

# INTERIM REPORT 1 JANUARY - 30 JUNE 2022

## Q2 2022

- ▶ The result for the quarter amounted to -7 882 kSEK (-5 228 kSEK)
- ▶ Cash flow for the quarter amounted to -7 587 kSEK (-3 096 kSEK)
- ▶ Cash and cash equivalents at the end of the quarter amounted to 36 647 kSEK (25 706 kSEK)

Summary Financial Highlights kSEK	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Jan-Dec 2021
Net revenue	0	0	0	0	0
Operating result	-7,873	-5,212	-14,213	-9,598	-21,117
Result	-7,882	-5,228	-14,167	-9,643	-21,136
Balance sheet total	51,100	33,647	51,100	33,647	39,591
Cash flow	-7,587	-3,096	24,374	-7,914	-21,347
Cash and cash equivalents	36,647	25,706	36,647	25,706	12,273
Equity ratio %	86%	87%	86%	87%	75%

### Data per share SEK

Number of shares at the end of the period	13,806,142	9,806,200	13,806,142	9,806,200	11,006,056
Result per share before and after dilution*	-0.57	-0.55	-1.03	-1.01	-2.17
Cash flow per share	-0.55	-0.32	1.85	-0.82	-2.19
Equity per share	3.17	2.97	3.17	2.97	2.70

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

## Significant events during Q2 (April-June)

- ▶ Ziccum AB has significantly expanded its lab facilities and capabilities, particularly in the area of mRNA/LNP. Strategic investments include a new cell lab and a system for manufacturing and evaluating dry formulations of mRNA/LNP materials. On June 22, the company informed that the installation of the new cell lab was completed, enabling in-house in vitro research.
- ▶ On June 3, it was announced that Ziccum has extended an ongoing pilot evaluation study agreement with a leading pharmaceutical corporation following the completion of the latest stage of the project.
- ▶ On May 9 Ann Gidner took office as new CEO. Ann has 25+ years of experience from Life Science management internationally, with a significant track record in strategic development, focused leadership, deal making and sales growth. Generating steep growth in leading, international Pharma CDMO corporations took her to senior global positions in the US and Germany. She has also been leading internationalization of mid-sized Life Science companies in Sweden and Germany, as well as building up Pharma technology licencing internationally. Recent years have given experience from CEO and Board positions in listed Swedish Life Science start-ups.
- ▶ Ziccum has been elected onto the Technical Activities Committee of the US National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL). NIIMBL, co-funded by the US Department of Commerce, funds and initiates a wide range of public-private research projects throughout the US.
- ▶ On May 6, the Board of Ziccum published the decision to officially change the company's language to English for all external communications.

- ▶ The current LAPA system is the fourth generation in development. On April 27, Ziccum informed about the selected key targeted technology developments of the LaminarPace system - some underway, and some recently completed:

**1. New powder collector** - Ziccum has now installed a new sealed, contained collection unit that enables the inhouse study of a wider range of test substances. The new unit increases safety, reduces humidity and enables quicker, more efficient collection of drier formulations.

**2. New nitrogen usage** - Ziccum has now introduced Nitrogen gas (N2) into the drying column to replace air. N2 is a highly efficient remover of moisture. The first nitrogen-based generation of LAPA is installed and has performed well in tests.

**3. New nebulizer** - The LAPA system's nebulizer feature is a key component in optimizing the system's capacity, reproducibility and reliability.

**4. New membrane** - Intensive work is currently underway in optimizing the membrane for future GMP compatibility – examining its porosity, mounting and materials for industrial setting.

- ▶ On April 25, a strategic sharpening was announced informing the market that Ziccum is now targeting three key vaccine platforms in its research and development work through 2022 and 2023 – driven by input from external collaborations and new internal technology capabilities.

**1. Viral vector platform using Adenovirus** - Four major Covid-19 vaccines already use adenovirus vaccine vectors as a platform. The platform enables efficient gene transduction and research is ongoing in a wide range of indications. Ziccum has worked extensively with adenovirus and submitted a patent application in January 2019 for a temperature-stable, dry formulation of Adenovirus.

**2. Subunit vaccine (adjuvanted) platform** - This platform is also being used in major Covid-19 vaccine candidates. Instead of using the whole pathogen, protein-based adjuvant vaccines use a defined protein antigen from the pathogen which can be recognized by the body's immune system to provoke an immune response. Protein-based vaccines have been successfully developed over recent decades to treat diseases from diphtheria to tetanus.

**3. mRNA/LNP vaccine platform** - Generating data on dry-formulated mRNA/LNP materials is a key strategic priority for Ziccum. Covid-19 has highlighted the efficacy of mRNA/LNP as a vaccine platform enormously.

- ▶ During the second quarter CEO Ann Gidner has bought 15,000 shares in Ziccum. In addition, the Board members Andreas Pettersson Rohman also bought 39,333 shares and Fredrik Sjövall 10,000 shares in the Company.

## Significant events during Q1 (Jan-March)

- ▶ 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 last 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.
- ▶ On February 22, it was announced that Göran Conradson was terminated from his position as CEO. The company's CFO, Frida Hjelmberg, will be acting CEO for the time being.
- ▶ On March 3, the Board released an update on strategy, goals and priorities. The company's strategy for entering into commercial agreements with industrial players has been and is clearly defined. It is based on four key priority activities:
  1. Drive an active business development agenda that proactively prepares for collaboration with existing and potential partners. This is partly to offer the opportunity to evaluate specific projects in combination with Ziccum's technology, and partly to understand the requirements placed on the technology before a decision on a license agreement can be made.
  2. Generate laboratory data that manifests and confirms the technology's capacity to dry different types of vaccines, so-called proof of concept.
  3. Develop the company's technology to adapt its functionality, capacity and quality to the licensees' required specifications.
  4. Develop conceptual plans for how Ziccum's drying technology can be adapted to the commercial scale and integrated into a commercial production environment.

With a new CEO, the Board's goal is to increase the pace of, above all, business development work – with the goal of entering into more industrial collaborations in order to evaluate LaminarPace and advance our existing collaborations into negotiations on commercial terms and license agreements.

- ▶ On March 28, it was announced that Ann Gidner is appointed as new CEO for Ziccum, she takes office on May 9.

## Significant events after the reporting period

- ▶ On July 19, Ziccum published the selected partner for the development of its crucial new nebulizer component for the LaminarPace system. The chosen partner TEKCELEO is an innovative mechatronic manufacturer with advanced knowledge of nebulizers. The component is central to the advanced drying capabilities and scaleup of Ziccum's LaminarPace system.
- ▶ On July 21, it was announced that Ziccum together with the Zurich University of Applied Sciences (ZHAW) are applying for funding from the Eurostars funding body for a joint project that will develop the 3D modelling stage of LaminarPace. The project aims to strengthen, support and accelerate the development of LaminarPace – offering high-value insights into its unique particle properties, and accelerating and optimizing industrialization.
- ▶ On August 2, Ziccum informed about a reorganisation aiming to facilitate and accelerate its new strategic focus on key projects and vaccine platforms. As part of the reorganization, Senior Formulation Specialist Fabrice Rose was appointed Scientific Director. The reorganization was implemented on August 1, 2022.