DICOT
PHARMA

# INTERIM REPORT
JANUARY-JUNE
2024

## Second quarter 2024

**Net sales** amounted to KSEK 0 (0)

**The result after financial items** amounted to KSEK -13,144 (-10,050)

**Earnings per share** amounted to SEK -0.02 (-0.02)

## January-June 2024

**Net sales** amounted to KSEK 0 (0)

**The result after financial items** amounted to KSEK -26,782 (-19,995)

**Earnings per share** amounted to SEK -0.03 (-0.05)

> It has been 26 years since a new class of oral drugs for erectile dysfunction was approved. LIB-01 appears to have the potential to become a new first-line oral treatment.

**Harin Padma-Nathan**
MD, lead study physician for Viagra and Cialis

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# Significant events

## Significant events in the second quarter

In April, the results from Dicot's clinical phase 1 study were completed, showing a very good safety profile for LIB-01 and effective absorption in the body. An efficacy signal was also detected through self-assessment questionnaires and RigiScan® measurements, with participants reporting improved erectile function. In some cases, the effect persisted at the end of the study after four weeks. The statistical analysis, completed in June, further reinforces and deepens these positive results.

The results from Dicot's phase 1 study have been summarized in an abstract, with some of the leading names in sexual medicine as co-authors. The results will be presented at North America's largest sexual medicine conference in October.

In April, Dicot announced that preparations for the clinical phase 2a study had commenced, with the study drug manufactured by the contract manufacturer Thermo Fisher Scientific. A partner to conduct the study was also procured. The contract was awarded to CTC Clinical Trial Consultants AB, which also led the phase 1 study.

At the annual general meeting on May 6, the board members and the auditor were re-elected. The meeting granted discharge from liability to the board members and the CEO for the fiscal year 2023. The meeting also decided to change the company's name to Dicot Pharma AB to better position the company in an international environment.

In June, Dicot filed a patent application for the treatment of several new indications, based on new results from the LIB-01 development program showing that the substance appears to affect metabolic diseases. These can include conditions such as obesity, diabetes, and high blood pressure. Dicot's board and management will conduct a strategic review in the third quarter of 2024 to determine how these new results should be advanced and how they can complement the existing product portfolio.

On June 30, the board announced its intention to carry out a rights issue of approximately SEK 125 million, subject to approval by an extraordinary general meeting to be held on August 1, 2024, to give the board the mandate to execute the issue consisting of shares and warrants. Subscription commitments from the largest shareholders, the company's founders, and all board members and executives have been secured for a total of SEK 17.5 million. In addition, a smaller number of external investors have provided guarantee commitments of SEK 63.8 million. Thus, the issue is secured at approximately 65 percent.

## Significant events after the reporting period

In July, Dicot reported that 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 and ensuring that the current development plan meets regulatory requirements for future market approval in the U.S.

In July, Dicot applied to start a clinical phase 2a study with the drug candidate LIB-01. The study is planned to begin in the fourth quarter of 2024 and is fully funded by the amount secured in the announced rights issue. 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.

On August 1, an extraordinary general meeting mandated the board to execute the unit issue consisting of shares and warrants, including a directed issue to allow for the offsetting of the guarantors' remuneration and a possibility to a smaller over-allotment. A long-term incentive program for management was also decided on.

The board of directors decided on August 7 to execute the unit issue of approx. SEK 122.6 million at a subscription price of SEK 1.20 per unit, corresponding to SEK 0.15 per share. This corresponds to the volume-weighted average price ten days before the decision with a discount to TERP of approx. 30.2%. The subscription period will be August 16-30. The issue is secured to 65% or approx. SEK 79.8 million.

# Statement from the CEO

**Certain periods in a company's life stick in the memory more than others. Our second quarter definitely qualifies as one of those.**

April began with the exciting news that our first clinical study shows consistently positive results. The safety profile, which was the main focus of the study, is of the highest standard. Additionally, an efficacy signal was observed, with participants reporting improved erectile function, which in some cases persisted for up to 28 days after the first dose. The study's statistical analysis, which provides a deeper understanding of the results, was completed in June and will be published via an abstract. Our CSO, Charlotta Gauffin, has four experts in the field as co-authors, all of whom have contributed to the study in various ways, including Professor Ray Rosen, the creator of the IIEF questionnaire, the internationally recognized method for measuring the effect of ED drugs in clinical trials. The abstract has been submitted to North America's largest sexual medicine conference in October.

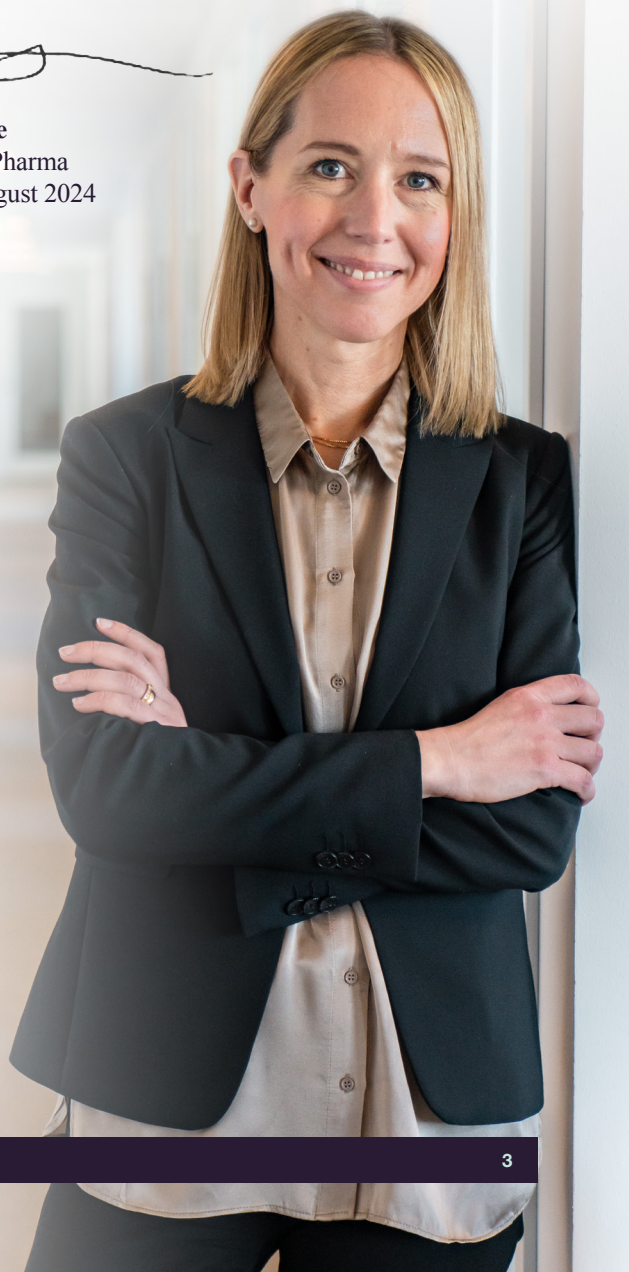
In addition to this, new results within the framework of the LIB-01 development program unexpectedly indicate that our substance may also have an effect on a number of conditions and diseases characterized by metabolic disorders. These can include conditions such as obesity, diabetes, and high blood pressure. Naturally, this presents enormous potential for Dicot, as many of these conditions are very common and have significant medical needs globally. To capitalize on this opportunity with sound business acumen, the management, the board, and I will conduct a strategic review this fall to discuss how to best proceed and complement our existing product portfolio. Of course, this will be done without compromising the swift development of LIB-01 as a treatment for erectile dysfunction.

We are scaling up and continue laying the foundation to become an international player. Over the summer, we have begun our interaction with FDA, the U.S. Food and Drug Administration, as we aim to conduct future clinical studies in the U.S. and prepare for a future market approval there. Our change of name from Dicot to Dicot Pharma is also a move towards a global presence, marking a clearer international positioning and the growth of a larger pharmaceutical company. Furthermore, the management and board believe that a listing on Nasdaq First North would benefit our continued development, internationalization, and competitiveness. Therefore, a listing change is planned in the near future, and we will provide an update when a formal decision is made.

> **We are scaling up and continue laying the foundation to become an international player.**

We are moving forward rapidly and plan to start our clinical phase 2a study in the fourth quarter. This will be an efficacy study aimed at statistically demonstrating that LIB-01 has a proerectile effect, which will be a significant value trigger for the company. To finance this important phase, we are conducting a rights issue at the end of August, giving our existing shareholders priority to invest in this step. This aligns perfectly with our main strategy: to develop LIB-01 independently up to and including the clinical phase 2a study, and subsequently, in partnership with larger established pharmaceutical companies, to finance and further develop LIB-01 into a registered drug for the global market. With the support of subscription commitments and guarantees for the upcoming issue, we have secured enough capital to finance phase 2a trial, which is very gratifying. The work of securing collaboration partners for the upcoming clinical phases will now intensify and proceed in parallel with our phase 2a study.

**Elin Trampe**
CEO Dicot Pharma
Uppsala, August 2024



# Dicot in brief

**Dicot 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 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'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 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 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. Dicot's goal is to develop LIB-01 into a drug for the global market.

**The active substance** in LIB-01 is a semi-synthetically produced molecule based on a folk medicine use. Today, seeds are used as raw material and through an extraction process followed by a number of synthesis steps, substances in the seeds are converted into the active substance in LIB-01. Simultaneously, studies are underway on an alternative method using cell culture for large-scale production of the starting material. This manufacturing method is highly promising for future commercial production, and Dicot has applied for a patent for the method.

**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. Dicot's board and management will conduct a strategic review in the third quarter of 2024 to determine how these new research findings should be pursued and integrated into the current product portfolio.

## 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 is a development company and does not generate revenue. Both the development of the drug candidate LIB-01 and the financial results are in line with the forecast.

Dicot completed the phase 1 study in the second quarter while preparing for the planned phase 2a study set to begin in the fourth quarter of 2024. The costs associated with the phase 1 study were mostly accounted for in the fourth quarter of 2023 and the first half of 2024, with a few minor expenses expected to impact the third quarter of this year. Preparations for the phase 2a study have involved the acquisition of the study drug, which has been stocked, but otherwise only minor costs have been incurred.

The expenses in the second quarter of 2024 were higher than the corresponding period last year (KSEK 13,532 compared to KSEK 10,207). This difference is explained by the higher clinical and consultancy costs associated with the phase 1 study compared to earlier preclinical studies. Efforts to secure patent and IP protection were prioritized, which also resulted in increased costs. Compared to the first quarter of this year, costs have decreased marginally to KSEK 13,532 (from KSEK 13,722). The number of employees has increased from two to three, compared to the corresponding period last year, the reason to why personnel costs have risen.

Equity amounted to SEK 17.5 million (SEK 53.1 million) at the end of the quarter.

## Cash and cash equivalents

Cash and cash equivalents at the end of the quarter amounted to SEK 17.1 million (53.6).

## Earnings per share

Earnings per share for the quarter amounted to SEK -0.02 (-0.02).

## The share

Dicot Pharma AB has been listed on the Spotlight Stock Market since June 20, 2018. At the end of the period, the number of shares amounted to 817,561,834, and the share's closing price was SEK 0.379. The quota value was SEK 0.007.

## Funding

The clinical phase 1 study was financed through a rights issue of units in January 2023. As planned, parts of this issue have also been used for essential preparations for the phase 2a study, such as the manufacturing of the study drug and contracting of a CRO. By the half-year mark, Dicot had cash reserves of SEK 17.1 million, intended to cover ongoing operations and preparations until funding for the phase 2a study is secured.

Before the planned start of the 2a study in the fourth quarter, the company will need additional working capital. Therefore, the board has decided on a rights issue with a subscription period in August 2024, along with an associated warranty program. The rights issue can raise a maximum of approximately SEK 122.6 million before costs, excluding the warranty program, with 65 percent or SEK 79.8 million guaranteed through subscription commitments and guarantees.

Dicot's business strategy is to develop LIB-01 under own auspice up to and including phase 2a studies. For subsequent clinical phases, the company plans to enter partnerships with established pharmaceutical companies to finance, further develop, and launch LIB-01 on the global market.

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

| Options program | Number of warrants (of which distributed) | Number of new shares | Increase in share capital | 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 |
| **Total** | **2,860,000 (1,080,000)** | **2,860,000** | **20,020** | | |

## 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

Interim report Jan-Sep 2024 October 31, 2024

## Review by the auditor

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

## Contact information

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This information 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 August 9, 2024, at 08:20 CET.

# Income statement

| KSEK | Apr-Jun 2024 | Apr-Jun 2023 | Jan-Jun 2024 | Jan-Jun 2023 | Full year 2023 |
|---|---|---|---|---|---|
| **OPERATING INCOME** | | | | | |
| Other operating income | 12 | 2 | 14 | 7 | 228 |
| **Operating income** | **12** | **2** | **14** | **7** | **228** |
| | | | | | |
| **OPERATING EXPENSE** | | | | | |
| Other external expenses | -11,629 | -8,782 | -23,422 | -17,066 | -38,894 |
| Personnel | -1,818 | -1,352 | -3,702 | -2,849 | -6,133 |
| Depreciation | -2 | -2 | -4 | -4 | -8 |
| Other operating expenses | -83 | -71 | -127 | -172 | -198 |
| **Operating expenses** | **-13,532** | **-10,207** | **-27,255** | **-20,091** | **-45,233** |
| | | | | | |
| **Operating profit/loss** | **-13,520** | **-10,205** | **-27,241** | **-20,084** | **-45,005** |
| Financial net | 376 | 155 | 459 | 89 | 848 |
| **Earnings for the period** | **-13,144** | **-10,050** | **-26,782** | **-19,995** | **-44,157** |

# Balance sheet

| KSEK | Apr-Jun 2024 | Apr-Jun 2023 | Jan-Jun 2024 | Jan-Jun 2023 | Full year 2023 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Fixed assets** | | | | | |
| Material assets | | | 7 | 17 | 13 |
| **Total fixed assets** | | | **7** | **17** | **13** |
| | | | | | |
| **CURRENT ASSETS** | | | | | |
| Inventories | | | 7,226 | 2,548 | 3,400 |
| Current receivables | | | 3,551 | 2,350 | 2,803 |
| Cash and bank balances | | | 17,104 | 53,563 | 47,340 |
| **Total current assets** | | | **27,881** | **58,461** | **53,542** |
| | | | | | |
| **Total assets** | | | **27,888** | **58,478** | **53,555** |
| | | | | | |
| **EQUITY AND LIABILITIES** | | | | | |
| Share capital | | | 17,452 | 53,092 | 44,392 |
| Current liabilities | | | 10,436 | 5,386 | 9,163 |
| **Total equity and liabilities** | | | **27,888** | **58,478** | **53,555** |

# Cash flow statement

| KSEK | Jan-Jun 2024 | Jan-Jun 2023 | Full year 2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Earnings before financial items | -26,782 | -19,995 | -44,157 |
| Adjustment for depreciation | 4 | 4 | 8 |
| **Cashflow from operating activities before change in working capital** | **-26,778** | **-19,991** | **-44,149** |
| **Change in working capital** | | | |
| Change in stock and work in progress | -3,826 | -1,058 | -1,911 |
| Change in current receivables | -752 | -866 | -1,314 |
| Change in current liabilities | 1,278 | -1,627 | 2,146 |
| **Cashflow from operating activities** | **-30,078** | **-23,542** | **-45,228** |
| **Investing activities** | | | |
| Investments in material assets | - | - | - |
| **Cash flow from investing activities** | **0** | **0** | **0** |
| **Financing activities** | | | |
| Shares issues | -158 | 67,729 | 89,192 |
| **Cash flow from financing activities** | **-158** | **67,729** | **83,192** |
| **Change in cash and cash equivalents** | **-30,236** | **44,187** | **37,964** |
| Cash and cash equivalents at the start of the period | 47,340 | 9,376 | 9,376 |
| Cash and cash equivalents at the end of the period | 17,104 | 53,563 | 47,340 |

## Change in equity

| KSEK | Share capital | Share premium reserve | Other non-restricted equity | Total equity |
|---|---|---|---|---|
| Opening balance January 1, 2023 | 17,138 | 86,154 | -97,934 | 5,358 |
| Rights issue | 34,276 | 20,565 | | 54,841 |
| Directed shares issue | 1,096 | 4,124 | | 5,220 |
| Rights issue, TO4 | 1,314 | 19,337 | | 20,651 |
| Issue costs | | -12,983 | | -12,983 |
| Reduction of share capital | -34,139 | 34,139 | | - |
| Earnings for the period | | | -19,995 | -19,995 |
| **Closing balance June 30, 2023** | **19,685** | **151,336** | **-117,929** | **53,092** |
| | | | | |
| Opening balance January 1, 2024 | 5,723 | 180,761 | -142,092 | 44,392 |
| Issue costs | | -158 | | -158 |
| Earnings for the period | | -26,782 | -26,782 | |
| **Closing balance June 30, 2024** | **5,723** | **180,603** | **-168,874** | **17,452** |

## Earnings per share

| KSEK | Apr-Jun 2024 | Apr-Jun 2023 | Jan-Jun 2024 | Jan-Jun 2023 | Full year 2023 |
|---|---|---|---|---|---|
| Earnings for the period | -13,144 | -10,050 | -26,782 | -19,995 | -44,157 |
| Number of shares at closing day | 817,561,834 | 625,147,346 | 817,561,834 | 625,147,346 | 817,561,834 |
| Average number of shares, before dilution | 817,561,834 | 486,262,228 | 817,561,834 | 393,555,862 | 529,719,091 |
| Average number of shares, after dilution | 817,561,834 | 489,632,168 | 817,561,834 | 452,923,641 | 674,696,510 |
| Earnings per average number of shares before and after dilution, SEK | -0.02 | -0.02 | -0.03 | -0.05 | -0.08 |