


EXERCISE OF WARRANTS OF SERIES TO 2

Initiator Pharma A/S

Exercise period:
24 November - 15 December 2020.



During the exercise period, holders of warrants of series TO 2 have the right to subscribe for new shares in Initiator Pharma A/S. Upon full exercise of warrants of series TO 2, Initiator Pharma will receive approximately SEK 16.4 million before issue costs. The issue proceeds will primarily be used to finance the completion of the company's clinical phase IIa study, with the aim of demonstrating Proof-of-Concept for the drug candidate IP2018.

IMPORTANT INFORMATION – MEMORANDUM REFERENCE

This teaser is a marketing brochure prepared by Initiator Pharma A/S ("Initiator Pharma"). Readers are asked to read the memorandum published by Initiator Pharma in May 2020 for a description of the risks associated with an investment in the company. The memorandum is available for download on the company's (www.initiatorpharma.com), Spotlight Stock Market's (www.spotlightstockmarket.com) and Sedermera Fondkommission's (www.sedermera.se) respective websites.

Initiator Pharma

Initiator Pharma is a clinical-stage biotechnology company based in Aarhus, Denmark. The company's main clinical Phase assets are IPED2015, intended for patients with erectile dysfunction of organic origin, and IP2018 for treatment of ED of psychogenic origin. Both treatments represent First in Class treatments for psychogenic and organic ED, respectively, and are expected to improve the quality of life for a growing number of patients who are not responding to, or cannot be treated with, existing drugs on the market.

BUSINESS MODEL BASED ON IN HOUSE EARLY PHASE DEVELOPMENT AND OUT-LICENSING

Initiator Pharma aims to commercialize its research efforts through:

- Internal development of selected programs through the early phases of drug development before out licensing to pharmaceutical companies who will take over the further clinical and commercial development of the company's programs, typically connected with upfront payments, milestone and royalty payments on product sales to Initiator Pharma.
- Early stage research and development collaboration with pharmaceutical companies who will fund the research and development activities and pay upfront, milestones and royalty payments on product sales to Initiator Pharma.

IPED2015 – Positive phase IIa clinical Proof-of-Concept data


IPED2015 is Initiator Pharma's most advanced drug candidate having successfully completed phase IIa trials during the spring of 2020. IPED2015 is a novel drug candidate for the treatment of patients suffering from ED with organic origin that do not respond to the currently marketed drugs in the PDE5 inhibitor class (e.g. Viagra®, Cialis®, Levitra®). IPED2015 – by having a dual action, both a central effect initiating erection and a peripheral effect potentiating erection through smooth muscle relaxation – is unique and aimed for treatment of ED in patients suffering from ED due to metabolic syndrome and diabetes.

IP2018 – Broadens Initiator Pharma's project portfolio

To further strengthen the company's commercial potential, Initiator Pharma acquired the rights to the drug candidate IP2018 from Saniona AB during the first quarter of 2020. IP2018 is being developed for the treatment of sexual dysfunction in patients with depressive disorders or who suffer from general psychogenic and organic ED. Up to 68 percent of patients with major depressive disorders suffer from sexual dysfunction, highlighting a significant unmet medical need. In the summer of 2020, Initiator Pharma received approval from the British Medicines Agency MHRA to start a clinical phase IIa Proof-of-Concept study with IP2018, which in preclinical studies has shown a promising effect on erectile dysfunction linked to depression. The dosing of the first patient is expected shortly and, pending the Covid-19 situation, the company expects to have top line results ready by the end of the first half of 2021. With the clinical development of IP2018, the ambition is to position the drug candidate as a daily treatment for patients with depression and ED and/or as a supplement for the treatment of patients with drug-induced sexual dysfunction.

Erectile dysfunction – Rapid growth worldwide with severe effect on quality of life

Erectile dysfunction can be divided into two main categories based on the underlying cause of disease – organic and psychogenic ED – that requires different treatments. Today, about 150 million men are affected by ED globally, a figure that due to an aging population and increasing prevalence of lifestyle diseases such as diabetes is expected to rise to about 320 million by 2025. The number of ED patients is most likely grossly underestimated, particularly for the psychogenic patient segment. It will be of great importance to address ED as it affects psychosocial factors and can lead to general reduced quality of life, impaired self-esteem, depression, anger, frustration, anxiety and relationship problems.



“In the summer of 2020, Initiator Pharma received approval from the British Medicines Agency MHRA to start a clinical phase IIa Proof-of-Concept study with IP2018, which in preclinical studies has shown a promising effect on erectile dysfunction linked to depression.”

Claus Elsborg Olesen
CEO, Initiator Pharma A/S

Use of proceeds

– Further clinical development

During the second quarter of 2020, Initiator Pharma carried out a successful rights issue, which was subscribed to approximately 387 percent. In addition, the company simultaneously carried out a directed issue of units on the same terms as the rights issue. The capital that the company can be provided through the exercise of the warrants issued in connection with the rights issue and the directed issue is intended to be used to develop the drug candidate IP2018 through the clinical phase IIa study and generation of Proof-of-Concept.

IP2018 strengthens the company's project portfolio. Obtaining Proof-of-Concept will position IP2018 as a new type of treatment for the large number of patients who, due to serious side effects, do not want or can use the medicine available on the market. According to the Board of Directors' assessment, positive results will also facilitate attractive agreements with major pharmaceutical companies in the area of depression. In addition to costs related to the clinical work with IP2018, the warrants will also provide capital in order to finance the business development of the IPED2015 asset.

Offer in brief

Exercise period:

24 November – 15 December 2020.

Subscription price:

Each warrant of series TO 2 gives the holder the right to subscribe for one (1) new share in Initiator Pharma at a price of SEK 4.90.

Issue volume:

There are 3,355,099 outstanding warrants of series TO 2. Upon full exercise of warrants of series TO 2, Initiator Pharma will receive approximately SEK 16.4 million before issue costs.

Last day for trading in warrants:

11 December 2020.

Number of outstanding shares in Initiator Pharma:

25,567,336.

Valuation in the current offer (pre-money):

Approximately SEK 125.3 million.

Highlights 2020

- Demonstrated Proof-of-Concept for the drug candidate IPED2015 in connection with clinical phase IIa study.
- Carried out a rights issue which was subscribed to approx. 387 percent.
- Received approval to conduct a clinical phase IIa study with IP2018 from the UK.
- Initiated a phase IIa clinical trial to demonstrate Proof-of-Concept for IP2018.

Upcoming Events

Q4 2020

- Strengthen the current position and value of the drug candidates by conducting R&D activities, internally and in collaboration with universities, to support and guide additional unmet need indications.

Q1-Q2 2021

- Continue the business development activities of IPED2015, including preparation for a larger phase IIb study to further approach the NDA.
- Data read out in phase IIa Proof-of-Concept clinical trial for IP2018.

Q2-Q3 2021

- Complete the phase IIa clinical trial for IP2018 (Proof-of-Concept).

CEO Claus Elsborg Olesen has the floor

Despite the ongoing pandemic, Initiator Pharma has maintained momentum and successfully completed clinical trials. I am proud of what we have achieved so far and look forward with confidence to the company's development.

This year, our phase IIa clinical trial was completed with the drug candidate IPED2015 and we were able to present promising data from the study that confirmed Proof-of-Concept. The result strengthened us in our belief that IPED2015 has strong potential to become a new treatment method for the 150 million people who suffer from ED worldwide.

The positive data of the study support our ambition to position Initiator Pharma as a company that adds significant value to drug candidates through well-designed and conducted clinical Proof-of-Concept studies. The result will be a vital part for designing the Phase IIb and Phase III clinical trials on the trajectory to gain an NDA approval and in the ongoing business development activities with IPED2015. For us, it is a high priority to ensure continued progress with IPED2015 for the benefit of patients, and in the long run, for our shareholders.

During the summer of 2020, we also received approval from the British Medicines Agency MHRA to conduct a clinical phase IIa study with our second drug candidate, IP2018, which has been developed as a combined treatment for both depression and ED.

A common side effect of today's antidepressant drugs is negative side effects on the sexual function. This is because current treatments inhibit the reuptake, or affect the breakdown, of the neurotransmitters' serotonin, norepinephrine and dopamine. For instance, a study found that 41.7 percent of the patients discontinued their psychiatric medication due to perceived sexual side effects¹. IP2018 is unique in its kind and creates a clear differentiation from other antidepressant drugs on the market. We therefore intend to position IP2018 as a daily treatment for patients suffering from depression and sexual dysfunction, but the treatment can also function as a complement to treat ED in patients with medically induced sexual dysfunction.

In the ongoing phase IIa clinical study, our ambition is to confirm the effect of IP2018 on erectile function. We have recently dosed the first patient in the study and top-line results for the drug candidate

are expected to be ready by the end of the first half of 2021. If the result is positive, we will follow up with further clinical safety studies on additional dose parameters.

I strongly believe in Initiator Pharma's ability to create value in the future. With IPED2015, we meet a large need aimed at a segment that does not experience effective treatment of current potency-enhancing drugs. The development of IP2018 will initiate a paradigm shift for patients with psychogenic erectile dysfunction, with a first-class treatment that can significantly increase the quality of life for patients.

In June, we carried out a successful capitalization that was oversubscribed and provided the company with the necessary capital to take the development further significant steps forward. The trust shown by the shareholders will continue to be managed in the best possible way when the company is now facing the exercise of warrants. The proceeds that the company can be provided with through the warrants is planned to be used to develop IP2018 through the ongoing phase IIa study and generation of Proof-of-Concept. Together with the positive result for IPED2015, the company's commercial value is strengthened and provides improved opportunities for the signing of future attractive agreements.

I look forward to Initiator Pharma's future development with a strong confidence in our drug candidates. I hereby invite you all to participate in an exciting future and exercise your warrants of series TO 2 – an important investment in Initiator Pharma's continued work to improve the quality of life for millions of people worldwide.

Claus Elsborg Olesen
CEO, Initiator Pharma A/S



“The development of IP2018 will initiate a paradigm shift for patients with erectile dysfunction of psychogenic origin.”

1. Rosenberg KP, Bleiberg KL, Kosci J, Gross C. A survey of sexual side effects among severely mentally ill patients taking psychotropic medications: impact on compliance. J Sex Marital Ther. 2003;29(4):289-96.

Terms for warrants of series TO 2 in brief

There are 3,355,099 outstanding warrants of series TO 2. Holders of warrants of series TO 2 have the right to subscribe for one (1) new share in Initiator Pharma A/S at a price of SEK 4.90 per share. Subscription with support of warrants of series TO 2 take place during the period from the 24th of November 2020 until the 15th of December 2020. Subscription shall be made by immediate cash payment no later than on the 15th of December 2020.

As warrant holder you need to decide on the offer – here's how to exercise your warrants of series TO 2

For your warrants not to expire worthless, you must subscribe for new shares, with the support of warrants, on the 15th of December 2020 at the latest, alternatively sell your warrants no later than on the 11th of December 2020.

You can have your warrants registered in two ways:

1. In a securities custody account with a bank or other nominee (for example, Avanza or Nordnet), in an investment savings account (Sw. Investeringsparkonto) or endowment account (Sw. Kapitalförsäkring). Your warrants are then nominee registered.
2. In a VP-account (a VP-account starts with three zeros). Your warrants are then directly registered.

If your warrants are nominee registered

Subscription and payment of new shares, by exercise of warrants, shall be made to the account-holding bank/nominee with which the warrants are registered. The subscription and payment shall be made in accordance with the instructions from each such bank or nominee. Usually, the bank/nominee sends out a digital notice to the account holder, otherwise it is enough to log into the securities custody account from the first day in the exercise period in order to get instruction on how to exercise warrants for subscription of new shares. If you do not find these instructions, please contact your bank or trustee. Please note that banks and other nominees may

set different time limits for the last day for subscription, hence it is recommended to contact the account-holding bank/nominee early in the exercise period. This folder will be sent out to most nominee warrant holders. Subscribed and paid for shares may be entered as "interim shares" or "IA" into your securities custody account until registration of the issue is completed with the Danish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in Initiator Pharma A/S.

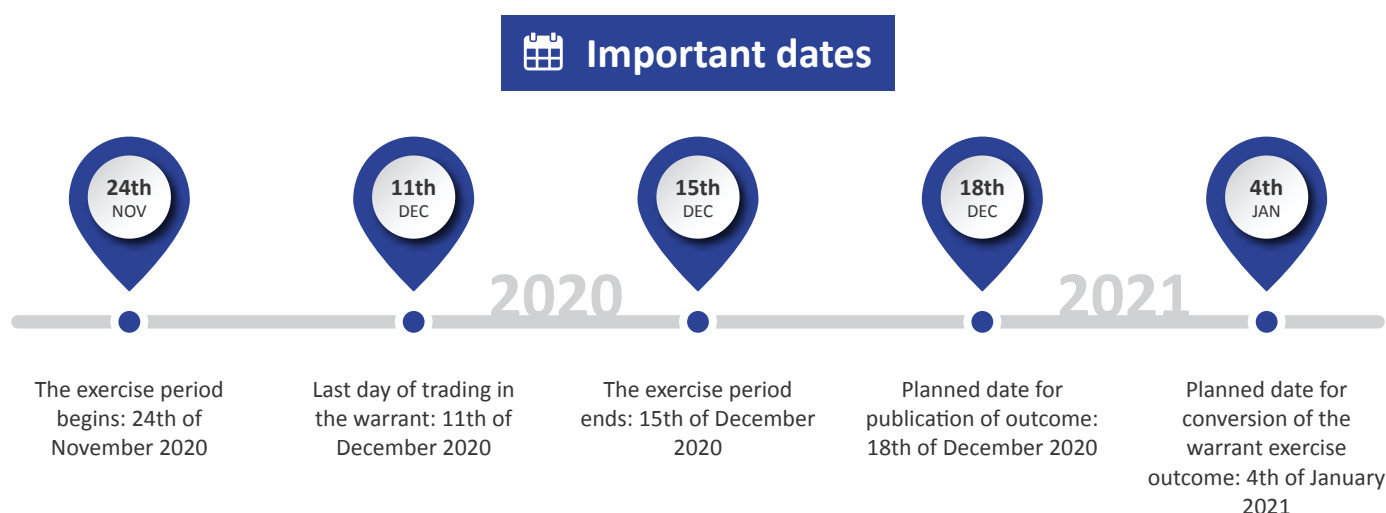
If your warrants are directly registered

No VP-account statement will be sent out. Subscription of new shares, by exercise of warrants, shall be made by sending a completed subscription form to Sedermera Fondkommission. In conjunction with sending the completed subscription form, payment must be made to Sedermera Fondkommission in accordance to the payment details stated on the subscription form. Subscription form along with this folder will be sent to VP-account holders. The subscription form and folder are also available at the respective website of Initiator Pharma A/S (www.initiatorpharma.com) and Sedermera Fondkommission (www.sedermera.se).

Completed subscription form and payment must be registered with Sedermera Fondkommission no later than on the 15th of December 2020. Subscribed and paid for shares will be entered as "interim shares" or "IA" into your VP-account until registration of the issue is completed with the Danish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in Initiator Pharma A/S.

Subscription over EUR 15,000 where applicable

If the subscription amounts to or exceeds EUR 15,000, a money laundering form must be completed on the money laundering form available on www.sedermera.se which can be signed with BankID/NemID.



NOTE – In order for your warrants not to expire worthlessly, you must actively subscribe for shares no later than on the 15th of December 2020 or sell your warrants no later than on the 11th of December 2020.

In case of any questions regarding warrants in Initiator Pharma, please contact Sedermera Fondkommission. Sedermera Fondkommission is the financial advisor and issuing agent for Initiator Pharma in connection with the issue.

Phone: +46 40-615 14 10, E-mail: issuingservices@sedermera.se

Subscription form for exercising of warrants of series TO 2 in Initiator Pharma A/S

Subscription period:	24 November – 15 December 2020
Trading in warrants:	Until 11 December 2020
Subscription price per share:	SEK 4.90
Payment day:	Payment and subscription form shall be Sedermera Fondkommission at hand no later than 15 December 2020.

In an assessment of Initiator Pharma A/S's future development and operations, it is of great importance to consider all relevant risks. Each investor must make their own assessment of the impact of these risks by reading and understanding all available information published concerning this offer.

PLEASE NOTE

Subscription of shares can only be made through this subscription form by anyone whose warrants are directly registered at a VP-/Service account. If your warrants are held in a custody account, please contact your bank/trustee for instructions on how to subscribe.

1. The subscriber hereby subscribes for, through simultaneous payment, the following number of shares at a price of SEK 4.90 per share in Initiator Pharma A/S, in accordance with the terms and conditions for warrants of series TO 2:

Number of warrants exercised	Number of shares subscribed (number of warrants/ 1 x 1)	Total amount SEK (subscribed for shares x 4.90)
VP-/service account where warrants are held	Bank/Trustee	
	0 0 0	

2. Do you invest regularly through Sedermera Fondkommission? I.e., have you, through Sedermera Fondkommission, invested ten (10) times during the last twelve (12) months, or six (6) times each year for the last five (5) years? Yes No

3. Subscription over 15,000 EURO?

If the subscription amounts to or exceeds 15,000 EURO, or if the answer to question 2. is Yes, a money laundering form which can be found at Sedermera Fondkommissions website (www.sedermera.se) shall be filled out and signed with BankID or NemID. Please note: Sedermera Fondkommission cannot guarantee that the subscription form will be considered if Sedermera Fondkommission does not receive a completed money laundering form before the subscription period has ended.

4. Fill in your name and address information (Please write clearly)

Last name/Company name	First name	National ID number/Corp.ID.no.	
Street address (or PO Box or equivalent)	Daytime telephone	NID-number (private person)*/LEI (company)**	
Postal code	City	Country (if other than Sweden)	E-mail (mandatory)
Place and date	Signature (authorized company signature, or guardian, if applicable)		

* NID is a national ID for physical persons, required when subscribing for, trading, buying, selling and moving securities. Please fill in if you have dual citizenship or citizenship outside Sweden and Denmark.

**LEI is a global ID-code for legal persons, required when subscribing for, trading, buying, selling and moving securities. Application for LEI-code can be made with support from your bank, but is also possible to conduct directly through companies providing LEI-codes.

5. By signing this subscription form I confirm the following:

- That I have read the memorandum (Swedish use), published in connection with the rights issue of units in June 2020 and understood the risks associated with investing in this particular financial instrument;
- That I have read and understood the information stated in the section "Terms and Conditions" in the memorandum published in connection with the rights issue of units in June 2020;
- That I have read and accepted the information stated on the subscription form;
- That no modifications or amendments may be made to the printed text in this subscription form;
- That an incomplete or incorrect subscription form may be disregarded;
- That I am aware that no customer relationship exists between Sedermera Fondkommission and the subscriber with respect to this subscription;
- That I am aware that Sedermera Fondkommission will not make any assessment of whether the subscription to the instrument in question is suitable for me or the person on whose behalf I am subscribing;
- I have observed that the offer is not addressed to persons resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectus, registration or other measures other than those required by Swedish and Danish law;
- That I am aware that the application is not covered by the right of return that follows from the Swedish Distant and Doorstep Sales Act or the Danish Consumer Contracts Act;
- That the subscription is binding;
- That in signing this subscription form, I authorize Sedermera Fondkommission, at the undersigned's expense, to implement the subscription of shares pursuant to the terms and conditions stated in the memorandum issued by the board of directors of Initiator Pharma A/S in June 2020;
- That personal data will be stored and processed in accordance with the General Data Protection Regulation (GDPR).

6. Send the application form by one of the following options:

Mail:	Email	Other questions:
Subject: Initiator Pharma Sedermera Fondkommission Norra Vallgatan 64 211 22 Malmö, Sweden	issuingservices@sedermera.se (scanned subscription form)	Phone: 0046 40-615 14 10 Web site: www.sedermera.se

Instructions for payment

Account number:	8169-5,913 984 474-1
Bank:	Swedbank
Bankgiro:	363-0738
Reference:	Your VP-account number
Receiver:	ATS Finans AB*

The subscription form and payment must be Sedermera Fondkommission, at hand no later than on 15 December 2020.

*Sedermera Fondkommission is a secondary name to ATS Finans AB with org.nr 556736-8195.

Payment instructions for non-Swedish payments:

IBAN:	SE76 8000 0816 9591 3984 4741
BIC:	SWEDSESS