



PRESS RELEASE

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ZICCUM AB interim report January 1-September 30, 2020

Summary of interim report, third quarter 2020

During the third quarter Ziccum made great progress in its work of industrializing its unique process for producing vaccines in dry powder form. Major economic and production-technical advantages have been demonstrated, as well as the fact that dry vaccines offer a significantly simplified and cost-effective logistics chain.

Jul-Sep 2020

Net sales SEK 0 KSEK (0)

Operating profit -5,317 KSEK (-1,380)

Earnings per share before and after dilution -0.56 SEK (-0.23)

Jan-Sep 2020

Net sales 0 KSEK (0)

Operating profit -14,006 KSEK (-5,378)

Earnings per share before and after dilution -1.75 SEK (-0.90)

Significant events during the third quarter (Jul-Sep) 2020

- The company has completed a private placement of a total of 2,216,815 shares to a limited number of qualified private investors. The company received SEK 38.8 million before issue costs and approximately SEK 36.6 million after issue costs, of which approximately SEK 32.3 million was added during the second quarter and the remaining approximately SEK 6.5 million was added during July 2020
- The patent application has been filed regarding thermostable formulations of VLP (Virus Like Particles) based vaccines as well as two patent applications regarding improved function of the LaminarPace system for commercial vaccine production

Significant events during the reporting period (Jan-Sep) 2020

- Issue receipts regarding warrants amounted to approximately SEK 13.9 million that was added to the company during January 2020. The issue was registered by the Swedish Companies Registration Office 2020-01-14
- On March 26, 2020, we announced that Ziccum signed a letter of intent to investigate the integration of Ziccum's technology into an innovative vaccine manufacturing process with a company that has a new innovative production technology for vaccines. The agreement includes an evaluation of the integration of Ziccum's formulation technology for measles and rubella

vaccines. The goal is to significantly reduce the costs of childhood vaccines and to increase the availability of vaccines to all children in the world by producing temperature-stable formulations

- On May 20, we announced that Ziccum is taking the next step in one of its industrial collaborations with continued development work to formulate temperature-stable vaccines after the first step has been successful.
- We announced on June 24 that Ziccum, with the support of an authorization from the Annual General Meeting on June 16, carried out a directed new issue of a total of 2,216,815 shares to a limited number of qualified private investors. The company received SEK 38.8 million before issue costs and approximately SEK 36.6 million after issue costs (of which approximately SEK 32.3 million was added during the second quarter and the remaining approximately SEK 6.5 million was added during July 2020).
- In light of the outbreak of the coronavirus and COVID-19, Ziccum closely monitors developments and takes measures to minimize or eliminate the impact on the company's operations. Ziccum follows guidelines from the Swedish Public Health Agency, WHO and ECDC (European Center for Disease Prevention and Control). 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 cooperation projects with players in other European countries

Significant events after the reporting period

- Ziccum has conducted a pilot study on large-scale production of temperature-stable vaccines in partnership with KeyPlants
- Ziccum has published a White Paper describing the world's first plant for large-scale production of temperature-stable vaccines
- On October 26, we announced that Frida Hjelmberg has been appointed CFO. Frida will take office on 1 January 2020

Summary financial highlights

	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	-	-	-	-	-
Other income, KSEK	2	251	2	655	654
Operating profit, KSEK	-5 317	-1 380	-14 006	-5 378	-8 721
Profit after tax, KSEK	-5 346	-1 380	-14 035	-5 378	-8 723
Balance sheet total, KSEK	42 720	7 249	42 720	7 249	18 395
Cash flow during period, KSEK	-165	-1 718	37 497	-5 297	-8 473
Cash flow per share (SEK)	-0,02	-0,29	4,68	-0,88	-1,41
Cash and cash equivalents, KSEK	39 561	5 239	39 561	5 239	2 064

Results per share before and after dilution (SEK)	-0,56	-0,23	-1,75	-0,90	-1,45
Equity per share (SEK)	4,13	1,10	4,13	1,10	2,86
Equity ratio, %	93%	91%	93%	91%	93%

CEO Statement

Vaccinations are and have long been one of the best ways to prevent pandemics and epidemics. The need has never been greater than today. New travel habits, population growth, climate change and overcrowding are all potential risk factors for epidemics and pandemics. It is children who are 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 available.

Ziccum has a world-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 thus 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 – enabling more vaccination at a lower cost.

Ziccum's focus is in three main areas. Development of thermostable formulations of vaccines, preparations for production on a commercial scale and external collaborations with industrial actors who develop vaccines and also, very importantly for the industry, NGOs - non-governmental organizations.

Despite Covid-19, our internal work continues on developing thermostable formulations of vaccines. In collaboration with our academic partner, the world-leading university of viruses and vaccines in Marseille, several interesting and important projects are now underway. The results are very promising, and strongly consistent with what we have seen before, we will also strengthen our patent portfolio further using these results. A strong IP portfolio is the basis for being able to enter into commercial collaborations and create value for our shareholders.

Another cornerstone for making our technology commercially attractive is to prepare for production on a commercial scale. In collaboration with Swedish KeyPlants AB, we have developed a so-called *Conceptual Design* of a facility for filling and packaging dry vaccines based on our technology. We see large cost savings in production when compared to freeze-drying, which is a very common, but expensive, way of stabilizing vaccines. On the one hand, large capital costs are saved, but above all the need for energy is reduced by about 80%, which is in line with the UN's seventh development goal: Sustainable energy for all. The plant can produce up to 300 million doses per year. Vaccines are a low-cost product in large parts of the world, which is why these results are so important. Now that we can describe a production facility, we have expanded our business model and added additional revenue opportunities. We can now have another type of discussion with both bulk vaccine suppliers and international organizations in vaccination. We have published

a so called White-Paper on our homepage which summarizes the advantages and significant cost savings possible with our technology.

It also means that we work to ensure that our technology can deliver an end product that is adapted to the wishes and requirements of both industry and, not least, end users. Our ambition is to be one step ahead and able to offer a unique complete solution for how a dry-formulated vaccine can be produced, handled and administered. The capital we raised during the summer will largely be used for this business area, thus accelerating the commercialization of our technology.

Our external network of contacts is constantly expanding, and we are receiving increasing recognition from a number of players in the industry. Our White Paper has been much appreciated by a significant key player. We have previously announced three industrial collaboration agreements with the aim of evaluating our technology in their respective projects. The ongoing pandemic has caused delays, partly due to shutdowns in the countries where our partners operate. Thus, our goal to enter into collaboration in at least one license agreement during the year may be delayed until 2021. At the same time, the Covid-19 pandemic clearly indicates the need to solve the cold chain problem.

We also continue to develop our commercial work by collaborating with various companies and groups that work for a better uptake of vaccinations worldwide, in order to increase knowledge about the importance of our method. We are developing stronger and ever more valuable relationships in these organizations and we have high hopes of being able to formalize a collaboration with one of these actors in the coming year.

In summary, we are well on our way to delivering on our goals for the current year and to position Ziccum for a very exciting future in an industry that will have a very large focus for a long time to come. Finally, I would like to welcome all our new shareholders who joined us during the quarter and to thank all of our shareholders for their confidence.

Lund, November 6, 2020

Göran Conradson, CEO.

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About Ziccum

Ziccum AB (publ) develops new patented formulations of biological drugs where sensitivity to temperature differences, especially during transportation, currently limits medical and so commercial potential. The company's patented technology, LaminaPace, develops dry powder formulations of drugs and vaccines that currently

only exist in liquid form. By doing so Ziccum can increase the availability of drugs and vaccines in existing markets—and open up new ones.

This press release has been submitted for publication by the company's CEO at 08.00 (CET) on November 6, 2020.