DICOT
PHARMA

YEAR END REPORT
2024

Fourth quarter 2024

Net sales amounted to SEK 0.0 million (0.0).

The result after financial items amounted to SEK -20.8 million (-15.7)

Earnings per share amounted to SEK -0.01 (-0.02)

Full year 2024

Net sales amounted to SEK 0.0 million (0.0).

The result after financial items amounted to SEK -57.7 million (-44.2)

Earnings per share amounted to SEK -0.05 (-0.08)

> It has been a quarter-century of waiting for a new class of potency drugs. The experts present, especially those involved in the original research on Viagra, clearly understood that LIB-01 could revolutionize the entire treatment regimen for erectile dysfunction.

Dr. Harin Padma-Nathan after a presentation of study results at the Sexual Medicine Society of North America in October 2024

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Significant events

Significant events in the fourth quarter

In October, Nasdaq Stockholm announced that Dicot Pharma meets the listing requirements for the Nasdaq First North Growth Market Sweden. The first day of trading on the new marketplace was November 7, at the same time as the company's securities were delisted from Spotlight Stock Market.

In October, Dicot Pharma got approval to start the phase 2a clinical trial from all relevant authorities in Sweden, Denmark, and the Netherlands. On November 20, it was announced that the first participants were dosed. Hence, the study started according to schedule, with the clinical part expected to last until mid-2025, followed by statistical analysis before results can be reported.

Dicot Pharma announced in October that the US Patent and Trademark Office had issued Notice of Allowance for three patent applications. During November and December, these additional patents were then granted for the erectile dysfunction drug candidate LIB-01 in the US. The patent family is central to the company's IP work as it strengthens both product and method protection until 2042 and includes what is commonly referred to as "Composition of Matter", meaning that it covers the active substance in LIB-01 and is considered particularly valuable for good intellectual property protection.

In October, Dicot Pharma presented in-depth clinical results from the phase 1 study at the largest US conference in sexual medicine. The presentation was held by Dr. Harin Padma-Nathan, a renowned US expert in sexual medicine. The results were later published in The Journal of Sexual Medicine.

In December, Dicot Pharma announced that the clinical results have also been selected for presentation at the European Society for Sexual Medicine's annual congress in February 2025. Professor François Giuliano, a urologist and specialist in male sexual health, will deliver a podium presentation on the findings from the phase 1 clinical study as well as the study design for the ongoing phase 2a study, in which he serves as medical expert.

Significant events after the reporting period

In early February, Dicot Pharma announced that the recruitment rate in the ongoing phase 2a study is high and on schedule. More than half of the 140 participants have been dosed. The study is expected to be reported in mid-2025.

Statement from the CEO

We aim to challenge existing erectile dysfunction drugs and develop LIB-01 into a new first-line treatment for affected men and couples. In 2024, prominent study results, a successful capitalization, a logical listing change, and patent achievements marked important milestones that illuminate our path forward.

We completed the first clinical phase without missing a single deadline, despite an ambitious development plan. The results presented in April met our high expectations: a very good safety profile and a clear efficacy signal, showing a 28-day improvement of erectile function. Just four months after the statistical report was finalized, we had secured regulatory approval to initiate our next clinical study, phase 2a. Our ambitious development plan continues.

In August, we did a highly successful rights issue, raising SEK 135 million. The subscription rate reached 124%, an exceptionally high figure given the prevailing market condition. This is clear proof of the high interest in our company, which greatly motivates us and enables strong progress. The rights issue ensured that we were able to launch the phase 2a study as planned in November. At the same time as the study started, we could with a solid financial position ring the stock exchange bell, manifesting our listing transfer to Nasdaq First North – an important step that strengthens our attractiveness and lays a solid foundation for continued expansion.

Earlier in the year, we shared research findings indicating that LIB-01 may have an impact on metabolic diseases, conditions such as diabetes and obesity. Thanks to our financial position, we were able to initiate preclinical work in these promising indications during the final quarter of the year. However, I want to emphasize that our unwavering focus remains on erectile dysfunction.

As 2024 drew to a close, Dicot Pharma received a well-deserved Christmas gift. On Christmas Eve, the US Patent and Trademark Office approved the last of three patents in a patent family, significantly strengthening our product and method protection in this crucial market until 2042.

We are determined to make 2025 just as successful as the past year. A key player is the ongoing phase 2a study, where participant recruitment and dosing are progressing at a high and satisfactory pace. The clinical phase is expected to be completed by mid-2025, followed by a results analysis before reporting.

Another important event in the near future is the subscription of the warrants that were included in the unit issue. These can be exercised now 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. The expected proceeds from TO6 will provide initial funding for phase 2b, where a clinical trial is expected to start in 2026, as well as evaluation and development for broadening the product portfolio with new indications, including metabolic diseases.

Overall, we continue to be proactive and prepare for the next phases of development with all that this entails. Our business strategy has been to establish partnerships with larger pharmaceutical companies after phase 2a to finance and further develop LIB-01. As we sum up the year with the excellent study results and the good financial situation, we can conclude that we are in a favorable position. There are therefore good reasons – not least from a shareholder perspective – to continuously evaluate when it is optimal to enter into partnerships.

Dicot Pharma's shareholder base has grown significantly, more than doubling in just two years. To all our more than 8,000 shareholders who believe in us, I extend my warmest thanks. Your trust provides strong support in our work to develop the next generation potency drugs.

Elin Trampe
CEO, Dicot Pharma
Uppsala, February 2025

> **With the excellent study results and the good financial situation, we can conclude that we are in a favorable position.**

Dicot Pharma in brief

Dicot Pharma is developing LIB-01 into a completely new generation of potency drugs for the global market, with the goal of surpassing currently available treatments. There is a significant medical need for new and improved treatments for erectile dysfunction. With a longer duration of action, fewer side effects, and a differentiated mode of action, Dicot Pharma aims to provide affected men and couples with an improved quality of life.

A clinical development program for LIB-01 is currently underway. In April 2024, Dicot Pharma completed a phase 1 trial, primarily designed to evaluate the safety profile. The results indicate that LIB-01 has a very good saftey profile. Additionally, a clear efficacy signal was observed, with participants reporting improved erectile function – an effect that persisted for up to four weeks after a three-day dosing regimen. In the fourth quarter of 2024, a phase 2a clinical study, also known as a ”proof of concept”, was initiated to demonstrate the effect of LIB-01 in treatment of erectile dysfunction.

Dicot Pharma collaborates with world-leading partners in the development of LIB-01. The manufacturing process is conducted by the internationally recognized pharmaceutical manufacturer Thermo Fisher Scientific. Furthermore, Dicot Pharma has established a global network of leading medical and clinical experts.

New research findings within the LIB-01 development program suggest that the substance may also influence factors associated with metabolic diseases, including conditions such as obesity and diabetes. A preclinical development program has been initiated for several prioritized metabolic indications, running in parallel with the development of the potency drug candidate.

A dedicated IP strategy work has resulted in Dicot Pharma now having seven patent families and granted patents extending until 2042.

The active substance in LIB-01 is a semi-synthetically produced molecule, currently derived from seeds as a raw material. Through an extraction process, followed by several synthesis steps, the compounds in the seeds are transformed into the active substance. At the same time, the company is conducting studies on an alternative production technique using cell cultures – a well-established method for large-scale manufacturing of numerous pharmaceutical substances derived from nature, making it a highly attractive option for future commercial manufacturing.

Dicot Pharma’s business model involves evaluating financial and industrial partnerships during clinical development to bring LIB-01 to commercialization. Financial partnerships aim to attract long-term major investors, while industrial partnerships would involve the licensing of rights for development and commercialization in exchange for revenues, including upfront payments, milestone payments, and royalty income from future sales.

5 reasons to invest in Dicot Pharma

- **Huge market with untapped potential**
- **Unique patented molecule**
- **Prominent clinical study results**
- **Efficient organization that meets deadlines**
- **Extensive worldwide expert network**

Comments on the report

Dicot Pharma is a pre-commercial development company in clinical phase 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. As a result, no future amortization costs will arise for activities carried out up to year-end.

Both the pharmaceutical development of LIB-01 and the financial result are on track.

Dicot Pharma completed and reported its phase 1 clinical trial in the second quarter. During the third quarter, preparations were made for the phase 2a study that started in the middle of the fourth quarter. The phase 1 study has been fully expensed, most of it in the second half of 2023 and the first half of 2024. The phase 1 trial's total cost concluded with less than a one percent deviation from the internal forecast.

The phase 2a study is being conducted at six sites in three countries and involves around 140 men. The study drug was prepared in advance and is now expensed as it is used. The costs of the study will mainly affect the fourth quarter of 2024 and the first half of 2025.

Costs in the fourth quarter of SEK 21.7 million were higher than the corresponding period last year (16.5). The main difference is the phase 2a study for LIB-01 being started. Other research and development have also been prioritized, as well as efforts for IP protection, which has led to increased costs. The costs in the fourth quarter are significantly higher than the SEK 10.4 million in the third quarter as the company at the time was in the stage between the phase 1 and phase 2a studies.

During the quarter, Dicot Pharma had three employees, with personnel expenses at SEK 2.8 million (2.1), an increase compared to the previous quarter (1.8) due to items affecting comparability.

Equity totaled SEK 111.7 million (44.4) at the end of the quarter.

Cash and cash equivalents

Cash at the end of the quarter amounted to SEK 113.4 million (47.3).

Earnings per share

Earnings per share for the quarter amounted to SEK -0.01 (-0.02).

The share

Dicot Pharma AB has been listed on Nasdaq First North Growth Market since November 7, 2024. Prior to that, since June 20, 2018, the company was listed on Spotlight Stock Market.

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 trading day of the year was SEK 0.246 per share, and SEK 0.126 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 2024, working capital was 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. This issue means that Dicot Pharma is well 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. The expected proceeds from TO6 will be able to provide initial funding for phase 2b where a clinical study is expected to start in 2026 and in parallel be able to help evaluate a broadening of the product portfolio with new indications including metabolic diseases.

Dicot Pharma's business model for the erectile dysfunction drug candidate LIB-01 is to evaluate financial and industrial partnerships during clinical development to take the candidate to commercialization. Financial partnerships mean tying up long-term major investors. Industrial partnerships may involve outlicensing of development and commercialization rights in one or more markets in exchange for signing payments, milestone payments and future royalties.

Significant risks

The company's significant risks are described in the EU growth prospectus presented on August 14, 2024, in connection with the rights issue of units consisting of shares and warrants of series TO6. A change since then is that the described phase 2a study has begun.

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 at year end to SEK 247.2 million.

Employee stock options programs

In August 2024, an extraordinary general meeting decided to introduce an employee stock options program aimed at employees in the company. To be able to exercise the options, the employee must remain employed and contribute to the company's development for at least three years. External resources for the development of the program, such as legal advice, have been expensed. The accounting cost that arises given that the options are exercised has been calculated with the Black & Scholes valuation model to SEK 0.3 million, which will be expensed over 36 months starting October 1, 2024.

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

Employee stock options program	Number of options (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 Pharma's annual report for 2023: www.dicotpharma.com/en/investor-relations/reports-and-issues/financial-reports/. Dicot Pharma AB is not part of any group and has no subsidiaries.

Annual General Meeting

The Annual General Meeting will be held on May 6, 2025, at 17:00 in Uppsala. The annual report for 2024 will be published on www. dicotpharma.com no later than April 15, 2025, and will also be available at the company's office at S:t Olofsgatan 11A in Uppsala.

Financial calendar

Annual report 2024	Week 16, 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

Proposal for dividend

The Board proposes that no dividend be paid for the financial year 2024.

Review by the auditor

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

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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 February 13, 2025, at 08.25 CET.

Income statement

SEK million	Oct-Dec 2024	Oct-Dec 2023	Full year 2024	Full year 2023
OPERATING INCOME				
Other operating income	0.0	0.2	0.0	0.2
Operating income	**0.0**	**0.2**	**0.0**	**0.2**
OPERATING EXPENSE				
Development and other costs	-18.8	-14.4	-50.9	-38.9
Personnel	-2.8	-2.1	-8.2	-6.1
Depreciation	0.0	0.0	0.0	0.0
Other operating expenses	-0.1	0.0	-0.2	-0.2
Operating expenses	**-21.7**	**-16.5**	**-59.3**	**-45.2**
Operating profit/loss	**-21.7**	**-16.3**	**-59.3**	**-45.0**
Financial net	0.9	0.6	1.6	0.8
Net profit/loss	**-20.8**	**-15.7**	**-57.7**	**-44.2**

Balance sheet

SEK million	Dec 31 2024	Dec 31 2023
ASSETS		
Fixed assets		
Material assets	0.0	0.0
Total fixed assets	**0.0**	**0.0**
CURRENT ASSETS		
Inventories	5.4	3.4
Current receivables	4.8	2.8
Cash and bank balances	113.4	47.3
Total current assets	**123.6**	**53.5**
Total assets	**123.6**	**53.5**
EQUITY AND LIABILITIES		
Restricted equity	12.5	5.7
Non-restricted equity	99.2	38.7
Total equity	**112.5**	**44.4**
Current liabilities	11.9	9.1
Total equity and liabilities	**123.6**	**53.5**

Cash flow statement

SEK million	Full year 2024	Full year 2023
Operating activities		
Net profit/loss before financial items	-57.7	-44.1
Adjustment for depreciation	0.0	0.0
Cashflow from operating activities before change in working capital	**-57.7**	**-44.1**
Change in working capital		
Change in stock	-2.0	-1.9
Change in current receivables	-2.0	-1.3
Change in current liabilities	2.8	2.1
Cashflow from operating activities	**-58.9**	**-45.2**
Investing activities		
Investments in material assets	-	-
Cash flow from investing activities	**0.0**	**0.0**
Financing activities		
Shares issues	125.0	83.2
Cash flow from financing activities	**125.0**	**83.2**
Change in cash and cash equivalents	**66.1**	**38.0**
Cash and cash equivalents at the start of the period	47.3	9.4
Cash and cash equivalents at the end of the period	113.4	47.3

Change in equity

SEK million	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
Rights issue, TO5	1.3	15.2		16.5
Issue costs		-14.1		-14.1
Reduction of share capital	-49.4	49.4		0.0
Earnings for the period			-44.2	-44.2
Closing balance December 31, 2023	**5.7**	**180.8**	**-142.1**	**44.4**
Opening balance January 1, 2024	5.7	180.8	-142.1	44.4
Rights issue	5.7	116.9	0.0	122.6
Directed shares issue, over allotment	0.6	11.7	0.0	12.3
Directed shares issue, reimbursement guarantors	0.4	8.9	0.0	9.3
Issue costs		-19.2		-19.2
Employee stock warrants		0.0		0.0
Earnings for the period			-57.7	-57.7
Closing balance December 31, 2024	**12.5**	**299.0**	**-199.8**	**111.7**

Earnings per share

SEK million	Oct-Dec 2024	Oct-Dec 2023	Full year 2024	Full year 2023
Net profit/loss for the period	-20.8	-15.7	-57.7	-44.2
Number of shares at closing day	1,778,779,842	817,561,834	1,778,779,842	817,561,834
Average number of shares, before dilution	1,778,779,842	696,257,048	1,091,049,551	529,719,091
Average number of shares, after dilution	2,602,341,674	697,337,048	1,343,269,000	674,696,510
Earnings per average number of shares before and after dilution, SEK	-0.01	-0.02	-0.05	-0.08