



Ziccum AB (publ)

Interim report

1 January – 31 March 2023



Table of contents

The Period	2
Summary	2
CEO statement	3
Expected future development	5
Operations	6
Financial position and cash flow	6
Ziccum in brief	7
Shares	11
Risks & uncertainties	12
Financials	13
Income statement	13
Balance sheet statement	14
Changes in equity	15
Cash flow statement	16
Notes	17
Other	22
Financial calender	22
Contact	23
Certification	24

INTERIM REPORT

1 JANUARY - 31 MARCH 2023

Q1 2023

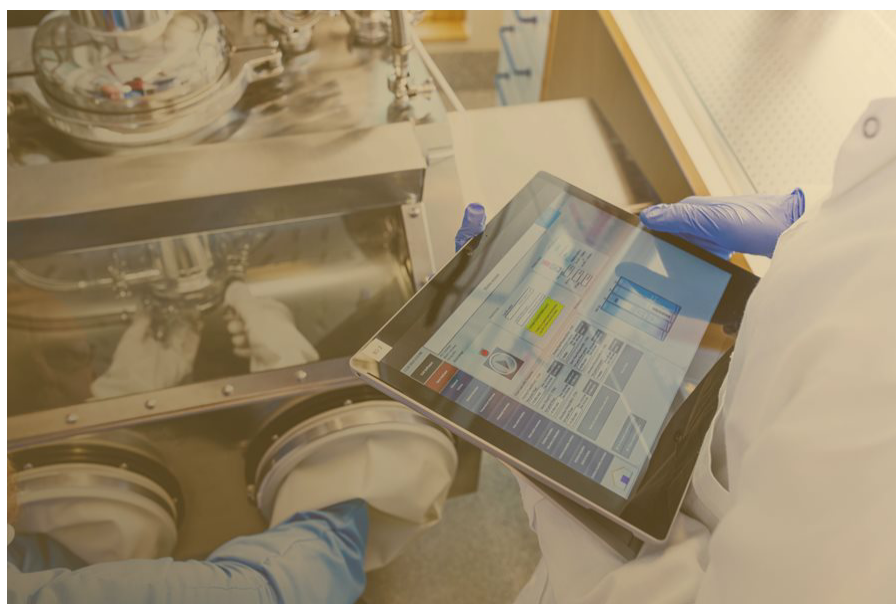
- ▶ The result for the quarter amounted to -4 872 kSEK (-6 285 kSEK)
- ▶ Cash flow for the quarter amounted to -3 928 kSEK (31 961 kSEK)
- ▶ Cash and cash equivalents at the end of the quarter amounted to 19 023 kSEK (44 234 kSEK)

Summary Financial Highlights kSEK	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Net revenue	0	0	0
Operating result	-4,936	-6,340	-28,955
Result for the period	-4,872	-6,285	-28,788
Balance sheet total	28,915	58,295	33,285
Cash flow for the period	-3,928	31,961	10,678
Cash and cash equivalents	19,023	44,234	22,951
Equity ratio %	85%	88%	88%

Data per share SEK

Number of shares at the end of the period	13,806,142	13,806,142	13,806,142
Result per share before and after dilution*	-0.35	-0.46	-2.09
Cash flow per share	-0.28	2.41	0.78
Equity per share	1.78	3.73	2.12

* Dilution effects is not calculated when the result is negative



Q1

Jan-March

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. A new portal dedicated to Ziccum was launched on the platform, containing new content on the company, reports and financials to be regularly updated, plus a secure chat forum for investors, to strengthen the resources and dialogue Ziccum offers to investors.
- ▶ On March 17, Ziccum announced that the company on 20 - 22 March would attend the BIO-Europe Spring 2023 Conference in Basel, Switzerland. The event attracts pharma and biopharma corporations from across the globe. The latest updates from Ziccum technology development were presented at meetings at the event.
- ▶ On March 20, Ziccum announced an update of the latest stage of its ongoing in-house mRNA/LNP project, last reported in Oct, 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.

Significant events after the reporting period

- ▶ No significant events have occurred after the reporting period.

CEO statement

Following up with a clear road ahead

Gathering the team for a Ziccum Day on March 31, nicely wrapping up the quarter, we could jointly conclude that a lot of major improvements and top priority plans now are in place, and we can spend our efforts more efficiently focusing on execution and delivery in a number of areas.



Positioning Ziccum in a booming field

The sharpened strategy with selected vaccine platforms and the next-generation mRNA vaccines and RNA therapeutics as top priority gives a clear road ahead for the Ziccum efforts. In January we presented Ziccum at the European mRNA Summit in Berlin, alongside world-leading Big Pharma and mRNA vaccine providers, and we felt that this visibility was very rewarding to position the company as an international mRNA player, in addition to our on-going successful relationship building. Our presence at the Berlin Summit and BIO-Europe Spring in Basel enabled good follow-up in existing dialogues as well as new interesting contacts to develop. We are pleased to have a good spread in dialogues, over Big Pharma as well as Biotech, European as well as US companies, and projects on several platforms. A key focus now is to get to signing of paid feasibility studies.

Internal Trials giving clear confirmations for mRNA/LNP

A truly significant milestone was achieved during the quarter, when we were able to confirm excellent drying results with actual messenger RNA in lipid nanoparticle formulation. Previous trials with a model molecule led the way to these trials on mRNA, which is a most demanding challenge in turning liquid biomolecules into dry powder. It is a great confirmation of how the gentle drying at ambient temperature allows such a delicate and complex molecule structure to keep its shape, size and structure. Confirming that the resulting mRNA also retains its genetic effect is of course crucial – and on-going trials in a cell-based model are confirming good activity, viable for commercial applications. These confirmations are indeed fuelling the industry interest for our technology.

Taking LaminarPace to real applicability in industry

Potential partners in the industry are keen to understand the long-term capabilities. Thanks to developing an ambitious plan for our 3D-modelling project LaPaSim last quarter, and the resulting full Eurostars funding awarded, we are able to move straight ahead with important fine-tuning and scaling of the technology. In February we gathered the Swiss and Swedish joint team for a Project kick-off and secured a high quality foundation in the project. Both sides are now generating results in real life versus digitally, to calibrate the model, and final design of the LaminarPace product outtake has started. The next step of scaling out for long term industrialization is not too far away.

We also keep moving forward with the final design of equipment components, like previously reported, with excellent industry partners. There will be new intellectual property generated for Ziccum thanks to these efforts.

Communication and team work

On the Investor relations side, we were pleased to take part as pioneers in the launch of a new European platform for trading and information. We are hoping this will nicely complement other channels for Ziccum information.

During the quarter we also implemented some further refinement in work processes, and it is a pleasure to have the high caliber Ziccum team taking great strides in our projects. I am happy to thank collaboration partners, consultants and owners as well, for continued support and fruitful dialogues.

Lund, April 26, 2023

Ann Gidner, CEO

Expected future development

The company's overall objective is to enter into license agreements to industrialize and commercialize the technology in collaboration with one or more major pharmaceutical 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 what an industrial version of LaminarPace can look like, 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 Sciences'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.

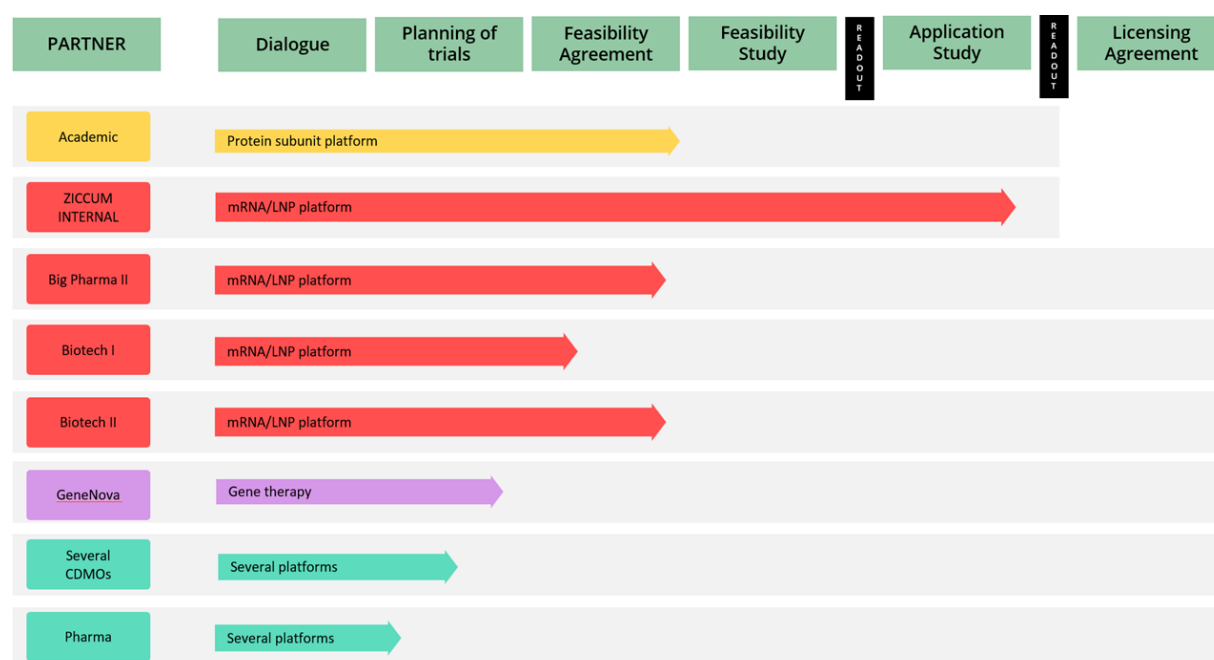
Another priority area is applications for external and non-dilutive funding for further development of the technology. Ziccum actively monitors announcements that suit the Company's area of operation and technical phase.

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 current 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 31 March, 2023

**The text in the arrow represents the technology platform*

Result and financial position Q1 January - March 2023

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

Operating expenses amounted to 5 574 kSEK (6 285), of which personnel costs amounted to 2 582 kSEK (3 277).

Other external costs amounted to 2 493 kSEK (2 742).

Operating result amounted to -4 936 kSEK (-6 340) and result after financial items amounted to -4 872 kSEK (-6 285).

Result amounted to -4 872 kSEK (-6 285).

Result per share before and after dilution amounted to -0.35 SEK (-0.46).

Cash flow during the period amounted to -3 928 kSEK (31 961). Cash flow per share amounted to -0.28 SEK (2.41).

Cash and cash equivalents as of March 31 2023 amounted to 19 023 kSEK, compared with 22 951 kSEK on December 31 2022.

The company's equity as of March 31 2023 amounted to 24 548 kSEK, compared with 29 301 kSEK on December 31 2022.

Equity per share as of March 31 2023 amounted to 1.78 SEK, compared with 2.12 SEK on December 31 2022.

The company's equity ratio as of March 31 2023 was 85% compared to 88% on December 31 2022.

The result follows budget expectations regarding the income from the Eurostars grant and the costs of the ongoing commercialization of LaminarPace technology. The decrease of external costs is mainly driven by lower consulting fees. Personnel costs are lower than previous year as a result of the company's former CEO Göran Conradson's salary for the entire notice period being expensed during the first quarter 2022, as he was exempted from work during the six month notice period.

Ziccum in brief

Ziccum is developing LaminarPace, a unique ambient drying method 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, 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.

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.

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 Market on October 25, 2018.

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



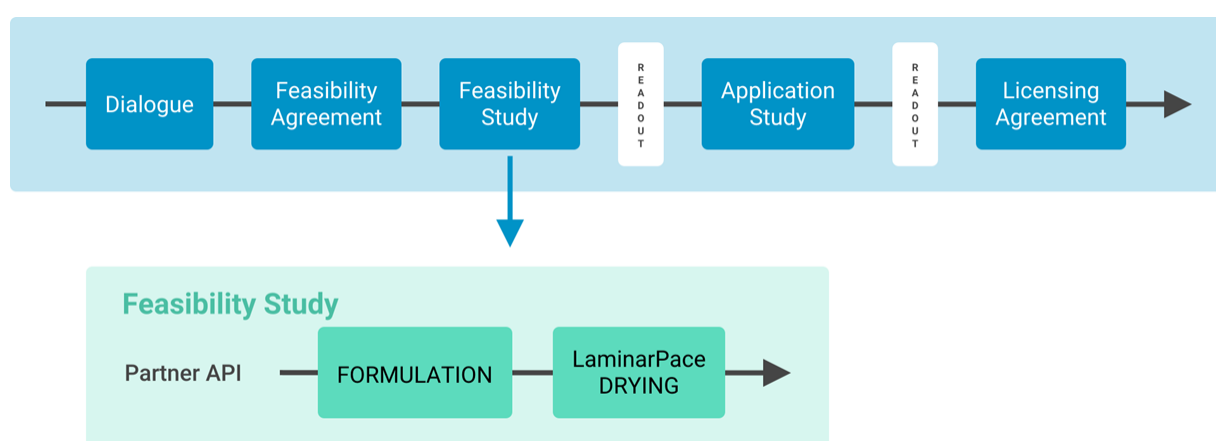
Business model

Ziccum's business model is based on partnering and co-development with biotech and pharma 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.

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 technology licensing business model

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 general 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, all relevant for covid-19 vaccines:

- ▶ 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 68 billion USD, also after a slight decrease from record Covid-19 numbers; to be followed by some 66 billion USD per year in 2024-2026, then rising towards 84 billion USD in 2028*.

The corresponding annual market value for our three focus vaccine platforms are 40-55 billion USD 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 400 – 550 mUSD*.

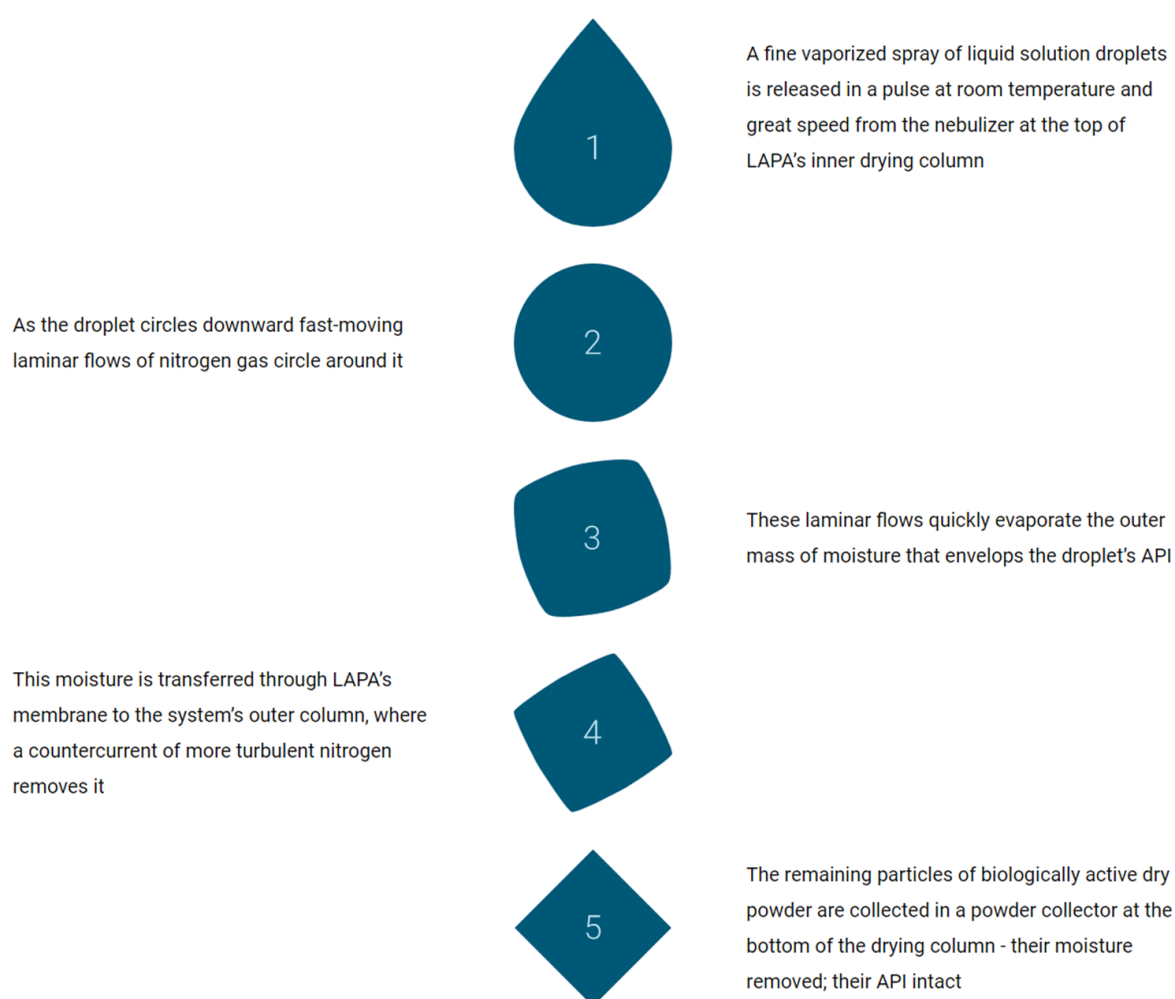


**Estimates based on the GlobalData Intelligence platform March 2023*

Technical description

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. Our optimization tests demonstrate that following drying less than 2% of absolute humidity is left inside LaminarPace's drying column.

To best understand the process, let's follow the drying path of a single droplet of biomolecule.



The LaminarPace drying path of a single droplet

Shares

As of January 1 2023, and as of the balance date March 31 2022, the total number of shares was 13 806 142.

All shares have a voting ratio of 1.

Shareholders 2023-03-31

Name	Number of shares	Share capital	Votes
Försäkrings AB, Avanza Pension	773,278	5.6%	5.6%
Göran Conradson	760,738	5.5%	5.5%
William Lithander	600,000	4.3%	4.3%
Tigerstaden AS	427,991	3.1%	3.1%
Nordnet Pensionsförsäkring AB	325,469	2.4%	2.4%
Kenneth Hopp	233,494	1.7%	1.7%
Viskär AB	220,000	1.6%	1.6%
Övriga aktieägare	10,465,172	75.8%	75.8%
Total	13,806,142	100%	100%

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 March 31, 2023 amounted to SEK 5.14.

Transactions with related parties

During the reporting period (Jan-March), fees charged by related parties were invoiced as follows:

The Chairman of the Board, Fredrik Sjövall, has through Axelero AB invoiced fees amounting to 74 kSEK for business development.

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 risks 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.

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.

It is the company's assessment that the company has the required financing for longer than 12 months. The company will have a reduction of costs compared to last year, and the Eurostars grant will also have an additional positive effect on the cash flow.

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 from COVID-19.

The conflict in Ukraine has not affected the development of the company's operations, position or results.



Income statement

kSEK	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Net sales	0	0	0
Other income	638	9	17
Total income	638	9	17
Other external costs	-2,493	-2,751	-16,323
Personnel costs	-2,778	-3,277	-11,276
Depreciation of tangible and intangible assets	-303	-321	-1,373
Operating result	-4,936	-6,340	-28,955
Result from financial items			
Financial net	64	55	167
Result after financial items	-4,872	-6,285	-28,788
RESULT FOR THE PERIOD	-4,872	-6,285	-28,788
Result per share before and after dilution*	-0.35	-0.46	-2.09

*Dilution effect is not calculated when the result is negative

Balance sheet statement

kSEK	Not	2023-03-31	2022-03-01	2022-12-31
Assets				
Subscribed unpaid capital		0	0	0
Intangible assets				
Patents, licenses, trademarks and similar rights		561	552	624
Tangible assets				
Equipment & tools		8,007	11,301	8,246
Total non-current assets		8,568	11,853	8,870
Current assets				
Short-term receivables				
Other receivables		265	1,693	496
Prepaid expenses & accrued income		1,059	515	968
Total short-term receivables		1,324	2,208	1,464
Cash & cash equivalents		19,023	44,234	22,951
Total current assets		20,347	46,442	24,415
TOTAL ASSETS		28,915	58,295	33,285
Equity & liabilities				
Equity				
Restricted equity				
Share capital	3	2,301	2,301	2,301
Total restricted equity		2,301	2,301	2,301
Unrestricted equity				
Share premium fund		105,400	105,431	105,400
Retained earnings		-78,281	-49,983	-49,612
Result of the period		-4,872	-6,285	-28,788
Total unrestricted capital		22,247	49,163	27,000
Total equity		24,548	51,464	29,301
Debt				
Long-term debt				
Loans		714	1,286	857
Short-term debt				
Account payables		1,165	2,572	978
Short-term loans		571	571	571
Other short-term debt		289	284	416
Accrued expenses and deferred income		1,628	2,118	1,162
Total short-term debt		3,653	5,545	3,127
TOTAL EQUITY & LIABILITIES		28,915	58,295	33,285

Changes in equity

	Restricted equity	Unrestricted equity			
kSEK	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
Transactions with shareholders					
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				-4,872	-4,872
Transactions with shareholders					
Share issue	467	27,584			0
Share issue costs		-53			0
Share related remunerations			119		119
Closing balance 2023-03-31	2,301	105,400	-78,281	-4,872	24,548

Cash flow statement

kSEK	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Cash flow from operating activities			
Operating result	-4,935	-6,340	-28,955
Ingoing interest	91	17	163
Paid interest	-26	-24	-94
Adjustments for items that is not included in the cash flow			
Share related remunerations	119	20	392
Currency exchange	-2	62	99
Depreciations & disposals	303	321	5,409
Cash flow from operating activities before changes in working capital	-4,450	-5,944	-22,986
Cash flow from changes in working capital			
Changes in operating receivables	140	12,037	12,781
Changes in operating debt	382	-338	-3,186
Cash flow from operating activities	-3,928	5,755	-13,391
Investing activities			
Acquisitions of non-current assets	0	-1,792	-3,898
Cash flow from investment activities	0	-1,792	-3,898
Financing activities			
Share issue (LTI 2018/21)	0	0	0
Warrants (LTI 2021/24)	0	0	0
Share issue	0	28,051	28,051
Share issue costs	0	-53	-84
Cash flow from financing activities	0	27,998	27,967
Cash flow from the period	-3,928	31,961	10,678
Opening balance cash & cash equivalents	22,951	12,273	12,273
CLOSING BALANCE CASH & CASH EQUIVALENTS	19,023	44,234	22,951

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	2023-03-31	2022-12-31
Company mortgage	2,000	2,000

Note 3 Changes in equity

Date	Transaction	Number of serie B	Share capital	Quota-value	Subscription-course	Total invested capital (SEK)
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
18 Jan 22	Share issue	2,800,086	466,680	0.17	11.00	30,800,946
Total		13,806,142	2,301,023			116,761,059

* 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).

Note 4 Share related incentive programs

On March 31 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 31 March 2023, the dilution as a result of 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 employee stock options
Ingoing balance 1 Jan 2022	35,728
Reversed	-16,364
Outgoing balance 31 Dec 2022	19,364

	Number of employee stock options
Ingoing balance 1 Jan 2023	19,364
Reversed	-4,545
Outgoing balance 31 March 2023	14,819

During 2023, LTI 2021:1 have affected the reporting period result with totally 32 kSEK in costs, of which costs of 7 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
Ingoing balance 1 Jan 2022	0	0	0
Issued	165,000	226,000	391,000
Outgoing balance 31 Dec 2022	165,000	226,000	391,000
Ingoing balance 1 Jan 2023	165,000	226,000	391,000
Reversed	0	-15,000	-15,000
Outgoing balance 31 March 2023	165,000	211,000	376,000

During 2023, LTI 2022:1 and LTI 2022:2 have affected the reporting period result with totally 387 kSEK in costs, of which 125 kSEK relates to social security contributions.

Note 5 Definitions of key figures

	Jan-March 2023	Jan-March 2022	Jan-Dec 2022
Cash flow per share			
Cash flow from the period, kSEK	-3,928	31,961	10,678
Average number of shares	13,806,142	13,277,237	13,675,727
Cash flow per share (SEK)	-0.28	2.41	0.78
Equity per share			
Equity, kSEK	24,548	51,464	29,301
Number of shares at the end of the period	13,806,142	13,806,142	13,806,142
Equity per share (SEK)	1.78	3.73	2.12
Equity ratio			
Equity, kSEK	24,548	51,464	29,301
Total equity & debt, kSEK	28,915	58,295	33,285
Equity ratio %	85%	88%	88%

Financial calendar

General Annual meeting: May 24 2023

Interim report Q2 2023: July 18 2023

Interim report Q3 2023: October 25 2023

Contact

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Certification

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

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, April 26, 2023

Fredrik Sjövall
Chairman of the board

Mikaela Bruhammar

Andreas Pettersson Rohman

Christina Herder

Martina Banyay

Ann Gidner
CEO