

DICOT

**SUMMARY OF INTERIM REPORT
JANUARY - JUNE 2022**

Dicot AB (publ) 559006-3490

Contents

Summary January - June 2022.....	3
Significant Events.....	3
About Dicot AB.....	4
Statement from the CEO.....	5
Income Statement.....	6
Balance Sheet.....	6
Cash Flow Statement in Summary.....	7
Change in Equity.....	7
Earnings per Share.....	7

Summary of Interim Report

January - June 2022

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Overview January - June 2022

SECOND QUARTER 2022

- Net sales amounts to **6 KSEK** (33 KSEK)
- Profit after financial items amounted to **-8,733 KSEK** (-5,583 KSEK)
- Earnings per share amounted to **-0.08 SEK** (-0.09 SEK)

JANUARY - JUNE 2022

- Net sales amounts to **34 KSEK** (69 KSEK)
- Profit after financial items amounted to **-18,079 KSEK** (-14,051 KSEK)
- Earnings per share amounted to **-0.18 SEK** (-0.26 SEK)

Significant events during the Second Quarter

- Elin Trampe becomes CEO on April 1. Former CEO Göran Beijer remains in the company as a part-time consultant.
- On April 6, the company announces that it is prioritizing the development of an oral drug candidate for clinical phase 1 studies, after evaluating two formulation options. Starting the first studies in humans is therefore revised to mid 2023.
- April 19, the company announces that Dr. Charlotta Gauffin is hired as the new Chief Scientific Officer starting July 11.
- May 24, Dicot holds its Annual General Meeting where Eva Sjökvist Saers, Mikael von Euler-Chelpin, Per-Göran Gillberg and Lena Söderström are re-elected. Fredrik Buch and Michael Zell are elected as new members of the board replacing Ebba Florin-Robertsson and Claes Post that have declined re-election. Furthermore, it was decided to introduce two incentive programs – one for board members and one for employees and other key stakeholders.
- At the end of May, Dicot announces that a research collaboration with Uppsala University and the W. Szafer Institute of Botany at the Polish Academy of

Sciences is initiated, to investigate a new technology for making starting material for the drug substance production.

- June 10, the company announces that a patent application is being prepared to protect new production methods and various chemical compounds in the manufacturing of the drug substance in LIB-01. The patent application is intended to be submitted after the summer and should provide 20 years of market exclusivity.
- June 1 to 15 is the exercise period for warrants in series TO 3, where 34,202,814 warrants are exercised, which corresponds to approximately 90% subscription and adds Dicot around SEK 10 million before issue costs.
- At the end of June, the company announces that it has demonstrated good results in new efficiency studies with the newly developed oral formulation. LIB-01 had a statistically proven effect on all studied parameters in the test in animals measured seven days after the last dose.

Significant events after the end of the period

No significant events after the end of the period.



About Dicot AB

Dicot wants to drastically change the way of treating erectile dysfunctions and give affected men and couples an increased quality of life. Our vision is that LIB-01 will be the first choice of drug when treating erectile dysfunction and premature ejaculation.

THE GLOBAL MARKET for erectile dysfunction drugs was worth 4.4 billion euros in 2021 and demand is growing rapidly. In major western markets, the number of pharmaceuticals sold has increased by 41% since 2018.¹

THE MOST WIDELY USED potency drugs today, such as Viagra and Cialis, come with some challenges and almost half of all those who try these drugs choose to discontinue treatment. Around 35% consider the treatments to lack the desired effect and many experience side effects and concerns about cardiovascular side effects.^{2,3} These preparations also display a short duration time – 6 to 36 hours – which reduces sex life spontaneity.

THE NEED FOR NEW TREATMENTS is verified by medical experts within the field of sexual medicine. Dr. Chris McMahon, former president of The International Society of Sexual Medicine, says that “weekly treatments with proven efficiency, good safety protocols and without significant side effects would be a game changer”.

DICOT IS DEVELOPING A MODERN potency drug that will treat erectile dysfunction and premature ejaculation better than existing pharmaceuticals, with significantly longer duration time and far fewer side effects. The goal is also for the drug to be applicable for a considerably larger treatment group than today’s pharmaceuticals.

THE MAIN STRATEGY is to develop LIB-01 through clinical phase 2 trials and then engage into strategic partnerships with established pharmaceutical companies to take the substance all the way to a registered drug on the world market.

LIB-01 HAS BEEN DEVELOPED based on traditional folk medicine usage of the root from the tree *Neobeguea Mahafalensis*, from which the founder of Dicot, Professor Jarl Wikberg, in his research managed to isolate previously unknown substances. Today, seeds are used as raw materials and through an extraction process followed by a number of synthesis steps, elements of the seeds are converted into the active substance in LIB-01.

¹ Analysis by IQVIA 2021 including the US, Great Britain, German, French and Nordic markets. ² Dropout in the Treatment of Erectile Dysfunction with PDE5: A Study on Predictors and a Qualitative Analysis of Reasons for Discontinuation, May 2012, Journal of Sexual Medicine 9(9):2361-9. ³ McMahon CN, Smith CJ, Shabsigh R. Treating erectile dysfunction when PDE5 inhibitors fail. BMJ 2006;332:589-92.

Statement from the CEO

We want to drastically change the way of treating erectile dysfunctions. Our goal is clear: to launch a brand-new long-lasting drug and become the first choice of treatment for affected men and couples. During this past quarter, we have taken several important steps in realizing this objective. We have also actively participated in the debate about the stigma associated with erectile dysfunctions.

IN APRIL WE WERE PLEASED to announce that we now have an oral formulation to proceed with, a result of intensive development work. Previously, Dicot used a subcutaneous formulation, that is, administration by syringe under the skin. A drug that can be ingested as a tablet or capsule is significantly easier for future users, which is an important factor in the pursuit of making LIB-01 the first choice.

WE ARE WORKING ON MULTIPLE FRONTS to ensure that Dicot and LIB-01 have the best prerequisites to succeed and reach a global market. A strong patent portfolio is a natural and important part of this work. In June, we started preparing a new patent application concerning new production methods and various chemical compounds during the manufacture of the pharmaceutical substance. With additional patents, we can secure market exclusivity until at least 2042.

THE MARKET FOR POTENCY DRUGS is growing rapidly, but the need is probably significantly greater than the sales statistics indicate. According to RFSU, the Swedish Association for Sexuality Education, only a quarter of all affected men seek help. The stigma and the culture of silence that prevails in regard to erectile problems is a strong contributing factor. During the spring, a welcomed debate about this culture of silence has spread in Swedish media and Dicot has participated actively, something we intend to continue doing.

AFTER JUNE'S EXERCISE OF WARRANTS, which was subscribed to approximately 90%, our finances were strengthened by SEK 9 million. This is a satisfactory outcome given the difficult situation on the capital markets during the spring. We are now evaluating several ways to capitalize the company in the future to ensure long-term financing.

WE ARE BROADENING OUR EXPERTISE to prepare for upcoming phases in the development of Dicot. The composition of the Board is an important factor in this. We are therefore very pleased to welcome Fredrik Buch and Michael Zell, who were elected as new members of the Board during the annual meeting in May. Both strengthen us with solid business and market knowledge. The Board's confidence in LIB-01's potential is substantial. This became particularly clear in June when we could announce that the board's and management's combined shareholding increased by over 700,000 shares.

OUR DRUG CANDIDATE HAS BEEN CALLED a potential "block buster" and "game changer". The positive reviews from external stakeholders and the positive study results with the oral formulation give us extra energy and confidence to continue the work of drastically improving the treatment of erectile dysfunctions and giving affected men and couples an increased quality of life.

**Elin Trampe, CEO Dicot
Uppsala in August 2022**



"In April we were pleased to announce that we now have an oral formulation to proceed with, a result of intensive development work."

Income Statement

KSEK	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Full Year 2021
Net Sales					
Other operating income	6	33	34	69	79
Net sales	6	33	34	69	79
Operating Expenses					
Other external expenses	-7 475	-4 888	-15 327	-12 713	-23 851
Personnel	-1 225	-710	-2 714	-1 330	-3 276
Depreciation	-2	0	-4	0	-8
Other operating expenses	-37	-15	-68	-73	-115
Operating expenses	-8 739	-5 613	-18 113	-14 116	-27 250
Operating profit / loss	-8 733	-5 580	-18 079	-14 047	-27 171
Profit / loss from financial items	0	-3	0	-4	-4
Earnings for the period	-8 733	-5 583	-18 079	-14 051	-27 175

Balance Sheet

KSEK	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
ASSETS			
Fixed assets			
Material assets	25	36	28
Total fixed assets	25	36	28
Current assets			
Current receivables	11 176	2 011	1 412
Cash and bank balances	13 467	22 711	30 328
Total current assets	24 643	24 722	31 740
TOTAL ASSETS	24 668	24 758	31 768
EQUITY AND LIABILITIES			
Share capital	19 241	22 385	28 351
Current liabilities	5 427	2 373	3 417
TOTAL EQUITY AND LIABILITIES	24 668	24 758	31 768

Cash Flow Statement in Summary

KSEK	Jan - Jun 2022	Jan - Jun 2021	Full Year 2021
Cash flows from operating activities	-25 824	-14 393	-25 866
Cash flow from investing activities	-	-	-
Cash flow from financing activities	8 963	16 777	35 867
Change in cash and cash equivalents	-16 861	2 384	10 001
Cash and cash equivalents at the start of the period	30 328	20 327	20 327
Cash and cash equivalents at the end of the period	13 467	22 711	30 328

Comment: Since the issue proceeds of approximately SEK 9 million were received on July 1, cash flow from operating activities is negatively affected by the receivable that existed at the end of the reporting period.

Change in Equity

KSEK	Share Capital	Share Premium Reserve	Other Non- Restricted Equity	Total Equity
Opening balance January 1, 2021	5 458	53 205	-39 004	19 659
Rights issue	2 645	14 709		17 354
Issue costs		-577		-577
Earnings for the period			-14 051	-14 051
Closing balance June 30, 2021	8 103	67 337	-53 055	22 385
Opening balance January 1, 2022	12 863	81 667	-66 179	28 351
Rights issue	4 275	5 643		9 918
Issue costs		-950		-950
Earnings for the period			-18 079	-18 079
Closing balance June 30, 2022	17 138	86 360	-84 258	19 240

Earnings per Share

	Apr - Jun 2022	Apr - Jun 2021	Jan - Jun 2022	Jan - Jun 2021	Full Year 2021
Earnings for the period, KSEK	-8 733	-5 583	-18 079	-14 051	-27 175
Number of shares at closing day	137 103 020	64 831 745	137 103 020	64 831 745	102 900 206
Average number of shares, before dilution	103 276 061	64 742 608	103 089 172	54 378 920	64 133 066
Average number of shares, after dilution	104 389 161	65 155 708	104 202 272	54 767 018	69 324 987
Earnings per average number of shares before and after dilution, SEK	-0.08	-0.09	-0.18	-0.26	-0.42