

## Income statement

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

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

## Balance sheet statement

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

## Changes in equity

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

## Cash flow statement

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

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

## Note 1 Accounting standards

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

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

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

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

## Note 2 Pledged assets and contingent liabilities

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

## Note 3 Changes in equity

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

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

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

## Note 4 Share related incentive programs

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

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

No of the options entail the right to a dividend.

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

### LTI 2021/24

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

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

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

### LTI 2021:1

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

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

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

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

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

## Serie 2021/2022

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

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

## Note 5 Definitions of key figures

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