

# PRESS RELEASE

## DICOT

### **Dicot AB conducts a Rights Issue of approximately SEK 20.3 million and announces a bridge financing**

Dicot AB ("Dicot" or "the Company") has today on July 23, 2019 resolved to issue units, consisting of shares and warrants, with preferential rights for the Company's existing shareholders, conditional on the Extraordinary General Meeting's subsequent approval and that the Extraordinary General Meeting resolves to amend the Company's Articles of Association regarding the number of shares and share capital ("Rights Issue"). In connection with the Rights Issue, Dicot has entered into an agreement regarding a short-term bridge loan of SEK 4 million ("The Bridge Loan").

The resolution is subject to approval by an Extraordinary General Meeting, which will be held on August 22, 2019. The notice of the Extraordinary General Meeting will be published in a separate press release.

#### **Summary**

- The Company is carrying out the Rights Issue in order to finance on-going pre-clinical studies of its lead drug candidate for the treatment of sexual dysfunctions and preparations for the upcoming Phase 1 clinical study.
- Upon full subscription of the Rights Issue, Dicot will receive approximately SEK 20.3 million, before issue costs. Upon full exercise of the warrants for subscription of shares, the Company will be provided additionally approximately SEK 20.3 million to SEK 40.5 million.
- All existing shareholders receive one (1) unit right for each share held on the record date of August 30, 2019. One (1) unit right entitles the owner to subscribe for one (1) unit. One (1) unit contains one (1) new share and one (1) warrant. The subscription price is SEK 2.60 per unit.
- The subscription period for subscription of units will be from September 3, 2019 to September 17, 2019. The subscription period for subscription of shares using warrants will be from October 1, 2020 to October 15, 2020.
- The subscription price for subscription of shares using warrants will correspond to 70 percent of the average volume-weighted price of the Company's share according to Spotlight Stock market's official list during the period from September 14, 2020 up to and including September 25, 2020. However, the subscription price shall not be lower than SEK 2.60 or higher than SEK 5.20.
- The Rights Issue is guaranteed up to 70 percent by subscription undertakings and underwriting commitments.
- To secure the Company's short-term working capital requirements, the Company has entered into an agreement regarding a short-term bridge loan of SEK 4 million. The bridge loan is intended to be repaid with proceeds received from the Rights Issue.

### **The Bridge Loan**

In connection with the Rights Issue, the Company has entered into an agreement with Gerhard Dal and Rune Löderup regarding a bridge loan of SEK 4 million in total. The Bridge Loan ensures the Company's short-term working capital requirements.

The cost of the Bridge Loan corresponds to an arrangement fee of five per cent and a yearly interest rate of eight per cent. The Bridge Loan is intended to be repaid in cash received from the Rights Issue.

### **Background and rationale**

Dicot is a pre-clinical drug development company developing a new treatment of sexual dysfunctions among men, including erectile dysfunction ("ED"), premature ejaculation ("PE") as well as other indications associated with sexual dysfunction that target the unmet needs the current treatments do not address.

Dicot's lead drug candidate, Libiguin™, was discovered in the roots of a tree indigenous to Madagascar, Dicot has developed and patented semisynthetic methods for manufacturing of Libiguin™. These methods allow Dicot the potential to commercialize Libiguin™ and launch the product globally.

In 2018, the Company raised capital through a rights issue prior to the listing on Spotlight Stock Market. The capital was used for the development of Libiguin™ and to strengthen the organization.

The company has financed its development through the capital raised in the IPO and through newly awarded grants. In order to continue the development of Libiguin™, the Company has considered multiple financing alternatives and concluded that a rights issue with accompanying warrants would be the best alternative.

Proceeds from the rights issue will be used to continue the development of Libiguin™ according to Dicot's pre-clinical development program in order to progress from clinical trials on animals to humans.

Proceeds from the accompanying warrants will be used to prepare for the initiation of phase 1 clinical studies, which includes compilation of necessary documentation for approval from authorities of the study, recruitment of candidates for tests and scaling up of the manufacturing process in order to produce required amounts of Libiguin™ for the study.

### **The Rights Issue**

The Board of Directors in Dicot has resolved to issue units, consisting of shares and warrants, with preferential rights for the Company's existing shareholders in accordance with the terms listed below. The decision is conditional on the Extraordinary General Meeting's subsequent approval and that the Extraordinary General Meeting resolves to amend the Company's Articles of Association regarding the number of shares and share capital.

- Upon full subscription of the Rights Issue Dicot will receive approximately SEK 20.3 million, before issue costs. Upon full exercise of the warrants for subscription of shares, Dicot will receive additionally approximately SEK 20.3 million to SEK 40.5 million.
- All existing shareholders receive one (1) unit right for each share held on the record date. One (1) unit right entitles to subscription of one (1) unit. One (1) unit contains one (1) new share and one (1) warrant. The subscription price is SEK 2.60 per unit.
- The record date for the Rights Issue is August 30, 2019.
- The subscription period for subscription of units is September 3, 2019 to September 17, 2019. The subscription period for subscription of shares by exercise of warrants is October 1, 2020 to October 15, 2020.
- The subscription price for the subscription of shares by exercise of warrants will correspond to 70 per cent of the average volume-weighted share price of the Company's share during the period from September 14, 2020 up to and including September 25, 2020, however, not less than SEK 2.60 per share and not more than SEK 5.20 per share.
- The Rights Issue consists of a maximum of 7,790,823 new shares and 7,790,823 new warrants. Upon full subscription in the Rights Issue, the Company's share capital may increase by SEK 973,852.88, from SEK 973,852.88 to SEK 1,947,705.75. Upon full exercise of the warrants for subscription of shares, the Company's share capital may increase by SEK 973,852.88, from SEK 1,947,705.75 to SEK 2,921,558.63.
- The Rights Issue is guaranteed to 70 per cent by subscription undertakings and underwriting commitments.
- Upon full subscription of the Rights Issue, existing shareholders who choose not to participate in the Rights Issue, will experience a dilution of 50 per cent. Upon full exercise of the warrants, existing shareholders who choose not to participate in the Rights Issue, will experience an additional dilution of 33 per cent. In total, the Rights Issue may entail a dilution of 67 per cent for existing shareholder who choose not to participate in the Rights Issue.

### **Subscription undertakings and guarantees**

The Rights Issue is partially secured through subscription undertakings of approximately 21.2 percent and through underwriting commitments of approximately 48.8 percent. In total, 70 percent of the Rights Issue is secured by subscription undertakings and underwriting commitments. Subscription undertakings have been provided by ARTCO International Ltd and Rune Löderup. The underwriting commitments have been provided by external parties. For underwriting commitments, an underwriting compensation of ten (10) percent of the underwritten amount is paid in cash, or if the underwriter so elects, in shares in the Company, in which case the underwriting compensation is fourteen (14) percent of the underwritten amount. No compensation is paid to shareholders who have entered into subscription undertakings.

### **Proposal for amendment of the Company's Articles of Association**

The Rights Issue is conditional upon a resolution to amend the Articles of Association. At the Extraordinary General Meeting, the Board of Directors will propose that the Company's Articles of Association are amended regarding the limits for the share capital and the limits for the number of shares by adjusting the limits for the share capital to not less than SEK

875,000 and not more than SEK 3,500,000 and the number of shares to not less than 7,000,000 and not more than 28,000,000.

#### Timetable

<b>August 28, 2019</b>	Last day of trading including the right to receive unit rights.
<b>August 29, 2019</b>	First day of trading excluding the right to receive unit rights.
<b>August 29, 2019</b>	The investment memorandum is expected to be published.
<b>August 30, 2019</b>	The record date for the Rights Issue. Shareholders who are registered in the share register kept by Euroclear Sweden AB as of this day will receive unit rights which entitle the holder to subscribe for units in the Rights Issue with preemption rights.
<b>September 3 – September 13, 2019</b>	Trading with unit rights on Spotlight Stock Market
<b>September 3 – September 17, 2019</b>	The Subscription Period for the Rights Issue.
<b>September 20, 2019</b>	The announcement of the outcome of the offering is expected to be published.

#### Advisors

Mangold Fondkommission AB is acting as financial adviser to the Company in the Rights Issue. Advokatfirman Lindahl KB is acting as legal adviser to the Company.

#### For further information, please contact:

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#### About Dicot AB

Dicot is a pharmaceutical company focused on drug discovery and the development of novel lifestyle drugs to enrich patients' lives. The Company develops and manufactures medicines for the treatment of erectile dysfunction and premature ejaculation. The company's lead product, Libiguin™, for the treatment of sexual dysfunctions, is in a stage of pre-clinical development. Dicot is listed on the Spotlight Stock Market and has approximately 700 shareholders. For more information see [www.dicot.se](http://www.dicot.se)

*This information is such that Dicot AB is required to make public in accordance with the EU's Market Abuse Regulation (MAR). The information was made public by the Company's contact person above on July 23, 2019.*

#### Important information

This press release is not an offer to subscribe for shares or units in Dicot and investors should not subscribe or acquire any securities. Invitation to concerned persons to subscribe

for shares in Dicot will only be made through the investment memorandum that Dicot is expected to publish on August 29, 2019.

This press release shall not, directly or indirectly, be released, published or distributed in or to the United States, Australia Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action as a whole or in part is subject to legal restrictions.

Neither unit rights, units subscribed for ("BTU") or newly issued units have been recommended or approved by any US federal or state securities authority or regulatory authority. No subscription rights, BTA or newly issued shares have been registered or will be registered under the United States Securities Act of 1933, as applicable, or in accordance with applicable laws in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or in any other country where the Rights Issue or distribution of the press release is in violation of applicable laws or regulations or presupposes that a further investment memorandum is established, registered or that any other measure is undertaken beyond that required by Swedish law.

There is no intention to register any portion of the offer in the United States and the securities issued in the Rights Issue will not be offered to the public in the United States.

This press release may contain certain forward-looking information that reflects Dicot's current views on future events as well as financial and operational development. Words that are "intended", "come", "judged", "expected", "can", "plan", "appreciate" and other expressions that imply indications or predictions about future developments or trends, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it depends on future events and circumstances. Forward-looking information does not constitute a guarantee of future performance or development and actual outcomes may differ substantially from what is stated in forward-looking information. This information, the opinions and the forward-looking statements contained in this press release are valid only on this date and may be amended without notice. Dicot makes no representations about publishing updates or revisions of forward-looking information, future events or similar circumstances other than the applicable law.