



## **Clarification: The board of directors of Dicot Pharma intends to resolve on a rights issue of approximately SEK 125 million**

Dicot Pharma AB makes a clarification to the press release published on June 30, 2024, at 17:28. The clarification is made to prevent a new interpretation of how to communicate information on the subscription price discount. The discount in the rights issue will indicatively amount to approximately 30 percent in relation to the theoretical ex-rights price. The information is included in this press release. Otherwise, the press release remains unchanged.

Uppsala, Sweden, July 1, 2024. The Board of Directors of Dicot Pharma AB ("Dicot" or the "Company") announces its intention to resolve on a rights issue of units consisting of shares and warrants ("Units") equivalent to approximately SEK 125 million before deductions for transaction costs (the "Rights Issue"). In addition, the Company can receive additional proceeds from the warrants issued as part of the Units. The Board of Directors intends to publish a notice to an extraordinary general meeting (the "EGM") planned to be held on August 1, 2024, to authorize the Board of Directors to resolve on the Rights Issue. The Company has obtained subscription commitments from the major shareholders, among others Bertil Lindkvist, Tor Finans AB and Torsten Söderberg private and via company, from the founder of Dicot Jarl Wikberg, and from all members of the Board of Directors and executive management of in aggregate approximately SEK 17.5 million, corresponding to approximately 14,0 percent of the Rights Issue. A few external investors have provided underwriting undertakings, subject to customary conditions, which, in total, amount to approximately SEK 63.8 million, corresponding to approximately 51,0 percent. Hence, the Rights Issue is secured up to approximately 65,0 percent.

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### **Summary**

- In light of Dicot's consistently good results to date, the Board of Directors considers that it is in the shareholders' interest to reserve the right for the current owners to be able to benefit from the future value-creating development and thus seek external capital at a later date. The work of establishing partnerships will continue in parallel with the further development of the Company's assets.
- The Board of Directors in Dicot therefore announces its intention to resolve on a Rights Issue amounting to approximately SEK 125 million before deductions for transaction costs. In addition, the Company can receive additional proceeds from the warrants issued as part of the Units.

- The purpose of the Rights Issue is primarily to finance a clinical phase 2a trial. The Company also intends to start preparations for a clinical phase 2b trial in parallel.
- An EGM in the Company is proposed to resolve on an authorization for the Board of Directors to resolve on the Rights Issue. The EGM is planned to be held on August 1, 2024, and the notice will be published through a separate press release.
- The Rights Issue and its full terms are subsequently expected to be resolved by the Board of Directors around August 7, 2024, based on the authorization. The Rights Issue is covered to approximately 65.0 percent through a combination of subscription commitments and underwriting undertakings. Provided that the EGM grants the Board of Directors an authorization to resolve on the Rights Issue and the Board of Directors resolves on the Rights Issue:
  - certain existing shareholders, the founder of the Company, and all members of the Board of Directors and executive management have undertaken to subscribe for Units in the Rights Issue. All have committed to vote in favor of the authorization for the Board of Directors at the EGM. Total subscription commitments amount to approximately SEK 17.5 million, equivalent to approximately 14.0 percent of the Rights Issue; and
  - a few external investors have provided underwriting undertakings subject to customary conditions which, in aggregate, amount to approximately SEK 63.8 million, equivalent to approximately 51.0 percent of the Rights Issue.
- The Company's Shareholders on the record date will receive unit rights that give the right to subscribe for Units, which will consist of shares and warrants that give the holder possibility of additional subscription of shares at a later date. It is expected that the Units will be structured with a 4:1 ratio of shares and warrants where, for example, for every four shares, a warrant will be included in a Unit.
  - The subscription price when subscribing additional shares through the exercise of warrants obtained when subscribing to Units will be within the range of 100 and 150 percent of the subscription price in the Rights Issue.
- The Rights Issue, including full terms, inter alia, subscription price, number of new shares issued and increase of the share capital, with the support of the authorization, is expected to be resolved by the Board of Directors around August 7, 2024. The subscription price will be priced at a customary discount to the theoretical ex-rights price ("TERP"), corresponding to approximately 30 percent.

### **Background and reasons**

Dicot Pharma is developing the drug candidate LIB-01 to treat erectile dysfunction and premature ejaculation in men, which is common worldwide. Studies show that more than half of all men over 40 suffer from erectile dysfunction to some degree. The most used potency drugs today have certain drawbacks and almost half of all those who try these drugs choose to discontinue the treatment. Around 35 percent do not get the desired effect and many experience side effects and concerns about cardiovascular effect. Medications like Viagra also have a short duration of action and require planning, which reduces the spontaneity of sex life.

The Company's goal with LIB-01 is to create a completely new generation of potency drugs that surpass current available treatments; with longer duration of action, fewer side effects and a differentiated mode of action. A treatment where the effect lasts for a long time would be equal to great advantages. Affected men do not have to plan their sex life, which results in a more normal everyday life and increases the quality of life. *"LIB-01, with its unique duration of action, promises a paradigm shift in the treatment of erectile dysfunction. It is the first revolutionary molecule to come into the field since Viagra"*, comments the world's leading medical expert in erectile dysfunction, Dr Harin Padma-Nathan.

Dicot has taken important steps in the development of LIB-01. In 2024, the Company completed its phase 1 clinical trial with very positive results showing that LIB-01 has a good safety profile.

In addition to this, an efficacy signal could be where participants reported an improved erectile function, in some cases beyond 28 days post first dose. In parallel with this, the Company has made significant preparations for an upcoming clinical phase 2a trial such as completed GMP manufacturing of the study drug. The Company intends to start a clinical phase 2a trial during the fourth quarter of 2024.

The Company is now planning for a rights issue of Units with the aim of conducting a clinical phase 2a trial. The Company also intends to start preparations for clinical phase 2b studies in parallel. This follows the Company's business strategy to develop LIB-01 under its own auspice until phase 2a trial. Dicot's ambition is to enter into collaborations with other established pharmaceutical companies ahead of future clinical phases to finance, further develop and launch LIB-01 on the world market.

The issue proceeds after deducting issue costs are intended to finance the following activities:

- Implementation of the clinical phase 2a study, as well as preparations for the clinical phase 2b study.
- Other R&D and scaling up of the manufacturing process.
- Preclinical studies for the development of new indications.
- Business development, patents, quality and regulatory processes, etc.
- Corporate governance and management (incl. legal, IT, insurance, marketplace, personnel, board, etc.)

#### **Extraordinary general meeting and expected timetable for the Rights Issue**

An EGM is proposed to authorize the Board of Directors to resolve on the Rights Issue. The EGM is planned to be held in Uppsala on August 1, 2024, and the notice will be published through a separate press release. A more detailed timetable and the terms of the Rights Issue will be announced around August 7, 2024, if the Board of Directors resolves on the Rights Issue.

#### **Subscription commitments, underwriting undertakings and voting commitments**

Provided that the EGM authorizes the Board of Directors to resolve on the Rights Issue and the Board of Directors subsequently resolves to carry out the Rights Issue, certain existing shareholders, among others Bertil Lindkvist, Tor Finans AB and Torsten Söderberg private and via company, Dicot's founder Jarl Wikberg, and all members of the Board of Directors and executive management have committed to subscribe for Units in the Rights Issue. Total subscription commitments from these amount to approximately 14.0 percent of the Rights Issue, which corresponds to approximately SEK 17.5 million.

A few external investors have provided underwriting undertakings subject to customary conditions, which in aggregate, amount to approximately SEK 63.8 million, corresponding to approximately 51.0 percent of the Rights Issue. For the underwriting undertakings, a guarantee remuneration of twelve (12.0) percent of the guaranteed amount shall be paid as a cash remuneration, alternative 15 percent in Units in the Company. No remuneration shall be paid for the subscription commitments to subscribe for Units.

Neither of these commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. Further information regarding the parties who have submitted subscription commitments and underwriting undertakings will be stated in the prospectus published before the start of the subscription period.

#### **Earlier publication of interim report**

As a result of the Rights Issue, the Company has resolved to bring forward the date of publication of the interim report for the second quarter of 2024 to August 9, 2024, to enable board members, members of the executive management team and other insider individuals to participate in the Rights Issue.

## **Prospectus**

Complete information and instructions regarding the Rights Issue and other information about the Company will be provided in the prospectus which will be published before the start of the subscription period. The prospectus and subscription form will be made available on Dicot's website [www.dicotpharma.com](http://www.dicotpharma.com) as well as on Carnegie Investment Bank's website [www.carnegie.se](http://www.carnegie.se), Corpura Fondkommission's website [www.corpura.se](http://www.corpura.se), and on Spotlight Stock Market's website [www.spotlightstockmarket.com](http://www.spotlightstockmarket.com).

## **Advisors**

Corpura Fondkommission AB acts as Global Coordinator and Joint Bookrunner together with Penser by Carnegie, Carnegie Investment Bank AB (publ) in connection to the Rights Issue, and Advokatfirman Lindahl KB is legal adviser.

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## **About Dicot Pharma AB**

Dicot Pharma is developing the drug candidate LIB-01, which will be a potency agent 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 current available drugs. Today, over 500 million men suffer from these sexual dysfunctions and the market is valued at USD 8 billion. Dicot's strategy is to develop LIB-01 under own auspices until phase 2a study and thereafter in partnership with larger, established pharmaceutical companies, finance and develop LIB-01 further to a registered pharmaceutical on the world market.

Dicot is listed on Spotlight Stock Market and has approximately 5,700 shareholders. For more information, please visit [www.dicotpharma.com](http://www.dicotpharma.com).

## **Important Information**

The information in this press release neither contains nor constitutes an offer to acquire, subscribe or otherwise trade in shares, warrants or other securities in Dicot. No action has been taken and no action will be taken to permit an offer to the public in any jurisdictions other than Sweden. The invitation to interested persons to subscribe for shares in Dicot takes place solely through the prospectus that the Company intends to publish.

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This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. In an EEA Member State, other than Sweden, this announcement is only intended for and is only directed at "qualified investors" in the respective Member State within the meaning of the Prospectus Regulation.

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### **Forward-looking statements**

This press release may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.