

# DICOT

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

Dicot AB (publ) 559006-3490

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# Summary of Interim Report

January - March 2022

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## Overview January - March 2022

### FIRST QUARTER 2022

- Net sales amounts to **0 KSEK** (0 KSEK)
- Profit after financial items amounted to **-9 346 KSEK** (-8 468 KSEK)
- Earnings per share amounted to **-0.09 SEK** (-0.19 SEK)



### Significant events during the First Quarter

- In February, Dicot announces that the company is strengthening its IP assets by identification and documentation of ten new patent opportunities that could extend IP protection until at least 2042.
- Björn Petersson assumes the role as CFO on March 7.
- Dicot's study results are presented at the European Society for Sexual Medicine's annual congress.
- On March 17, Spotlight Stock Markets Disciplinary Board announces its decision to impose Dicot a fine of SEK 100,000. The Disciplinary Board considers that the company has not published information regarding a rights issue in the autumn of 2021 correctly.

### Significant events after the end of the period

- Elin Trampe becomes CEO on April 1. Former CEO Göran Beijer remains in the management team as a 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 the middle of 2023.
- At the beginning of April, Dicot's Nomination Committee proposes that Fredrik Buch and Michael Zell are elected as new Board members at the Annual General Meeting on May 24.
- April 19, the company announces that it has hired Dr. Charlotta Gauffin as the new Chief Scientific Officer starting July 11.





## About Dicot AB

**Our vision is that LIB-01 will be the first choice of drug when treating erectile dysfunction and premature ejaculation for the 500 million men affected. Thus, taking a crucial part of the market for sexual dysfunctions.**

**THE GLOBAL MARKET** for erectile dysfunction drugs was worth 4.4 billion euros in 2021 and demand is growing rapidly. In large markets in the western world the number of sold drugs has increased by 41% since 2018.<sup>1</sup>

**THE MOST USED** potency drugs today, such as Viagra and Cialis, come with some challenges. Around 30% of all patients consider the drugs not having the desired effect. In addition, many experience side effects such as nausea, abdominal pain and visual disturbances. They also have a short duration of action - 6 to 36 hours - which reduces the spontaneity in the sexual act.

**THE NEED FOR NEW MEDICINES IS VERIFIED** by expert doctors in sexual medicine. Dr Chris McMahon, formerly President of The International Society of Sexual Medicine, states that “weekly treatments with proven effect, good safety profile and no significant side effects would be a game changer”.

**DICOT DEVELOPS A MODERN** potency drug to treat erectile dysfunction and premature ejaculation better than existing drugs, with significantly longer duration of action and far fewer side effects. The goal is furthermore that the drug should have effect for a much larger group than the alternatives of today.

**THE MAIN STRATEGY IS** to develop LIB-01 up until Phase 2 clinical trials and then form strategic partnerships with established pharmaceutical companies to take the drug all the way to a registered treatment on the world market.

**THE RAW MATERIAL FOR DICOT'S** drug candidate LIB-01 is seeds from an African tree. Through an extraction process followed by a number of synthesis steps, substances in the seeds are converted to the active substance in LIB-01, which is now being tested in preclinical studies.

**For more information please visit [www.dicot.se](http://www.dicot.se).**

<sup>1</sup> Research of IQVIA 2021 including the US, Great Britain, German, French and Nordic markets.



# Statement from the CEO

**New patent opportunities, strengthening of the management team and recent market figures showing a large increase in demand for potency drugs. These are important events during the first quarter of the year. And even though erection problems are so common, we are often met with surprise when we highlight that every other man over 40 years are affected.**

**DURING THE FIRST** quarter we have started the work to expand and strengthen Dicot's management team. Björn Petersson is our new CFO since March 7 and as of April 1, I took over the role as CEO, and former CEO Göran Beijer continues to work as a consultant in the company's management team. In early April I also announced that we strengthen the management team with Dr. Charlotta Gauffin as Chief Scientific Officer.

**TO BE COST-EFFECTIVE** and minimize large, fixed costs, but at the same time be able to use leading competence in different areas, Dicot is a so-called "virtual organization". This means a small but strong management team coordinating the work and procuring services in a global arena as needed.

**EVEN THOUGH WE ARE** in an early phase of drug development, a business mindset is a priority. One important area for us - as a pharmaceutical development company with a partnering strategy - is to get a strong hold on the patent situation to realize maximum shareholder value from future business agreements. During the first quarter, we announced that ten new patent opportunities have been identified. This means that Dicot has the opportunity to extend patent protection by another 20 years. We now manage these assets as trade secrets to, at the right time, make the decision to apply for patent rights.

**TODAY, HALF OF ALL MEN** over the age of 40 are affected to varying degrees by erection problems. And recent market figures show that the demand for potency drugs increases rapidly. At the same time, we know that few men seek help, and we are often met with surprise over how common erection problems are when we point this out. A contributing factor to this stigma is likely male ideals concerning performance. That's why it is inspiring when journalists shed light on the subject such as Ann Heberlein in a column in Svenska Dagbladet on April 9. Ann and I completely agree: the first step towards acceptance is attention. I sincerely hope that a by-product of Dicot's work is that the floodlights are being turned up. Because it's exactly as WHO puts it: Every individual has the right to sexual health.



***"We are often met with surprise over how common erection problems are when we point this out. A contributing factor to this stigma is likely male ideals concerning performance."***

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

# Income Statement

KSEK	Jan - Mar 2022	Jan - Mar 2021	Full Year 2021
<b>Net Sales</b>			
Other operating income	28	37	79
<b>Net sales</b>	<b>28</b>	<b>37</b>	<b>79</b>
<b>Operating Expenses</b>			
Other external expenses	-7 853	-7 827	-23 851
Personnel	-1 489	-620	-3 276
Depreciation	-2	-	-8
Other operating expenses	-30	-58	-115
<b>Operating expenses</b>	<b>-9 374</b>	<b>-8 505</b>	<b>-27 250</b>
<b>Operating profit / loss</b>	<b>-9 346</b>	<b>-8 468</b>	<b>-27 171</b>
Profit / loss from financial items	-	-	-4
<b>Earnings for the period</b>	<b>-9 346</b>	<b>-8 468</b>	<b>-27 175</b>

# Balance Sheet

KSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
Material assets	27	36	28
<b>Total fixed assets</b>	<b>27</b>	<b>36</b>	<b>28</b>
<b>Current assets</b>			
Current receivables	397	18 713	1 412
Cash and bank balances	23 353	12 615	30 328
<b>Total current assets</b>	<b>23 750</b>	<b>31 328</b>	<b>31 740</b>
<b>TOTAL ASSETS</b>	<b>23 777</b>	<b>31 364</b>	<b>31 768</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	19 005	28 007	28 351
Current liabilities	4 772	3 287	3 417
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23 777</b>	<b>31 364</b>	<b>31 768</b>

# Cash Flow Statement in Summary

KSEK	Jan - Mar 2022	Jan - Mar 2021	Full Year 2021
Cash flows from operating activities	-6 975	-24 598	-25 866
Cash flow from investing activities	-	-	-
Cash flow from financing activities	-	16 886	35 867
<b>Change in cash and cash equivalents</b>	<b>-6 975</b>	<b>-7 712</b>	<b>10 001</b>
Cash and cash equivalents at the start of the period	30 328	20 327	20 327
<b>Cash and cash equivalents at the end of the period</b>	<b>23 353</b>	<b>12 615</b>	<b>30 328</b>

## 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		-468		-468
Earnings for the period			-8 468	-8 468
<b>Closing balance March 31, 2021</b>	<b>8 103</b>	<b>67 446</b>	<b>-47 472</b>	<b>28 077</b>
Opening balance January 1, 2022	12 863	81 667	-66 179	28 351
Earnings for the period			-9 346	-9 346
<b>Closing balance March 31, 2022</b>	<b>12 863</b>	<b>81 667</b>	<b>-75 525</b>	<b>19 005</b>

## Earnings per Share

	Jan - Mar 2022	Jan - Mar 2021	Full Year 2021
Earning for the period, KSEK	-9 346	-8 468	-27 175
Number of shares at closing day	102 900 206	64 519 765	102 900 206
Average number of shares, before dilution	102 900 206	43 900 069	64 133 066
Average number of shares, after dilution	142 081 767	44 263 177	69 324 987
Earnings per average number of shares before and after dilution, SEK	-0,09	-0,19	-0,42