience of senior pharmaceutical industry decision makers, scientists, and key opinion leaders. Ziccum also presented a Scientific poster ('A Novel Unit Operation Successfully Drying mRNA/LNP by Mass Transfer') - the first scientific poster Ziccum has delivered at a major event.
- On September 6, Ziccum participated in the conference New Updates in Drug Formulation and Bioavailability in Copenhagen.



Other events after the third quarter

- On October 23, Ziccum announced that it had received data from external contract research (CRO) partner Truly Labs, confirming high activity levels in mRNA/LNP materials dried by LaminarPace, after continued internal confirmations. The in-vitro data validate the ability of Ziccum's LaminarPace technology to transform delicate mRNA/LNP solution into stable, bioactive dry powder with excellent in-vitro characteristics.

Q2 2023 - Significant events

- On May 9, Ziccum announced that it had signed a revenue generating Evaluation Agreement with a leading biopharma company to commence a Feasibility study regarding LaminarPace for drying of mRNA/LNP materials and/or mRNA vaccine(s).
- The Annual General Meeting (AGM) held on May 24, 2023, re-elected Fredrik Sjövall, Mikaela Bruhammar and Andreas Pettersson Rohman and elected Per Gerde as new board member. Fredrik Sjövall was re-elected as the chairman of the Board of Directors. The AGM adopted an incentive program (LTI2023:1) of 324,000 employee stock options for certain employees and consultants. The LTI2023:1 program will be awarded during 2023. The AGM furthermore resolved on an issue of not more than 425,801 warrants to ensure delivery of shares to the participants and to hedge costs connected to the program.

- On June 2, the company announced that Johny Humaloja was appointed as new CFO for the company, and he started his assignment in June.
- On June 5, the company announced that it had received a notification from CEPI (the Coalition for Epidemic Preparedness), that its joint Expression of Interest has not been selected for the next stage of application work.

Q2 2023 - Other events

- On May 2, the company announced it had filed three patent applications as part of new, expanded strategy to strengthen patent protection. The new, expanded IP strategy will provide multi-layered protection to the company's unique drying technology LaminarPace, turning liquid biopharmaceuticals into thermostable dry powders by mass transfer.

Q1 2023 - Significant events

- On January 18, Ziccum announced that the company on 24 - 26 January would attend the mRNA-based Therapeutics Summit in Berlin, the leading European event for mRNA innovation expertise in Europe. At the event, CEO Ann Gidner presented LaminarPace with a presentation titled LaminarPace: a novel unit operation successfully drying mRNA/LNP by mass transfer to an audience of senior pharmaceutical industry decision makers, scientists, and key opinion leaders.
- On January 23, Ziccum announced that the company had submitted its Expression of Interest application for CEPI's Call for Proposals for funding of innovations that improve vaccine thermostability. The Coalition for Epidemic Preparedness (CEPI), in 2022 invited players developing innovative technologies to improve vaccine thermostability to apply for a funding opportunity.



- On March 10, Ziccum entered into a partnership with the FinTech platform eucaps.com, aiming to offer existing shareholders a new forum for news and dialogue whilst also increasing visibility to new investors beyond Sweden.

- On March 20, Ziccum announced an update of the latest stage of its ongoing in-house mRNA/LNP project, last reported in October 2022. In the previous stage, an mRNA-like molecule in LNP formulation was successfully nebulized and dried. The current stage has proceeded to nebulization and drying using active mRNA. Results from this stage confirm and strengthen findings from the previous stage: encapsulation efficiency (how much mRNA is kept inside the particles) and particle size preservation (keeping the right size of LNP particles, without aggregation) were excellent. Furthermore, mRNA activity testing has now been initiated, using a cell-based in vitro assay. Initial results

are promising, with a commercially viable level of mRNA activity demonstrated in the material, after LaminarPace drying and reconstitution to liquid. Ziccum's inhouse mRNA project aims to explore and evaluate the capabilities of its unique mass transfer drying technology, LaminarPace, in drying RNA materials to a thermostable dry powder form that could ultimately be more easily handled and transported by the industry, as well as prove suitable for novel administration routes such as inhalation.

- During the first quarter CEO Ann Gidner bought 16,000 shares in Ziccum.



CEO statement

Intensive data generation with world-leading Partners

After kicking this quarter off with signing the second of two milestone agreements with world-leading mRNA players, now generating significant revenue for Ziccum, we have had an exciting time both externally, participating in leading industry forums, and internally, building the Ziccum team further with strong competence and generating further important data for the mRNA/LNP platform.

Joining forces with world-leading Biotech and Big Pharma

Whilst our Biotech Corporation mRNA Feasibility collaboration is already running, we were delighted to take the Big Pharma Evaluation study negotiation to completion and signatures. The scope is more encompassing, with both a paid Feasibility study for the partner mRNA/LNP material, and a planned extension for stability testing and an option for the Big Pharma to license the LaminarPace technology. It is a great recognition, for Ziccum to be handpicked from the crowded lineup of potential partners for this international leader in vaccine development.

Apart from the very concrete and large business value if we can take these two collaborations forward, if the studies prove such good results for the mRNA/LNP entities at hand with LaminarPace as we expect, there is immediate value generated for Ziccum by the partnership interaction. It is a delight to exchange ideas and review progress with these highly skilled industry experts. And obviously it is a great milestone for Ziccum to be revenue generating, thanks to our successful execution of the new business model. This gives a most appreciated further extension of the financial runway ahead.

Furthermore, we are taking great strides when it comes to strengthening our academic collaborations, and we are planning additional analytical capabilities in-house to ensure that we are on top of trial readouts and particle assessments.

LaminarPace data generation at a new pace

The Ziccum team has made an excellent effort in increasing the productivity in trial execution, and we have been able to take both partnered studies and internal projects forward very efficiently. The initial findings regarding mRNA/LNP treatment with LaminarPace are continuously confirmed, which is extremely rewarding. To further validate the findings on mRNA activity after LaminarPace drying, we have engaged a good analytical services partner to make testing in several models, and the trials in cell-based assays have given distinct validation of the ability of LaminarPace to transform delicate mRNA/LNP solution into stable, bioactive dry powder with excellent in-vitro characteristics. We are moving to the next step of in-vivo studies now, looking forward to key read-outs.

Targeting the new era in pharmaceutical industry and getting significant recognition

After applying the technology successfully for the most delicate targets - mRNA in LNP formulation - during spring, it was a pleasure to take part in the Global mRNA Summit in Boston in July, a large gathering of the leading experts in this booming field. One can only be amazed at seeing how the entire, global pharmaceutical industry is racing to take RNA projects forward to market. Also, it was strongly emphasized how mRNA could become a cornerstone treatment for all kinds of indications – *if only RNA can be made 'user-friendly'*, with solutions to delivery and stability limitations. This is exactly what Ziccum is enabling, with LaminarPace formulation and drying – so there is indeed a tremendous market need to meet here for our technology, in this highest value part of biopharmaceuticals.

There are several new dialogues initiated, existing talks taken forward and it is truly rewarding to see the recognition we are building up in industry.

Building the Ziccum professional level further

We were happy to welcome a new colleague during this quarter – Deepak Anand who is bringing a great scientific postdoc profile to the team. I am very pleased to build a diverse team with an impressively broad experience base, bringing valuable perspectives and ensuring a good outlook to stay abreast of industry developments. This was further emphasized as we were delighted to announce the appointment of a broadly experienced engineering manager, Xavier Turon from Barcelona, as our new Chief Operating Officer to join in October.

In our Quality Assurance we are taking structure and documentation initiatives forward, ensuring that there is an efficient path for fulfilling pharmaceutical standards, both short term in our running partnerships and long term to get LaminarPace industrialized. We are also assessing potential partners for equipment development and supply going forward.

We have a hectic time ahead, with a keen focus on executing on our partnership studies as well as taking the business dialogues and technology optimization forward. Let me thank the team for excellent efforts, as well as collaboration partners and owners for continued support and creative dialogues.

Lund, October 25, 2023
Ann Gidner, CEO



Ziccum in brief

Ziccum is developing LaminarPace™, a unique formulation and drying technology for biopharmaceuticals and vaccines based on mass transfer, not heat transfer.

The technology is offered by licensing to vaccine and biologics developers and manufacturers in the global pharmaceutical industry. By reducing drying stress to the active ingredient, in combination with specific formulation knowledge, LaminarPace uniquely enables particle-engineered, thermostable dry powder biopharmaceuticals which can be easily handled and transported and are highly suitable for novel administration routes. The technology has been successfully applied to mRNA, peptides, proteins, antibodies, lipids and enzymes as well as excipients and adjuvants, and is well suited for industrial application.

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.

Vision

Ziccum's vision is to enable new biological treatments for patient needs globally, by making drug formulation, biopharmaceutical processing, product transport and patient administration efficient and functional enough for successful treatments.

Several patented technologies and concepts

Large values lie in the scientific knowledge, the developed process and the technology built by Ziccum. The Company has a well-developed IP strategy that works broadly to protect this value and by protecting the Company's position in the market from competitors and competing technologies. The Company has filed 3 patent applications during 2023.



Platform technology - Technical description

Ziccum's technology, LaminarPace, creates an efficient drying process by generating mass transfer, rather than heat transfer. This happens directly after evaporation and removes the need for elevated temperatures. Mass transfer is a highly efficient drying method.

By reducing drying stress to the active ingredient, LaminarPace uniquely enables particle-engineered, thermostable dry powder biopharmaceuticals which can be easily handled and transported and are highly suitable for novel administration routes. Our optimization tests demonstrate that following drying less than 2% of absolute humidity is left inside LaminarPace's drying column.

Ziccum has its own inhouse development and research ongoing within the area of thermostable, dry-formulated mRNA/LNPs. The company has made significant strategic investment in specialist mRNA/LNP systems and offers premium partnership and development opportunities based on the platform.

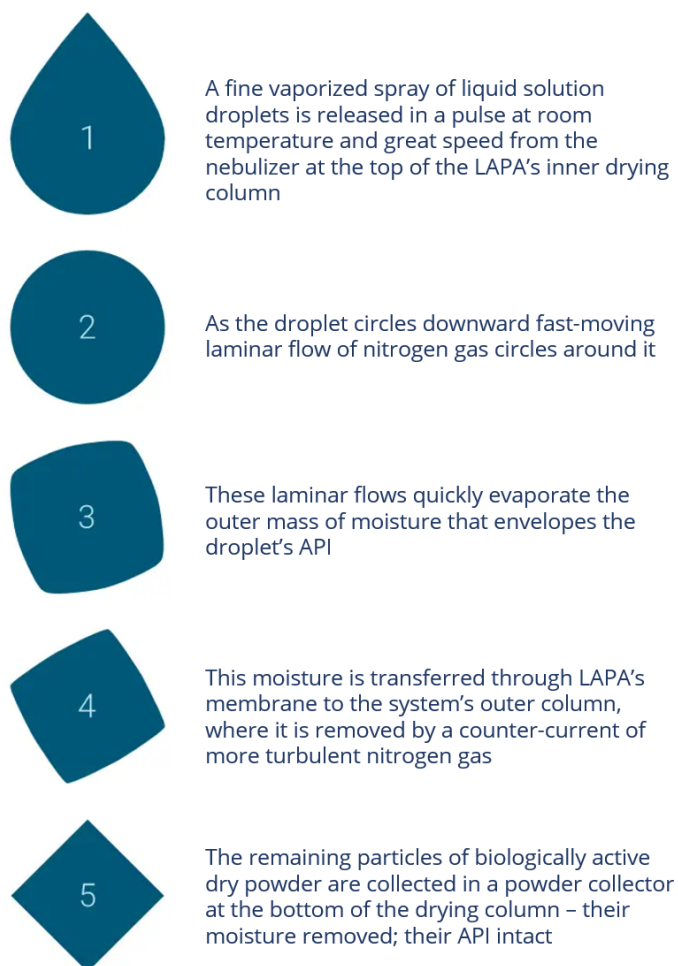


Illustration LaminarPace drying process of a single droplet of biomolecules in solution.

Outlook

Ziccum's project portfolio is based on the proprietary technology and methodology. The company's overall objective is to enter into license agreements to industrialize and commercialize the technology in collaboration with pharmaceutical and biotechnology companies.

The path to licensing agreements goes through evaluation agreements, where LaminarPace functionality and capacity are evaluated together with a partner. If successful, the ambition is to continue to a negotiation regarding a license agreement. Primarily for a specific project or vaccine.

A prerequisite for being a relevant and attractive licensing partner is to be able to describe an industrial version of LaminarPace and make it probable that the technology is suitable for upscaling and GMP production. Therefore, Ziccum conducts its own development projects where important components in LaminarPace are developed and adapted to industrial requirements. Ziccum is carrying out intensive work on developing 3D modelling, and ultimately a Digital Twin, of LaminarPace in partnership with the ICP Institute of Computational Physics team at the Zurich University of Applied Science's School of Engineering (ZHAW.) The 3D modelling is being used to optimize LaminarPace design, exploring optimal capacity loads and

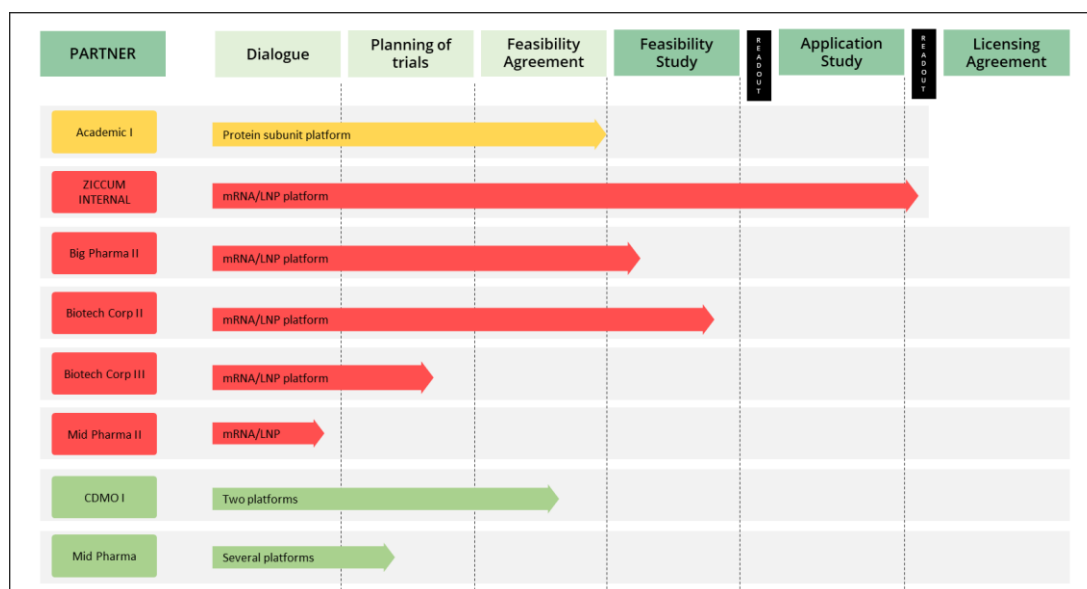
increasing the repeatability of outcomes. It will be a valuable enabler of tech transfer and integration into existing pharmaceutical production chains. Another priority area is applications for external and non-dilutive funding for further development of the technology. Ziccum actively monitors announcements that suit the Company's area of operation and technical phase.

Ziccum project portfolio overview

Project Portfolio overview The Ziccum pipeline of external projects is depicted in a portfolio overview. This gives a general representation of the key steps towards the desired commercialization by entering into license agreements, licensing the LaminarPace technology for specific applications, and the status of each project. The actual progress in a specific project may proceed via alternative or additional steps, and the timeline varies greatly depending on the resulting read-outs and the counterpart preferences.

Pharmaceutical development in general is subject to very strict confidentiality, and certain collaborations are given without partner name publication, until name disclosure is possible. The company also pursues earlier dialogues with other counterparts in on-going business development efforts.

Project portfolio overview as of September 30th, 2023



The text in the arrow represents the technology platform

Business model

Ziccum's business model is based on partnering and co-development with biotech and pharmaceutical companies. LaminarPace is developed to be an integrated part of the commercial supply chain of biological pharmaceutical products, with a particular focus on vaccines and mRNA-based products.

The business model rests on the following focus areas:

- An active partnering agenda to create a substantial pipeline of industrial dialogues.
- Development responsibility for the LaminarPace unit and process development.
- Development and optimization of quality attributes and scale-out.
- Continuous regulatory assessment to prepare for industrialization.

Ziccum technology licensing business model

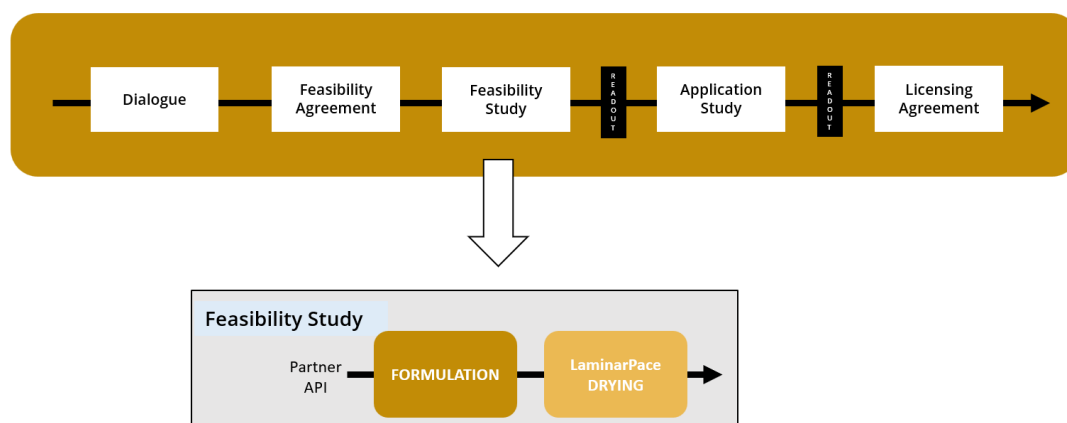
In the early project phases revenues are generated by paid feasibility studies, agreement signing fees, milestone payments for R&D activities and license fees for exclusive evaluation periods. At a mature

commercial stage, revenues will primarily be earned through royalty payments from licensees – a standard revenue model for pharmaceutical industry.

Ziccum's business and revenue models are dependent on a strong IP position. The IP strategy rests on two pillars: Patents and Trade secrets.

The basic principles of LaminarPace are protected by an approved Patent family providing an important basis for customer interaction and R&D activities and a fundament for out-licensing. The patent portfolio is currently built to include several layers of patent protection, including general technical improvements and features as well as specific use areas and product classes, enabling a strong and long-term patent position supporting a long term out-licensing revenue stream.

Trade secrets are well defined pieces of operational knowledge, such as the optimal drying conditions for each specific product.



Market and market targeting

The market for biologics and vaccine manufacturing is very significant and has a renewed emphasis with the covid-19 pandemic, having created keen awareness of the importance of vaccines not only within research organisations and from healthcare authorities, but in every segment of the industry and in the public, globally. The Covid-19 pandemic created an enormous focus on developing a vaccine urgently and highlighted the need for worldwide distribution.

Thanks to very intense efforts from large industry players, it was possible to develop the new mRNA in LNP formulation for Covid-19 vaccination in a short timeframe. However, as now commonly known, these new mRNA vaccines require cryogenic handling all throughout the distribution chain, meaning storage and handling at -80°C. This poses a number of logistical and handling issues. In this situation, the Ziccum offering to enable powder-form thermostable biologics and vaccines should be of great interest.

The freeze-drying technique for drugs, established and developed since many decades, still has only succeeded in very limited trials to generate dry mRNA/LNP – and the product still requires special handling. Another technique gaining ground in pharmaceutical processing is spray-drying by heating – but there, no known attempts have succeeded in generating dry material from mRNA/LNP. Hence, the LaminarPace ability to dry LNP formulations may be of great importance.

The LaminarPace technology lends itself to biopharmaceutical ingredients in general, but as of now the company has decided to focus on vaccines, and three specific vaccine platforms:

- mRNA/LNP vaccine platform
- Viral vector (adenovirus) platform
- Subunit vaccine (adjuvanted) platform



For the total vaccine Western world sales market value, estimates for the top vaccine indications are as follows; In 2023 predicted to \$63 billion, also after a slight decrease from record Covid-19 numbers; to be followed by \$58-72 billion per year in 2024-2027, then rising towards \$79 billion in 2028*.

The corresponding annual market value for our three focus vaccine platforms are \$38-52 billion for the years 2024-28. With a licensing business model, estimates of the addressable market size for our three focus vaccine platforms, considering a 1% royalty on entire vaccine sales can be made. Based on this, the total drying technology licensing market size may be predicted to \$380 – 520 million*.

*Estimates based on the Global Data Intelligence platform
May 2023

Financial overview

Comprehensive result

Comprehensive result for the quarter was SEK -3.882 (-6,599) thousand, which corresponds to an improvement of SEK 2,717 thousand. Earnings per share, based on number of shares at end of the quarter, totalled SEK -0.28 (-0.48).

In the period, the comprehensive result was SEK -13,720 (-20,767) thousand, which corresponds to an improvement of SEK 7,047 thousand. Earnings per share, based on number of shares at end of the period, totalled SEK -1.50 (-2.09).

Expenses

Operating expenses for the quarter totalled SEK 6,228 (5,425) thousand, an increase of SEK 0,421 thousand. Other external costs decreased by SEK 77 thousand and amounted to SEK 2,769 (2,846) thousand. Personnel costs increased by SEK 575 thousand due to hiring and related recruiting costs compared to the previous year and amounted to SEK 3,154 (2,579) thousand.

Operating expenses for the period amounted to SEK 18,600 (19,123) thousand, a decrease of SEK 523 thousand. Other external costs amounted to SEK 8,596 (9,398) thousand, a decrease of SEK 0,802 thousand. Personnel costs increased by SEK 398 thousand and amounted to SEK 9,092 (8,694) thousand.

Investments

The company's net capital expenditure during the quarter amounted to SEK 80 (952) thousand attributable to plant and equipment.

Net capital expenditure during the period amounted to SEK 136 (1,417) thousand, attributable to plant and equipment.

Cash flow and financial position

Total shareholders' equity at end of the period was SEK 15.900 (37,198) thousand after taking the result for the quarter into account. Equity per share (basic and diluted) based on the number of outstanding shares at the end of period was SEK 0.73 (2.69). The company's equity ratio at the end of the quarter was 73 (87) percent.

Cash and cash equivalents at the end of the period amounted to SEK 9,790 (31,361) thousand. Management and the Board review the capital needs and requirements to be able to continue operating the business.

Cash flow for the quarter was SEK -4,793 (-13,161) million. Cash flow from financing activities totalled SEK 0 (28,051) thousand.

Cash flow for the period amounted to SEK -13,161 (17,320) thousand. Cash flow from financing activities during the period amounted to SEK 0 (28,051) thousand.

Organization

The number of employees at the end of the reporting period was 9 (9).

Share capital

Share capital at the end of the quarter was SEK 2,301,023 and the total number of shares was 13,806,142 with a par value of SEK 0.17.

Other information

Risks factors

A pharmaceutical development company such as Ziccum is exposed to significant operational and financial risk. 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. Many factors can have a negative impact on the probability of commercial success. The risks to which the Company is exposed in its current phase and the risk that the necessary financing cannot be secured. During the quarter no significant changes with respect to these risks or uncertainty factors have arisen. Ziccum is in the commercialization phase and there is a risk that the company will not reach sufficient profitability. As the company is in growth stage and working to achieve a positive cash flow, the company needs access to capital before its cash flow becomes positive.

Auditor's review

This report has not been reviewed by the Company's auditor.

Liquidity and financing

The company's cash and cash equivalents at the end of the quarter amounted to SEK 9,790 thousand. The board and company management are assessing alternatives to secure the company's long-term capital requirement on an ongoing basis. The company has revenue generating evaluation agreements in place and a Eurostars grant that will have a positive cash flow impact.

The share

The number of shares at the end of the period amount to 13,806,142. All shares are of the same class and have the same voting right. In October 2018, the share was listed on the Spotlight Stock Market, and on December 1, 2020, the company moved and was listed on Nasdaq First North Growth Market. The share is traded under the ticker symbol ZICC and ISIN code SE0011415595. First North is Nasdaq's European emerging market intended for small,

growing businesses, with a less extensive rulebook than the main market.

Legal disclaimer

This report contains forward-looking statements that constitute subjective estimates and forecasts about the future. Assessments about the future are only valid on the date they are made and are, by their nature, similar to research and development work in the biotech field, associated with risk and uncertainty. Considering this, actual outcomes may differ substantially from what is described in this report.

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 157 KSEK for business development. Board fees have been paid in accordance with resolutions at the Annual General Meeting.

Financial calendar

- Q3 2023: October 25
- Year-end report 2023: January 26, 2024

Financial reports will be made available on Ziccum's website:
<https://ziccum.com/investors/financial-reports/>

Certified Adviser

Ziccum's Certified Adviser on First North is

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Certification by the Board of Directors and Chief Executive Officer

The Board of Directors and the Chief Executive Officer of Ziccum AB (publ) provide their assurance that this interim report provides a true and fair overview of the development of the Company's business activities, financial position and results of operations and describes significant risks and uncertainties facing the Company.

Lund, October 25th, 2023

Fredrik Sjövall
Chairman of the board

Mikaela Bruhammar
Board member

Andreas Pettersson Rohman
Board member

Per Gerde
Board member

Ann Gidner
CEO

Financial statements

Income statement in summary

SEK (000)	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Net sales	1,690	0	2,828	0	0
Other income	639	0	1,915	13	17
Total income	2,329	0	4,743	13	17
<i>Operating Expenses</i>					
Other external costs	-2,769	-3,713	-8,596	-11,176	-16,323
Personnel costs	-3,154	-2,579	-9,092	-8,694	-11,276
Depreciation of tangible and intangible assets	-305	-382	-912	-1,031	-1,373
Operating result	-3 899	-6,674	-13,857	-20,888	-28,955
Result from financial items					
Financial net	17	75	137	121	167
Result after financial items	-3,882	-6,599	-13,720	-20,767	-28,788
RESULT FOR THE PERIOD	-3,882	-6,599	-13,720	-20,767	-28,788
Earnings per share before and after dilution (SEK)	-0.28	-0.48	-0.99	-1.50	-2.09

Balance sheet

SEK (000)	Not	Sep 2023	Sep 2022	Dec-22 2022
ASSETS				
<i>Non-current assets</i>				
<i>Intangible assets</i>				
Patents, licenses, trademarks, and similar rights		433	502	624
<i>Tangible assets</i>				
Equipment & tools		7,662	10,719	8,246
Total non-current assets		8,095	11,221	8,870
<i>Current assets</i>				
Short-term receivables				
Other receivables		1,398	477	496
Prepaid expenses & accrued income		2,481	1,291	968
Total short-term receivables		3,879	1,768	1,464
Cash & cash equivalents		9,790	29,593	22,951
Total current assets		13,669	31,361	24,415
TOTAL ASSETS		21,764	42,582	33,285
EQUITY AND LIABILITIES				
Equity				
<i>Restricted equity</i>				
Share capital	3	2,301	2,301	2,301
Total restricted equity		2,301	2,301	2,301
<i>Unrestricted equity</i>				
Share premium fund		105,400	105,431	105,400
Retained earnings		-78,081	-49,767	-49,612
Result of the period		-13,720	-20,767	-28,788
Total unrestricted capital		13,599	34,897	27,000
Total equity		15,900	37,198	29,301
Liabilities				
<i>Long-term liabilities</i>				
Loans		429	1,000	857
<i>Short-term liabilities</i>				
Account payables		1,533	2,119	978
Short-term loans		571	571	571
Other short-term debt		339	513	416
Accrued expenses and deferred income		2,993	1,181	1,162
Total short-term debt		5,435	4,384	3,127
TOTAL EQUITY & LIABILITIES		21,764	42,582	33,285

Change in equity

	Restricted equity	Unrestricted equity			
SEK (000)	Share capital	Share premium fund	Retained earnings	Result of the period	Total equity
Opening balance 2022-01-01	1,834	77,900	-28,867	-21,136	29,731
Appropriations of net result			-21,136	21,136	0
Result of the period				-28,788	-28,788
<i>Transactions with shareholders</i>					
Share issue	467	27,584			28,051
Share issue costs		-84			-84
Share related remunerations			391		391
Closing balance 2022-12-31	2,301	105,400	-49,612	-28,788	29,301
Opening balance 2023-01-01	2,301	105,400	-49,612	-28,788	29,301
Appropriations of net result			-28,788	28,788	0
Result of the period				-13,720	-13,720
<i>Transactions with shareholders</i>					
Share issue					0
Share issue costs					0
Share related remunerations			319		319
Closing balance 2023-09-30	2,301	105,400	-78,081	-13,720	15,900

Cash flow statement

SEK (000)	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Operating result	-3,899	-6,674	-13,720	-20,888	-28,955
Interest received	84	55	264	93	163
Paid interest	-23	-23	-76	-70	-94
Adjustments for items that is not included in the cash flow					
Share related remunerations	100	124	319	268	392
Currency exchange	-43	-12	-51	43	99
Depreciations & disposals	305	1,193	912	2,703	5,409
Cash flow from operating activities before changes in working capital	-3,477	-5,337	-12,488	-17,851	-22,986
Cash flow from changes in working capital					
Changes in operating receivables	-2,252	409	-2,415	12,478	12,781
Changes in operating debt	1,016	-2,011	1,879	-1,785	-3,186
Cash flow from operating activities	-4 713	-6,939	-13,025	-7,158	-13,391
Investing activities	-80	-84	136	-3,489	-3,898
Cash flow after investing activities	-4 793	-84	-13,161	-3,489	-3,898
Financing activities					
Share issue (LTI 2018/21)	0	0	0	0	0
Warrants (LTI 2021/24)	0	0	0	0	0
Share issue	0	0	0	28,051	28,051
Share issue costs	0	-31	0	-84	-84
Cash flow from financing activities	0	-31	0	27,967	27,967
Change in cash and cash equivalents	-4 793	-7,054	-13,161	17,320	10,678
Cash and cash equivalents at the beginning of the period	14,583	36,647	22,951	12,273	12,273
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	9,790	29,593	9,790	29,593	22,951

Notes

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 2022. 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

Pledged assets	Sep 2023	Dec 2022
Company mortgages	2,000	2,000

Note | 3 Changes in equity

Date	Transaction	Number of series B	Share capital	Quota value	Sub- scription price	Total invested capital (SEK)
5 Apr 2017	Formation	500	50,000	1.00	1.00	50,000
29 May 2017	Share issue	500	50,000	1.00	1.00	50,000
31 Dec 2017	Conditional shareholder contribution*	-	-	-	-	1,996,622
25 Apr 2018	Bond issue	-	400,000	1.00	-	-
27 Apr 2018	Split	2,999,000	-	0.17	-	-
19 Oct 2018	Share issue	3,000,000	500,000	0.17	5.26	15,776,962
14 Jan 2020	Share issue	1,389,385	231,564	0.17	10.00	13,893,850
6 Jul 2020	Share issue	2,216,815	369,469	0.17	17.50	38,794,263
15 Jun 2021	Share issue (LTI 2018/21)	200,000	33,334	0.17	11.00	2,200,000
21 Dec 2021	Share issue	1,199,856	199,976	0.17	11.00	13,198,416
18 Jan 2022	Share issue	2,800,086	466,680	0.17	11.00	30,800,946
Total		13,806,142	2,301,023			116,761,059

In 2017 Inhalation Sciences AB provided a conditional shareholders contribution amounting to 1,996,622 SEK (cash 0.3MSEK and reverse loan arising in connection with the acquisition of intangible assets by the parent company to shareholders contribution amounting to 1.7MSEK)

Note | 4 Share related incentive programs

On September 30, 2023, the company has four 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 of Directors (LTI 2021/2024), as well as a long-term incentive program for the company's employees consisting of employee stock options (LTI 2021:1).
- At the Annual General Meeting on April 28, 2022, it was decided to implement a long-term incentive program for the company's Board of Directors (LTI 2022:1) and employees (LTI 2022:2) consisting of employee stock options.

None 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 30 September 2023, the dilution due to the incentive programs, assuming that all warrants are exercised for new subscription of shares, is approximately 3% 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.

	Number of employees stock options
Opening balance 1 Jan 2022	35 728
Reversed	-16 364
Ending balance 31 Dec 2022	19 364
Opening balance 1 Jan 2023	19 364
Reversed	-4 545
Ending balance 30 Sep 2023	14 819

During 2023, LTI 2021:1 have affected the reporting period result with totally 83 KSEK in costs, of which costs of 17 KSEK relates to social security contributions.

LTI 2022:1 & LTI 2022:2

LTI 2022:1 (for the Board of directors) and LTI 2022:2 (for the employees) 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 2022:1 and LTI 2022:2 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.

Number of employee stock options	2022:1	2022:2	Total
Opening balance 1 Jan 2022	0	0	0
Issued	165,000	226,000	391,000
Ending balance 31 Dec 2022	165,000	226,000	391,000
Opening balance 1 Jan 2023	165,000	226,000	391,000
Reversed	-66,000	-15,000	-81,000
Ending balance 30 Sep 2023	99,000	211,000	310,000

During 2023, LTI 2022:1 and LTI 2022:2 have affected the reporting period result with totally 834 KSEK in costs, of which 246 KSEK relates to social security contributions.

Note | 5 Definitions of key figures

	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Cash flow per share					
Cash flow from the period, KSEK	-4,793	-7,054	-13,161	17,320	10,678
Average number of shares	13,806,142	13,806,142	13,806,142	13,631,778	13,675,727
Cash flow per share (SEK)	-0.35	-0.52	-0.95	1.27	0.78
Equity per share					
Equity, KSEK	15,900	37,198	15,900	37,198	29,301
Number of shares at the end of the period	13,806,142	13,806,142	13,806,142	13,806,142	13,806,142
Equity per share (SEK)	1.51	2.69	1.51	2.69	2.12
Equity ratio					
Equity, KSEK	15,900	37,198	15,900	37,198	29,301
Total equity & debt, KSEK	21,763	42,582	21,763	42,582	33,285
Equity ratio %	73	87	73	87	88



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