

DICOT

SUMMARY OF YEAR-END REPORT

JANUARY – DECEMBER 2020

Dicot AB (publ) 559006-3490





Contents

Summary of Year-End Report 2020.....	3
Dicot AB in brief	4
Statement from the CEO.....	5
Income statement.....	6
Balance sheet.....	7
Cash flow statement in summary.....	7
Change in equity.....	8
Earnings per share.....	8

Summary of Year-End Report

January - December 2020 – Dicot AB (publ) 559006–3490

FOURTH QUARTER 2020

- Net sales amounts to **0 KSEK**
(556 KSEK)
- Earnings for the period amounts to **-4 188 KSEK** (-3,530 KSEK)
- Earnings per share **-0.10 SEK**
(-0.22 SEK)

JANUARY – DECEMBER 2020

- Net sales amounts to **0 KSEK**
(631 KSEK)
- Earnings for the period amounts to **-17 541 KSEK** (-13 396 KSEK)
- Earnings per share **-0.61 SEK**
(-1.35 SEK)

Significant events during the period

- In May, Dicot discloses information regarding a retrospective study concerning the folk medicine use of traditional natural remedies treating sexual dysfunctions in Madagascar.
- In May, Dicot announces that the Corona pandemic has caused delays in deliveries of the raw material, which has led to the company losing a few months in the project's development plan.
- During the Annual General Meeting on May 26, Dicot elects Claes Post as a board member.
- In June, it was announced that the rights issue of SEK 21.8 million before issue costs (SEK 4.6 million) that Dicot carried out earlier in the month was heavily oversubscribed and was subscribed for a total of 326 percent.
- In September, the company declares that the first results from animal studies conducted together with Pelvipharm showed that Dicot's drug candidate LIB-01 had a significant and dose-dependent effect on erection compared to placebo.
- In October, Dicot, together with its South African partner Parceval Ltd, begins a collaboration with the project BioInnovation Africa to ensure sustainable and long-term delivery of raw material for the drug candidate.
- Through the warrants of series TO1 2019, Dicot receives approximately SEK 7.6 million in October. A total of 2,894,950 warrants were exercised, corresponding to approximately 37.2 percent of outstanding warrants.
- In November, Dicot produces its second large-scale batch of drug substance for LIB-01. More efficient production has resulted in 2.5 times more substance from the same amount of raw material compared to the previous batch.
- On November 19, Eva Sjökvist Saers is co-opted to Dicot's board and at the same time Jarl Wikberg resigns.

Significant events after the period

- In January, Dicot begins its toxicology program. It is planned to run until the autumn of 2021 and will form the basis for the application for clinical trials.
- In February, Dicot announces that it is broadening the testing of LIB-01 by conducting studies of premature ejaculation.
- At an Extraordinary General Meeting on February 9, Eva Sjökvist Saers is elected new Chairman of the Board of Dicot.

Dicot AB in brief

Dicot is developing the drug candidate LIB-01 (formerly known as Libiguin), which is intended to be a potency drug to better treat erectile dysfunction and premature ejaculation. The ambition is to create a drug with significantly longer effect and far fewer side effects, compared to those on the market. Today, at least 500 million men suffer from these sexual dysfunctions and the market is valued at SEK 50 billion.

ERECTILE DYSFUNCTION and premature ejaculation are often perceived as a significant problem for the man and his partner, and lead ever so often to depression, anxiety and relationship problems. Only 25 percent of Swedish men with erection problems state that they have a satisfactory sexual life and for men with premature ejaculation, the proportion is 35 percent.

GLOBAL SALES OF TREATMENTS for sexual dysfunction mainly include erectile dysfunction and premature ejaculation and were in 2018 estimated at around USD 6 billion with a growth of 1 percent per year for erectile dysfunction and 8 percent for premature ejaculation.

THE MOST COMMON DRUGS for erectile dysfunction, PDE5 inhibitors such as Viagra, came in the late 1990s and have limitations in the form of short duration of action, which leads to having to plan sex in advance. The drugs often have side effects such as headaches, dizziness and nausea. In addition, a large proportion state that the drugs do not work satisfactorily. This is especially true for diabetic patients and other patient groups with underlying diseases.

THERE ARE CURRENTLY few effective treatments for premature ejaculation on the market and patients have been reported to experience side effects such as dizziness, diarrhea and difficulty sleeping.

THERE IS A CLEAR NEED for new, modern drugs with a longer duration of action, fewer side effects and which also work for people with underlying diseases.

DICOT'S DRUG CANDIDATE is intended to be marketed for the treatment of both dysfunctions, both individually and in combination. As far as Dicot is aware, such a treatment of both conditions simultaneously would be unique.

THE DEVELOPMENT of the drug candidate LIB-01 is planned to be conducted under own auspices until phase 2 studies. Thereafter, Dicot's intention is to form strategic alliances, or alternatively carry out a trade sale, with larger, established pharmaceutical companies to be able to introduce LIB-01 on the world market.

For more information, please visit www.dicot.se.

¹ Fugl-Meyer, K: Manlig sexuell dysfunktion: inte bara en fråga om potens. Läkartidningen. 2009 Sep 23-29;106(39):2453-9.

Statement from the CEO

The development plan for the year was ambitious and I can now state that we have managed to achieve our most important goals and have been able to follow our development plan without major delays. However, the year 2020 has been marked by the ever-present pandemic and of course it has affected us at Dicot just like everyone else in society.

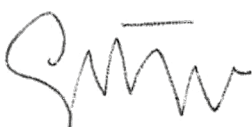
THIS YEAR HAS UNDOUBTEDLY been different, but the team here in Sweden has swiftly adapted to new ways of working and performed impeccably. The cooperation with our partners in South Africa, France and India has also continued in a very satisfactory manner. However, Dicot's partner Anthem Bioscience closed down its operations for a few months in the spring and this led to some delays. But even including that, I can now state that we have succeeded in achieving our most important goals for 2020.

DRUG DEVELOPMENT is an extensive and time-consuming process that requires capital in several rounds and issues are our most important form of capitalization. During the spring, we therefore carried out a rights issue and it was pleasing to see how it was subscribed for 326 percent.

THE GOAL FOR LIB-01 is to become a globally registered drug for better treatment of erectile dysfunction and premature ejaculation, and the vision is to be the first choice for 500 million men around the world. But every goal must be broken down into phases in order to be achieved.

WE ARE NOW in a very exciting phase where we are increasing the industrialization of the business. At the end of December, we launched our toxicology program, which is the basis for our forthcoming application for clinical trials in humans, and in February we decided to broaden the testing of LIB-01 into the field of premature ejaculation.

I WOULD ALSO like to take the opportunity to introduce Eva Sjökvist Saers, who with her long and broad experience in board work is now taking over the chairmanship. (read more about Eva on our newly launched website). Finally, I would like to thank all shareholders for your continued support and, of course, sincerely welcome new shareholders.



Göran Beijer, CEO
Uppsala in February 2021



*"The issue was
subscribed for
326%"*

Income Statement

KSEK	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
Net sales	-	556	-	631
Net sales	-	556	-	631
Operating expenses				
Other external expenses	-3 564	-3 358	-15 086	-11 604
Personnel	-620	-714	-2 434	-2 347
Depreciation	-2	-	-2	-
Other operating expenses	-7	-	-21	-
Operating expenses	-4 193	-4 072	-17 543	-13 951
Operating profit/loss	-4 193	-3 516	-17 543	-13 320
Profit/loss from financial items	5	-14	2	-76
Earnings for the period	-4 188	-3 530	-17 541	-13 396

Balance sheet

KSEK	Dec 31, 2020	Dec 31, 2019
ASSETS		
Non-current assets		
Financial assets	36	64
Total non-current assets	36	64
Current assets		
Other current receivables	1 247	1 784
Cash and bank balances	20 327	12 223
Total current assets	21 574	14 007
TOTAL ASSETS	21 610	14 071
EQUITY AND LIABILITIES		
Share capital	19 659	12 801
Current liabilities	1 951	1 270
TOTAL EQUITY AND LIABILITIES	21 610	14 071

Cash flow statement in summary

KSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Cash flows from operating activities	-4 600	-7 628	-16 257	-14 759
Cash flow from investing activities	-38	-	-38	-
Cash flow from financing activities	7 208	17 910	24 399	17 910
Change in cash and cash equivalents	2 570	10 282	8 104	3 151
Cash and cash equivalents at the start of the period	17 757	1 941	12 223	9 072
Cash and cash equivalents at the end of the period	20 327	12 223	20 327	12 223

Change in equity

KSEK	Share capital	Share premium reserve	Accumulated profit/loss	Total equity
Opening balance January 1, 2019	974	15 380	-8 067	8 287
Warrants program	-	11	-	11
Rights issue	1 071	21 261	-	22 332
Issue costs	-	-4 433	-	-4 433
Earnings for the period	-	-	-13 396	-13 396
Closing balance December 31, 2019	2 045	32 219	-21 463	12 801
Opening balance January 1, 2020	2 045	32 219	-21 463	12 801
Warrants program	-	5	-	5
Rights issue	3 413	25 966	-	29 379
Issue costs	-	-4 985	-	-4 985
Earnings for the period	-	-	-17 541	-17 541
Closing balance December 31, 2020	5 458	53 205	-39 004	19 659

Earnings per share

	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Earnings for the period, KSEK	-4 188	-3 530	-17 541	-13 396
Number of shares	43 668 398	16 360 728	43 668 398	16 360 728
Average number of shares	41 877 081	16 360 728	28 589 473	9 933 299
Earnings per share, SEK	-0,10	-0,22	-0,61	-1,35