

Income statement

kSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	0	0	0	0	0
Other income	0	0	13	5	5
Total income	0	0	13	5	5
Other external costs	-3,713	-2,775	-11,176	-7,429	-11,128
Personnel costs	-2,579	-2,032	-8,694	-6,663	-9,151
Depreciation of tangible and intangible assets	-382	-238	-1,031	-556	-842
Operating result	-6,674	-5,045	-20,888	-14,643	-21,116
Result from financial items					
Financial net	75	2	121	-43	-20
Result after financial items	-6,599	-5,043	-20,767	-14,686	-21,136
RESULT FOR THE PERIOD	-6,599	-5,043	-20,767	-14,686	-21,136
Result per share before and after dilution*	-0.48	-0.51	-1.50	-1.51	-2.17
*Dilution effect is not calculated when the result is negative					

Balance sheet statement

kSEK	Not	2022-09-30	2021-09-30	2021-12-31
Assets				
Subscribed unpaid capital		0	0	13,198
Intangible assets				
Patents, licenses, trademarks and similar rights		502	656	604
Tangible assets				
Equipment & tools		10,719	7,778	9,778
Total non-current assets		11,221	8,434	10,382
Current assets				
Short-term receivables				
Other receivables		477	1,127	796
Prepaid expenses & accrued income		1,291	223	251
Total short-term receivables		1,768	1,350	1,047
Cash & cash equivalents		29,593	19,564	12,273
Total current assets		31,361	20,914	13,320
TOTAL ASSETS		42,582	29,348	36,900
Equity & liabilities				
Equity				
Restricted equity				
Share capital	3	2,301	1,634	1,834
Total restricted equity		2,301	1,634	1,834
Unrestricted equity				
Share premium fund		105,431	66,081	77,900
Retained earnings		-49,767	-28,890	-28,867
Result of the period		-20,767	-14,686	-21,136
Total unrestricted capital		34,897	22,505	27,897
Total equity		37,198	24,139	29,731
Debt				
Long-term debt				
Loans		1,000	1,571	1,429
Short-term debt				
Account payables		2,119	2,100	2,680
Short-term loans		571	429	571
Tax debt		0	0	10
Other short-term debt		513	187	269
Accrued expenses and deferred income		1,181	922	2,210
Total short-term debt		4,384	3,638	5,740
TOTAL EQUITY & LIABILITIES		42,582	29,348	36,900

Changes in equity

	Restricted equity	Unrestricted equity			
kSEK	Share capital	Share premium fund	Retained earnings	Result of the period	Total equity
Opening balance 2021-01-01	1,601	63,756	-11,687	-17,289	36,381
Appropriations of net result			-17,289	17,289	0
Result of the period				-21,136	-21,136
Transactions with shareholders					
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
Closing balance 2021-12-31	1,834	77,900	-28,867	-21,136	29,731
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				-20,767	-20,767
Transactions with shareholders					
Share issue	467	27,584			28,051
Share issue costs		-84			-84
Share related remunerations			267		267
Closing balance 2022-09-30	2,301	105,400	-49,736	-20,767	37,198

Cash flow statement

kSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Cash flow from operating activities					
Operating result	-6,674	-5,045	-20,888	-14,643	-21,117
Ingoing interest	55		93		33
Paid interest	-23	-25	-70	-75	-100
Adjustments for items that is not included in the cash flow					
Share related remunerations	124	43	268	87	109
Currency exchange	-12	27	43	31	47
Depreciations & disposals	1,193	238	2,703	556	842
Cash flow from operating activities before changes in working capital	-5,337	-4,762	-17,851	-14,044	-20,186
Cash flow from changes in working capital					
Changes in operating receivables	409	-185	12,478	-134	173
Changes in operating debt	-2,011	699	-1,785	1,954	3,911
Cash flow from operating activities	-6,939	-4,248	-7,158	-12,224	-16,102
Investing activities					
Acquisitions of non-current assets	-84	-1,894	-3,489	-4,190	-6,424
Cash flow from investment activities	-84	-1,894	-3,489	-4,190	-6,424
Financing activities					
Share issue (LTI 2018/21)	0	0	0	2,200	2,200
Warrants (LTI 2021/24)	0	0	0	213	213
Share issue	0	0	28,051	0	0
Share issue costs	-31	0	-84	-55	-1,234
Cash flow from financing activities	-31	0	27,967	2,358	1,179
Cash flow from the period	-7,054	-6,142	17,320	-14,056	-21,347
Opening balance cash & cash equivalents	36,647	25,706	12,273	33,620	33,620
CLOSING BALANCE CASH & CASH EQUIVALENTS	29,593	19,564	29,593	19,564	12,273

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 2021.

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	2022-09-30	2021-09-30	2021-12-31
Floating charge	2,000	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 September 30 2021, 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**).
- ▶ 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**).
- ▶ At the Annual General Meeting on April 28 2022, it was decided to implement a long-term incentive program for the company's employees and for the Board of Directors consisting of employee stock options (**LTI 2022:1**).

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 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.

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

	Number of employee stock options
Ingoing balance 1 Jan 2022	35,728
Reversed	-16,364
Outgoing balance 30 Sep 2022	19,364

During 2022, LTI 2021:1 have affected the reporting period result with totally 7 kSEK in costs, of which lower costs of 23 kSEK relates to social security contributions. The lower costs is due to a lower share price and the reset of employee stock options.

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 (have passed)
- ▶ 27 May - 31 May 2022 (have passed)
- ▶ 28 September - 30 September 2022 (have passed)
- ▶ 28 November - 30 November 2022

Ziccum can be added a further maximum of approximately 35 mSEK upon full exercise of all warrants.

LTI 2022:1

LTI 2022:1 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 2021:2 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
Ingoing balance 1 Jan 2022	0
Issued for employees	226,000
Issues for Board of Directors	165,000
Outgoing balance 30 Sep 2022	391,000

During 2022, LTI 2021:2 have affected the reporting period result with totally 298 kSEK in costs, of which 39 kSEK relates to social security contributions.

Note 5 Definitions of key figures

	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Cash flow per share					
Cash flow from the period, kSEK	-7,054	-6,141	17,320	-14,056	-21,347
Average number of shares	13,631,778	9,806,200	13,631,778	9,721,241	9,751,949
Cash flow per share (SEK)	-0.52	-0.63	1.27	-1.45	-2.19
Equity per share					
Equity, kSEK	37,198	24,138	37,198	24,138	29,731
Number of shares at the end of the period	13,806,142	9,806,200	13,806,142	9,806,200	11,006,056
Equity per share (SEK)	2.69	2.46	2.69	2.46	2.70
Equity ratio					
Equity, kSEK	37,198	24,138	37,198	24,138	29,731
Total equity & debt, kSEK	42,582	29,348	42,582	29,348	39,591
Equity ratio %	87%	82%	87%	82%	75%