DICOT

INTERIM REPORT
JANUARY-MARCH
2024

First quarter 2024

Net sales amounted to KSEK 0 (0)

The result after financial items amounted to KSEK -13,638 (-9,944)

Earnings per share amounted to SEK -0.02 (-0.03)

> I am very impressed with Dicot's phase 1 study results. The safety data of LIB-01 look very good, which is crucial for a drug for erectile dysfunction. And the fact that the effect in some cases lasted at least four weeks after a 3-day treatment is unique and has never been reported for an ED drug.

Professor François Giuliano
Urologist and specialist in male sexual dysfunction

Interim report January–March 2024

Dicot AB (publ) 559006–3490

Significant events in the first quarter

On January 23, positive results from the first part of Dicot's clinical phase 1 study were presented. They show that LIB-01 has a very good safety profile and no serious adverse effects occurred. The results also demonstrates that LIB-01 is well absorbed in the body, confirming that the oral formulation the company has developed is suitable for administration to humans.

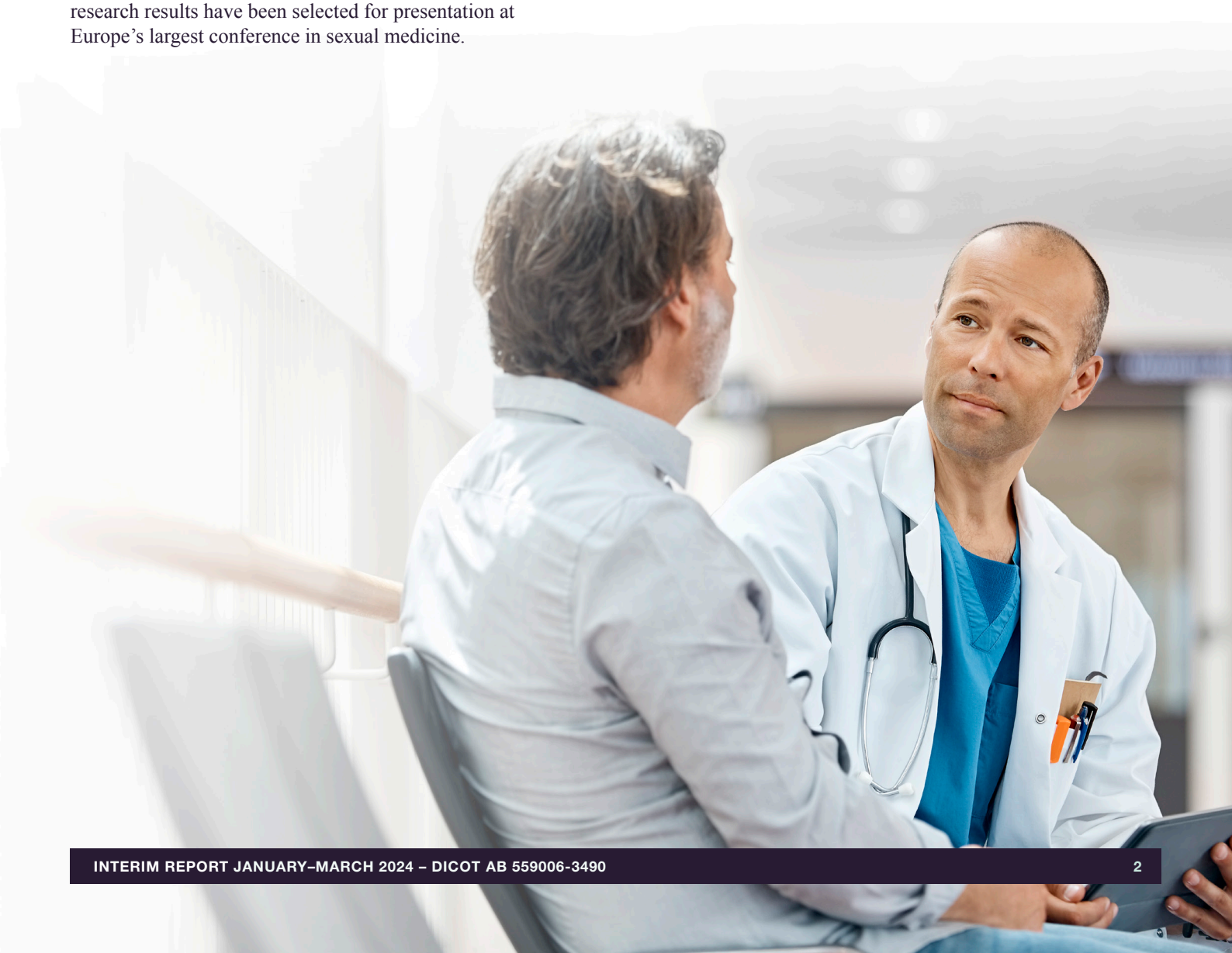
In January, Dicot applied for a patent for a new manufacturing method of the starting material for the drug candidate LIB-01; a proprietary approach in cell cultivation developed in collaboration with Uppsala University. The method enables the starting material to be produced using plant cells grown in cultures, an established technique for large-scale commercial manufacturing.

Dicot's preclinical research results were presented at the European Society for Sexual Medicine conference in February 2024. This marks the third consecutive year that Dicot's research results have been selected for presentation at Europe's largest conference in sexual medicine.

Significant events after the reporting period

In April, Dicot announced that preparations for clinical Phase 2a have commenced as the study drug has been manufactured by the contract manufacturer Thermo Fisher Scientific and a partner has been procured to conduct the study. The assignment was awarded to Clinical Trial Consultants AB, which also led the Phase 1 study.

On April 23, results from the last part of Dicot's clinical Phase 1 study were announced. LIB-01 demonstrated a very good safety profile, and an efficacy signal was detected. Improved erectile function has been reported through self-assessment forms and measurements with RigiScan®. For some, it persisted at the end of the study, after 28 days post first dose.



Statement from the CEO

Gratitude, joy, and strength. We experience a multitude of emotions after Dicot completed the first clinical study. We have now shown that LIB-01 has a very good safety profile, and we also managed to deduce an efficacy signal of improved erectile function.

The results from our clinical Phase 1 study came on April 23 after locking the database and the first readout was performed. The MAD, the final part where participants received multiple doses, could be combined with the SAD reported in January. The results are strong and meet our high expectations.

The safety profile demonstrated by LIB-01 in the Phase 1 study is very good, and to be honest, one can hardly get better results from a safety study. And thanks to exploratory measurements, we have managed to identify an efficacy signal, even though it was not the main purpose of the study. We see that the increased erectile function for some has been experienced 28 days after first dosing.

We go from seed through synthesis and create our own molecule which is then included in an oral formulation that has now been taken by over sixty men and has proven to work very well. It´s huge, and fills me with energy and vigor for the future and the final product we aim to create.

We often hear that we are considered fast and always meet our deadlines, something we wish to uphold. In that spirit, we have raised our gaze from Phase 1, which has been closest to our feet lately, and has already planned ahead. In the second half of 2024, our Phase 2a study is planned to start. To be ready at that time, we have already had the study drug manufactured and our clinical partner contracted, which will be CTC, who also conducted the Phase 1 study.

> The results are strong and meet our high expectations.

Gratitude is a virtue we highly respect. A big thank you to our development team spread around the world for its extensive and thorough work. And thank you shareholders for your support throughout Dicot's first clinical phase. Thank you, thank you, thank you.

Elin Trampe
CEO Dicot
Uppsala, May 2024

Dicot in brief

Dicot develops LIB-01 to become a new modern potency drug for the global market. The goal is to develop a completely new generation potency drugs that surpass currently available treatments. With a longer duration of action, fewer adverse effects, and a differentiated mode of action, Dicot aims to significantly improve the treatment of erectile problems and provide affected men and couples with a better quality of life.

Dicot is in the clinical phase with LIB-01 and has just completed a Phase 1 trial, the primary purpose of which was to evaluate the safety profile. The reporting from the study clarifies that LIB-01 has very good safety with no serious side effects, and also that an efficacy signal has been identified where participants have reported improved erectile function. Dicot has prior to the clinical trial conducted a comprehensive preclinical program, where the effect of LIB-01 has been verified in several animal studies.

Dicot's primary strategy is to under own auspice develop LIB-01 up to and including phase 2a studies, and subsequently, in partnership with larger established pharmaceutical companies, finance and further develop LIB-01 into a registered drug.

Global sales of medications for erectile dysfunction were estimated to be approximately SEK 50 billion in 2023, and for premature ejaculation, around SEK 32 billion, totaling SEK 82 billion. Demand is rapidly growing, projected to increase by over 40% from 2023 to 2029. Considering the often experienced shortcomings of currently available drugs, such as adverse effects, lack of effect, and the need for planning, they are not used by nearly as many as require them. Over half of all men prescribed these drugs discontinue the treatment. Hence, the underlying market is significantly larger than current sales volumes indicate. The demand for new and improved treatments with a different mode of action is therefore substantial.

Dicot collaborates with world-leading partners in the development of LIB-01. Manufacturing is outsourced to established international pharmaceutical manufacturers such as Thermo Fisher Scientific, and Dicot has a worldwide network of prominent experts in the field.

The active substance in LIB-01 is a semi-synthetically produced molecule based on a folk medicine use. Today, seeds are used as raw material and through an extraction process followed by a number of synthesis steps, substances in the seeds are converted into the active substance in LIB-01. Simultaneously, studies are underway on an alternative method using cell culture for large-scale production of the starting material. This manufacturing method is highly promising for future commercial production, and Dicot has applied for a patent for the method.

Dicot has a global and long-term IP strategy to secure long market exclusivity. In addition to already granted patent families, the company has submitted four new patent applications to ensure protection until at least 2044.

5 reasons to invest in Dicot

- **Massive market with untapped potential**
- **Unique patented molecule**
- **Proven safety and early indications of efficacy**
- **Efficient organization that meets deadlines**
- **Extensive worldwide expert network**

Comments on the report

Dicot's phase 1 clinical study commenced in August 2023 and concluded in April 2024. As a result, its costs have primarily impacted the last two quarters, explaining why the cost level in the first quarter is higher than the corresponding period last year (KSEK 13,722 compared to KSEK 9,884). The difference is that clinical and consultancy costs for conducting the phase 1 study are higher compared to the earlier preclinical studies. However, the costs in the quarter are lower than in the fourth quarter of 2023 (KSEK 16,460) as a majority of the phase 1 activities occurred before the year-end.

The number of employees has increased from two to three, compared to the first quarter last year, the reason to why personnel costs have risen.

Dicot is a development company and lacks revenues. Both the drug development of LIB-01 and the financial result are in line with forecasts.

The equity amounted to SEK 38.6 million (49.6) at the end of the year.

Cash and cash equivalents

Liquid assets at the end of the period amounted to SEK 32.0 million (46.0).

Earnings per share

Earnings per share for the reporting period amounted to SEK -0.02 (-0.03).

The share

Dicot AB has been listed on Spotlight Stock Market since June 20, 2018. At the end of the period, the number of shares amounted to 817,561,834 and the share's closing price was SEK 0.201. The quota value was SEK 0.007.

Funding

To finance the Phase 1 clinical study as well as preparations for phase 2a and ongoing operations, a rights issue of units was carried out in January 2023 with good results.

The upcoming Phase 2a study is planned to commence in the second half of 2024, and important preparatory steps have been initiated, such as the manufacture of the study drug and contracting of a CRO. Ahead of the study start, the company will need additional working capital, and as previously communicated, the board and management are working to identify and enable various financing options that best benefit all stakeholders. This can be achieved by the company obtaining capital from a future partner, a new share issue, grant funding, or other types of capital injections. The company also has the option to limit costs and commitments if necessary.

At the end of the quarter, Dicot has the following outstanding incentive programs:

Options program	Number of warrants (of which distributed)	Number of new shares	Increase in share capital	Strike price (SEK)	Time for share subscription
2019/2024	110,000 (80,000)	110,000	770	20.00	2019-07-03–2024-05-16
2020/2025	350,000 (250,000)	350,000	2,450	7.50	2020-06-11–2025-05-26
2021/2026 - board of directors	350,000 (300,000)	350,000	2,450	4.10	2024-06-01–2026-06-01
2021/2026 - others	650,000 (450,000)	650,000	4,550	4.10	2024-06-01–2026-06-01
2022/2027 - board of directors	700,000 0	700,000	4,900	0.91	2025-06-01–2027-06-01
2022/2027 - others	700,000 0	700,000	4,900	0.91	2025-06-01–2027-06-01
Total	**2,860,000 (1,080,000)**	**2,860,000**	**20,020**		

Accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting principles are unchanged compared to the previous year. For more information, see Dicot's annual report for 2023: https://www.dicot.se/investor-relations/finansiellarapporter-och-emissioner/finansiella-rapporter/

Financial calendar

Interim report Jan-Jun 2024	August 23, 2024
Interim report Jan-Sep 2024	October 31, 2024

Review by the auditor

This interim report has not been reviewed by the company's auditor.

Contact information

Elin Trampe, CEO
elin.trampe@dicot.se
+46 72 502 1010

Björn Petersson, CFO
bjorn.petersson@dicot.se
+46 76 109 0000

This information is information that Dicot AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the contact person set out above, on May 6, 2024, at 07:50 CET.

Income statement

KSEK	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
OPERATING INCOME			
Other operating income	1	5	228
Operating income	**1**	**5**	**228**
OPERATING EXPENSES			
Other external expenses	-11,793	-8,284	-38,894
Personnel	-1,884	-1,497	-6,133
Depreciation	-2	-2	-8
Other operating expenses	-43	-101	-198
Operating expenses	**-13,722**	**-9,884**	**-45,233**
Operating profit/loss	**-13,721**	**-9,879**	**-45,005**
Financial net	83	-65	848
Earnings for the period	**-13,638**	**-9,944**	**-44,157**

Balance sheet

KSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
ASSETS			
Fixed assets			
Material assets	11	19	13
Total fixed assets	**11**	**19**	**13**
Current assets			
Inventories	3,766	1,775	3,400
Current receivables	2,788	1,750	2,798
Cash and bank balances	32,026	46,040	47,340
Total current assets	**38,580**	**49,565**	**53,538**
Total assets	**38,591**	**49,584**	**53,551**
EQUITY AND LIABILITIES			
Share capital	30,753	45,481	44,392
Current liabilities	7,838	4,103	9,159
Total equity and liabilities	**38,591**	**49,584**	**53,551**

Cash flow statement

KSEK	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Operating activities			
Earnings before financial items	-13,638	-9,944	-44,157
Adjustment for depreciation	2	2	8
Cashflow from operating activities before change in working capital	**-13,636**	**-9,942**	**-44,149**
Change in working capital			
Change in stock and work in progress	-366	-286	-1,911
Change in current receivables	10	-265	-1,314
Change in current liabilities	-1,322	-2,910	2,146
Cashflow from operating activities	**-15,314**	**-13,403**	**-45,228**
Investing activities			
Investments in material assets	-	-	-
Cash flow from investing activities	**0**	**0**	**0**
Financing activities			
Shares issues	-	50,067	89,192
Cash flow from financing activities	**0**	**50,067**	**83,192**
Change in cash and cash equivalents	**-15,314**	**36,664**	**37,964**
Cash and cash equivalents at the start of the period	47,340	9,376	9,376
Cash and cash equivalents at the end of the period	32,026	46,040	47,340

Change in equity

KSEK	Share capital	Share premium reserve	Other non-restricted equity	Total equity
Opening balance January 1, 2023	17,138	86,154	-97,934	5,358
Rights issue	34,276	20,565		54,841
Directed shares issue	1,096	4,124		5,220
Issue costs		-9,994		-9,994
Reduction of share capital	-34,139	34,139		-
Earnings for the period			-9,944	-9,944
Closing balance March 31, 2023	**18,371**	**134,988**	**-107,878**	**45,481**
Opening balance January 1, 2024	5,723	180,761	-142,092	44,392
Earnings for the period			-13,638	-13,638
Closing balance March 31, 2024	**5,723**	**180,761**	**-155,730**	**30,754**

Earnings per share

KSEK	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Earnings for the period	-13,638	-9,944	-44,157
Number of shares at closing day	817,561,834	437,409,060	817,561,834
Average number of shares, before dilution	817,561,834	303,939,709	529,719,091
Average number of shares, after dilution	817,561,834	533,557,842	674,696,510
Earnings per average number of shares before and after dilution, SEK	-0.02	-0.03	-0.08