Income statement

kSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	**0**	**0**	**0**	**0**
Other income	5	0	17	5
Total income	**5**	**0**	**17**	**5**
Other external costs	-5,148	-3,700	-16,323	-11,128
Personnel costs	-2,582	-2,488	-11,276	-9,151
Depreciation of tangible and intangible assets	-342	-286	-1,373	-842
Operating result	**-8,067**	**-6,474**	**-28,955**	**-21,116**
Result from financial items				
Financial net	46	24	167	-20
Result after financial items	**-8,021**	**-6,450**	**-28,788**	**-21,136**
RESULT FOR THE PERIOD	**-8,021**	**-6,450**	**-28,788**	**-21,136**
Result per share before and after dilution*	-0.58	-0.65	-2.09	-2.17

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

Balance sheet statement

kSEK	Not	2022-12-31	2021-12-31
Assets			
Subscribed unpaid capital		0	**13,198**
Intangible assets			
Patents, licenses, trademarks			
and similar rights		624	604
Tangible assets			
Equipment & tools		8,246	9,778
Total non-current assets		**8,870**	**10,382**
Current assets			
Short-term receivables			
Other receivables		496	796
Prepaid expenses & accrued income		968	251
Total short-term receivables		**1,464**	**1,047**
Cash & cash equivalents		22,951	12,273
Total current assets		**24,415**	**13,320**
TOTAL ASSETS		**33,285**	**36,900**
Equity & liabilities			
Equity			
Restricted equity			
Share capial	3	2,301	1,834
Total restricted equity		**2,301**	**1,834**
Unrestricted equity			
Share premium fund		105,400	77,900
Retained earnings		-49,612	-28,867
Result of the period		-28,788	-21,136
Total unrestricted capital		**27,000**	**27,897**
Total equity		**29,301**	**29,731**
Debt			
Long-term debt			
Loans		**857**	**1,429**
Short-term debt			
Account payables		978	2,680
Short-term loans		571	571
Tax debt		0	10
Other short-term debt		416	269
Accrued expenses and defferred income		1,162	2,210
Total short-term debt		**3,127**	**5,740**
TOTAL EQUITY & LIABILITIES		**33,285**	**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				-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**

Cash flow statement

kSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Cash flow from operating activities				
Operating result	-8,067	-6,474	-28,955	-21,117
Ingoing interest	70	33	163	33
Paid interest	-25	-25	-94	-100
Adjustments for items that is not included in the cash flow				
Share related remunerations	124	23	392	109
Currency exchange	56	15	99	47
Depreciations & disposals	2,706	286	5,409	842
Cash flow from operating activities before changes in working capital	**-5,136**	**-6,142**	**-22,986**	**-20,186**
Cash flow from changes in working capital				
Changes in operating receivables	304	303	12,781	173
Changes in operating debt	-1,401	1,961	-3,186	3,911
Cash flow from operating activities	**-6,233**	**-3,878**	**-13,391**	**-16,102**
Investing activities				
Acquisitions of non-current assets	-409	-2,234	-3,898	-6,424
Cash flow from investment activities	**-409**	**-2,234**	**-3,898**	**-6,424**
Financing activities				
Share issue (LTI 2018/21)	0	0	0	2,200
Warrants (LTI 2021/24)	0	0	0	213
Share issue	0	0	28,051	0
Share issue costs	0	-1,179	-84	-1,234
Cash flow from financing activities	**0**	**-1,179**	**27,967**	**1,179**
Cash flow from the period	**-6,642**	**-7,291**	**10,678**	**-21,347**
Opening balance cash & cash equivalents	**29,593**	**19,564**	**12,273**	**33,620**
CLOSING BALANCE CASH & CASH EQUIVALENTS	**22,951**	**12,273**	**22,951**	**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	2022-12-31	2021-12-31
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 December 31 2022, 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 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 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 2022, 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 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 31 Dec 2022	**19,364**

During 2022, LTI 2021:1 have affected the reporting period result with totally 32 kSEK in costs, of which lower costs of 21 kSEK relates to social security contributions. The lower costs is due to a lower share price and the reset of employee stock options.

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 2022:1 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	**0**
Issued for employees	226,000
Issues for Board of Directors	165,000
Outgoing balance 31 Dec 2022	**391,000**

During 2022, LTI 2022:1 have affected the reporting period result with totally 478 kSEK in costs, of which 71 kSEK relates to social security contributions.

Note 5 Definitions of key figures

	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Cash flow per share				
Cash flow from the period, kSEK	-6,642	-7,291	10,678	-21,347
Average number of shares	13,806,142	9,949,661	13,675,727	9,751,949
Cash flow per share (SEK)	**-0.48**	**-0.73**	**0.78**	**-2.19**
Equity per share				
Equity, kSEK	29,301	29,731	29,301	29,731
Number of shares at the end of the period	13,806,142	11,006,056	13,806,142	11,006,056
Equity per share (SEK)	**2.12**	**2.70**	**2.12**	**2.70**
Equity ratio				
Equity, kSEK	29,301	29,731	29,301	29,731
Total equity & debt, kSEK	33,285	36,900	33,285	36,900
Equity ratio %	**88%**	**81%**	**88%**	**81%**