DICOT
PHARMA

INTERIM REPORT
JANUARY-SEPTEMBER
2024

Third quarter 2024

Net sales amounted to MSEK 0.0 (0.0)

The result after financial items amounted to MSEK -10.2 (-8.5)

Earnings per share amounted to SEK -0.01 (-0.01)

January-September 2024

Net sales amounted to MSEK 0.0 (0.0)

The result after financial items amounted to MSEK -37.0 (-28.5)

Earnings per share amounted to SEK -0.04 SEK (-0.06)

”The Board and Management of Dicot Pharma feel a tremendous commitment, strengthened by the solid support and confidence our shareholders demonstrate through their willingness to invest in the company.”

Eva Sjökvist Saers
Chairman of the Board, Dicot Pharma AB

Dicot Pharma AB (publ) 559006-3490 S:t Olofsgatan 11A 753 21 Uppsala www.dicotpharma.com

Significant events

Significant events in the third quarter

The rights issue announced on June 30 was completed in August and subscribed to 124%. Due to high demand, the over-allotment option was fully exercised, but some investor interest remained unfulfilled. The issue generated Dicot Pharma a total of SEK 134.9 million before costs. As a result, contracted guarantors who ensured a 65% subscription level did not receive any allocation. All guarantors who had the option chose to offset their underwriting fees with units rather than cash compensation.

In July, Dicot Pharma reported a so-called pre-IND meeting with the U.S. Food and Drug Administration (FDA) had been successfully conducted with positive feedback on the LIB-01 development program. This is considered a validation of the program's quality and represents an important step toward applying to include U.S. study centers in future clinical trials. It is also important to ensure that the current development plan meets the regulatory requirements for a future market approval in the US.

In July, Dicot Pharma applied to start a clinical phase 2a study with the drug candidate LIB-01. The study is set to begin in the fourth quarter of 2024 and is fully funded by the rights issue in August. The study, which will be placebo-controlled and double-blind, is set to include approximately 140 participants and will be conducted at clinics in Sweden, Denmark, and the Netherlands.

An Extraordinary General Meeting was held on August 1. The EGM adopted new Articles of association, adjusting the range of share capital and the number of shares. The EGM authorized the Board to decide on a new share issue with preferential rights for shareholders, an over-allotment option of up to 5% of the shares following the issue, and a directed issue to guarantors to offset of underwriting fees. Lastly, the EGM approved an incentive program with a three-year vesting period for employees and the CEO through a directed issue of warrants.

Significant events after the reporting period

In October, Dicot Pharma presented in-depth clinical results from the phase 1 study at the largest U.S. conference in sexual medicine, held in Arizona, USA. The presentation was given by Dr. Harin Padma-Nathan, a renowned U.S. expert in sexual medicine. The results will also be published in The Journal of Sexual Medicine.

In October Dicot Pharma announced the U.S. Patent and Trademark Office has issued Notices of Allowance (NoA) for three of Dicot Pharma's patent applications, including the active substance and key steps in its production. A NoA indicates that the USPTO intends to approve the patent application in the U.S. once certain formalities are completed. Approval will strengthen intellectual property protection in the U.S. market.

Following the strong outcome of the August rights issue, Dicot Pharma announced in September that certain R&D activities would be advanced. These activities include steps tied to upcoming development phases, such as tablet formulation, scaling up the production process, and preparations for opening an Investigational New Drug Application in the U.S., which is required to conduct clinical trials in the U.S. Additionally, other key preparations for the phase 2b study will be initiated.

In September, Dicot Pharma announced that its financial position allows the initiation of a preclinical development program in metabolic diseases, in addition to advancing the LIB-01 candidate for erectile dysfunction. An in-depth market analysis conducted by an external party has been matched with the company's existing data on metabolic diseases, which together strongly motivates further research in several prioritized indications.

In October, Nasdaq Stockholm announced that Dicot Pharma meets the listing requirements for the Nasdaq First North Growth Market Sweden. Hence, the company's application to be listed will be approved, provided certain conditions are met. The first trading day will be November 7. The company's securities will simultaneously be delisted from Spotlight Stock Market.

On October 21, Dicot Pharma announced that approval to start the phase 2a clinical trial have been obtained from all relevant authorities in Sweden, Denmark, and the Netherlands. Preparations are complete, and participant screening, followed by dosing, will begin shortly. Hence, the study will start as previously scheduled, with the clinical phase expected to last until mid-2025, followed by statistical analysis before results can be reported.

Statement from the CEO

We continue to progress with high energy and strong determination. We have just received approval to start our phase 2a study – wow! The development team, led by Charlotta Gauffin, has done an outstanding job with the study design and all the necessary preparations. The patient recruitment started directely and we are ready to commence dosing shortly.

We are encouraged by the increasing interest in our company and drug development with each new milestone passed. The most recent example is the attention we garnered at SMSNA, North America's largest conference in sexual medicine, where our in-depth phase 1 results were presented. The oversubscribed share issue in August is another clear sign of engagement in what we are working to realize. I believe our ability to deliver on our commitments plays a significant role and has helped build a strong foundation of trust.

I recently listened to a podcast that encouraged all companies to strive to find their flow, a concept I feel strongly reflects Dicot Pharma's approach and the steady progress we are making. And I don't think it's by chance that we're in this flow. The explanation lies, I believe, in a set of principles that guide how we work:

- **Safeguard foresight**
  Our eyes are set on the market launch and what we need to do today to achieve it. Our interaction with FDA is one example. Our plans are always long term, and we consistently work through various scenarios for the upcoming steps. This way, we already have a strategy in place if a single factor changes everything, allowing us to act on different outcomes.

- **Find experts with the right mindset**
  The right people and job satisfaction are paramount factors for success. In recruitment, we look for solid experience and professionalism but also personal qualities such as a positive attitude toward challenges and a down-to-earth approach. We're on a journey where passion, problem-solving skills, and collaboration are key to achieving success. As a virtual company, we're also able to complement our team with the best experts from around the world.

- **Plan for success**
  Goals direct attention and mobilize effort. We think big and have ambitious objectives. We are here to develop the next generation potency drugs! This includes constantly challenging ourselves and our partners to do things better, more efficiently, and more innovatively.

> Our ability to deliver on our commitments plays a significant role and has helped build a strong foundation of trust.

I'd like to extend a huge and warm thank you to all our shareholders. You make our work possible. The outcome of the rights issue gives us a strong cash position and enables us, in addition to developing potency drugs, to begin initiatives in new treatment areas within metabolic indications. I'd also like to highlight the entire Dicot Pharma team, who roll up their sleeves and show tremendous commitment every day. Together, we're step by step moving closer to achieving our ambitious goals.

Elin Trampe
CEO, Dicot Pharma
Uppsala, October 2024

Dicot Pharma in brief

Dicot Pharma 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 Pharma aims to significantly improve the treatment of erectile dysfunctions and provide affected men and couples with a better quality of life.

A clinical development program for LIB-01 is currently ongoing, with completion of a phase 1 trial in April 2024. The primary objective of the trial was to evaluate the safety profile of LIB-01. The results indicate that LIB-01 has a very good safety profile. Additionally, an efficacy signal was observed in the study, with participants reporting improved erectile function, which in some cases persisted for up to 28 days after the first dose. In the fourth quarter of this year, the company intends to initiate a clinical phase 2a study, a so-called ”proof of concept”, to demonstrate the erectile-enhancing effect of LIB-01.

Dicot Pharma's strategy is to finance and conduct the later phases of the clinical trials - phases 2b and 3 - through partnerships with larger pharmaceutical companies. This strategy provides Dicot Pharma with the opportunity to achieve positive cash flows relatively early on, through upfront payments upon signing agreements, followed by milestone payments as specific objectives are reached.

Dicot Pharma collaborates with world-leading partners for the development of LIB-01. The manufacturing is carried out by the internationally established pharmaceutical manufacturer Thermo Fisher Scientific. In addition, the company has a global network of prominent medical and clinical experts.

The active ingredient in LIB-01 is a semi-synthetically produced molecule developed from traditional medicinal use. Currently, seeds are used as the raw material; through an extraction process followed by several synthesis steps, the compounds in the seeds are transformed into the active ingredient of LIB-01. The company is also studying an alternative production technique using cell cultures, a well-established method for large-scale manufacturing of many natural-derived pharmaceutical substances, representing a highly promising alternative for future commercial production.

New research results within the framework of the LIB-01 development program suggest that the substance may influence factors related to metabolic diseases, where conditions such as obesity and diabetes may be included. In addition to advancing the development of the LIB-01 candidate for erectile dysfunction, a preclinical development program has been initiated for a few prioritized indications within metabolic diseases.

5 reasons to invest in Dicot Pharma

- **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 Pharma is a development company and does not generate revenue. All development and all project costs are recognized directly over the income statement, consequently with no capitalized development costs on the balance sheet. Both the pharmaceutical development of LIB-01 and the financial result are on track.

Dicot Pharma completed its phase 1 clinical trial in the second quarter. Thus, the focus in the third quarter shifted to reporting results and preparing for the phase 2a trial set to begin in the fourth quarter of 2024. The phase 1 trial has now been expensed in its entirety, with the largest part during the second half of 2023 and the first half of 2024, and minor allocations in the third quarter of this year. The phase 1 trial's total cost concluded with less than a one percent deviation from the initial budget.

During the third quarter, the study drug for the phase 2a study was procured. This material has been stored. Otherwise, only minor costs related to the preparations have affected the costs of the quarter.

Costs in the third quarter of SEK 10.4 million were higher than the corresponding period last year (8.7). The difference is explained by an increased level of activity, both for the candidate for erectile dysfunction and for research and development. Efforts for patent and IP protection have also been prioritized, which has led to increased costs. The costs in the third quarter, SEK 10.4 million, are however lower than the SEK 13.5 million in the second quarter. The difference consists of a lower level of external resources as the company was in the stage between the phase 1 and phase 2a studies.

The average number of employees during the quarter was three, with personnel expenses at SEK 1.8 million, consistent with the previous quarter but higher than the same period last year (SEK 1.2 million). The increase compared to last year is due to increased headcount and recruitment costs.

Equity totaled SEK 132.4 million (44.5) at the end of the quarter.

Cash and cash equivalents

Cash and cash equivalents at the end of the quarter amounted to SEK 130.4 million (44.9).

Earnings per share

Earnings per share for the quarter amounted to SEK -0.01 (-0.01).

Shares

Dicot Pharma AB has been listed on Spotlight Stock Market since June 20, 2018. The Board has decided to list Dicot Pharma on Nasdaq First North Growth Market. Provisional first day of trading is November 7.

At the end of the period, the number of shares amounted to 1,778,779,842, an increase of 961,218,008 shares in September due to the unit issue carried out, followed by over-allotment and a set-off issue directed to guarantors. At the same time, the number of TO6 warrants amounted to 120,152,251. Each warrant entitles the holder to subscribe for two new shares in March 2025.

The closing price on the last day of the quarter was SEK 0.166 per share, and SEK 0.071 per TO6 warrant. The quota value was SEK 0.007.

Funding

The costs associated with advancing the company through phase 1 were financed by a unit rights issue in January 2023. As planned, proceeds were also allocated to critical preparations for phase 2a, including production of study drug and contracting the CRO.

Prior to the start of the 2a study in the fourth quarter this year, working capital has been strengthened through a unit issue. The issue was subscribed to 124% and the Board therefore exercised the over-allotment option that the Extraordinary General Meeting on August 1, 2024, decided on. In total, the company received SEK 134.9 million before costs. Due to the high subscription, the guarantors were not allocated any shares, but they chose to receive 99.2% of the underwriting compensation in units instead of cash. The issue means that Dicot Pharma is financed throughout the phase 2a study and for preparations for the 2b study.

The unit issue included warrants of series TO6 free of charge. These can be exercised in March 2025 for subscription of shares at an exercise price of 70% of a volume-weighted average price, however, not lower than SEK 0.15 or higher than SEK 0.225 per share.

Dicot Pharma's business strategy is to develop LIB-01 under own auspices through phase 2a, then to seek partnerships with established pharmaceutical companies to finance, further develop, and bring LIB-01 to the global market.

Income tax

Deferred tax relating to future tax effects is not recognized in the income statement and balance sheet. Considering that the company has consistently reported losses, and there is some uncertainty when tax surpluses arise, no deferred tax asset related to the loss carryforward is recognized. The total unutilized deficit amounted as of December 31, 2023, to SEK 170.2 million.

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

Options program	Number of warrants (of which distributed)	Number of new shares	Increase in share capital (SEK)	Strike price (SEK)	Time for share subscription
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 - management	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 - management	700,000 0	700,000	4,900	0.91	2025-06-01–2027-06-01
2024/2028 - employees	5,000,000 (5,000,000)	5,000,000	35,000	0.32	2027-09-13–2028-09-13 2027-09-23–2028-09-23
Total	**7,750,000 (6,000,000)**	**7,750,000**	**54,250**		

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: www.dicotpharma.com/investor-relations/rapporter-och-emissioner/finansiella-rapporter/.

Financial calendar

Year end report 2024	February 13, 2025
Interim report first quarter	April 29, 2025
Annual General Meeting	May 6, 2025
Interim report second quarter	August 11, 2025
Interim report third quarter	October 22, 2025

Review by the auditor

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

Contact information

Elin Trampe, CEO
elin.trampe@dicotpharma.com
+46 72 502 1010

Björn Petersson, CFO
bjorn.petersson@dicotpharma.com
+46 76 109 0000

This is a translation from the Swedish original. In case of differences between versions, the Swedish version prevails.

This is information that Dicot Pharma 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 October 31, 2024, at 08:30 CET.

Income statement

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
OPERATING INCOME					
Other operating income	0.0	0.0	0.0	0.0	0.2
Operating income	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**
OPERATING EXPENSE					
Development and other costs	-8.6	-7.5	-31.9	-24.5	-38.9
Personnel	-1.8	-1.2	-5.5	-4.1	-6.1
Depreciation	0.0	0.0	0.0	0.0	0.0
Other operating expenses	0.0	0.0	-0.2	-0.2	-0.2
Operating expenses	**-10.4**	**-8.7**	**-37.6**	**-28.8**	**-45.2**
Operating profit/loss	**-10.4**	**-8.7**	**-37.6**	**-28.8**	**-45.0**
Financial net	0.2	0.2	0.6	0.3	0.8
Net profit/loss	**-10.2**	**-8.5**	**-37.0**	**-28.5**	**-44.2**

Balance sheet

MSEK	Sep 30 2024	Sep 30 2023	Dec 31 2023
ASSETS			
Fixed assets			
Material assets	0.0	0.0	0.0
Total fixed assets	**0.0**	**0.0**	**0.0**
CURRENT ASSETS			
Inventories	7.1	2.7	3.4
Current receivables	3.3	2.5	2.8
Cash and bank balances	130.4	44.9	47.3
Total current assets	**140.8**	**50.1**	**53.5**
Total assets	**140.8**	**50.1**	**53.5**
EQUITY AND LIABILITIES			
Restricted equity	12.5	4.4	5.7
Non-restricted equity	119.9	40.1	38.7
Total equity	**132.4**	**44.5**	**44.4**
Current liabilities	8.4	5.6	9.1
Total equity and liabilities	**140.8**	**50.1**	**53.5**

Cash flow statement

MSEK	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Operating activities			
Net profit/loss before financial items	-37.0	-28.5	-44.1
Adjustment for depreciation	0.0	0.0	0.0
Cashflow from operating activities before change in working capital	**-37.0**	**-28.5**	**-44.1**
Change in working capital			
Change in stock	-3.7	-1.2	-1.9
Change in current receivables	-0.6	-1.0	-1.3
Change in current liabilities	-0.5	-1.4	2.1
Cashflow from operating activities	**-41.8**	**-32.1**	**-45.2**
Investing activities			
Investments in material assets	-	-	-
Cash flow from investing activities	**-**	**-**	**-**
Financing activities			
Shares issues	124.9	67.6	83.2
Cash flow from financing activities	**124.9**	**67.6**	**83.2**
Change in cash and cash equivalents	**83.1**	**35.5**	**38.0**
Cash and cash equivalents at the start of the period	47.3	9.4	9.4
Cash and cash equivalents at the end of the period	130.4	44.9	47.3

Change in equity

MSEK	RESTRICTED EQUITY	NON-RESTRICTED EQUITY		
	Share Capital	Share Premium Reserve	Other Non-restricted Equity	Total Equity
Opening balance January 1, 2023	17.1	86.2	-97.9	5.4
Rights issue	34.3	20.6		54.9
Directed shares issue	1.1	4.1		5.2
Rights issue, TO4	1.3	19.3		20.6
Issue costs		-13.1		-13.1
Reduction of share capital	-49.4	49.4		0.0
Earnings for the period			-28.5	-28.5
Closing balance September 30, 2023	**4.4**	**166.5**	**-126.4**	**44.5**
Opening balance January 1, 2024	5.7	180.8	-142.1	44.4
Rights issue	5.7	116.9		122.6
Directed shares issue, over allotment	0.6	11.7		12.3
Directed shares issue, reimbursement guarantors	0.4	8.9		9.3
Issue costs		-19.2		-19.2
Earnings for the period			-37.0	-37.0
Closing balance September 30, 2024	**12.4**	**299.1**	**-179.1**	**132.4**

Earnings per share

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Net profit/loss for the period	-10.2	-8.5	-37.0	-28.5	-44.2
Number of shares at closing day	1,778,779,842	625,147,346	1,778,779,842	625,147,346	817,561,834
Average number of shares, before dilution	931,112,089	625,147,346	849,876,531	472,761,872	529,719,091
Average number of shares, after dilution	1,114,348,051	851,486,876	911,648,519	665,735,097	674,696,510
Earnings per average number of shares before and after dilution, SEK	-0.01	-0.01	-0.04	-0.06	-0.08