YEAR END REPORT 2020 FOR INITIATOR PHARMA A/S
CVR number: 37663808
January – December 2020
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INITIATOR PHARMA: YEAR END REPORT 2020

Financial Highlights

Initiator Pharma A/S is a Danish registered company, and is reporting its financial situation in Danish kroner (DKK).

Fourth Quarter (2020-10-01 – 2020-12-31)
• Net revenues were TDKK 0 (0)
• Operating loss, EBIT was TDKK -2,069 (-2,503)
• Earnings per share was DKK –0.01 (-0.06)

Full Year (2020-01-01 – 2020-12-31)
• Net revenues were TDKK 0 (0)
• Operating loss, EBIT was TDKK -10,531 (-9,339)
• Earnings per share was DKK –0.32 (-0.34)
• Cash and bank: TDKK 13,504 (7,562)
• Solidity: 92% (87%)

Group earnings per share: period result divided by a number of 27 375 419 shares. Solidity: equity divided by assets.

Business highlights in Q4 2020

- On October 1st it was announced that screening for the Phase 2a trial for IP2018 was ongoing, with first dosing of patients expected shortly.
- On November 5th it was announced that we have secured a grant from Innovation Fund Denmark of up to DKK 3.8 mill covering the Phase 2a trial for IP2018.
- On November 24th it was announced that the exercise period for the warrants of series TO2.
- On November 25th it was announced that we had secured funding for IPED2015 clinical Phase 2b study – signs financing agreement with MAC Clinical Research worth up to 23 SEKM.
- On December 8th it was announced that screening is ongoing and first dosing expected soon in Phase 2a trial with IP2018.
- On December 9th it was announced that the first patient had been dosed in Phase 2a trial in IP2018.
- On December 10th it was announced last day of trading in warrants of series TO2.
- On December 10th it was announced that Erik Penser Bank publishes analysis of Initiator Pharma.
- On December 10th it was announced the strengthening of the management team and the initiation of our Scientific Advisory Board.
- On December 11th it was announced that board and management exercises warrants of series TO2.
- On December 11th it was announced that Formue Nord Markedsneutral A/S exercises warrants of series TO2 corresponding to approx SEK 4.6 mill.
- On December 17th it was announced that Initiator Pharma receives approximately SEK 8.9 mill through exercise of warrants of series TO2.
- On December 18th the summons for an EGM on January 14th were published.
- On December 23rd it was announced that board members and management exercises incentive warrants.

Significant events after this reporting period

- On January 14th the published the protocol from the EGM held on January 14th, approving the financing agreement with MAC Clinical Research and expanding the board.

Initiator Pharma

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About Initiator Pharma

Initiator Pharma A/S is a Danish biotechnology company focusing on the development of innovative drugs, targeting key unmet medical needs within the central and peripheral nervous system. Our research is focusing on monoamine reuptake inhibitors, molecules that are affecting the synaptic concentrations of neurotransmitters such as dopamine, serotonin and noradrenaline. Our lead drug candidates are: ***IPED2015*** *is targeting the medical condition Erectile Dysfunction (ED), and specifically patients with ED that are non-responsive to drugs within the PDE5i class, including the approved drugs Viagra©, Cialis© and Levitra©.* ***IP2018*** *is a monoamine reuptake inhibitor for the treatment of psychogenic Erectile Dysfunction (mainly caused by anxiety and depression) primarily targeting the serotonin followed by the dopamine system. IP2018 is different from our frontrunner IPED2015 for organic erectile dysfunction (mainly caused by diabetes and age), primarily targeting the dopamine system. Due to the unique profile, IP2018 will, if successful, treat patients suffering major depressive disorder where the majority also suffer from comorbid sexual dysfunction or treatment-emergent sexual dysfunction.*

Initiator Pharma is based in Aarhus, Denmark. Initiator Pharma is listed on Spotlight Stockmarket and has about 4.000 shareholders. Read more at www.initiatorpharma.com.

Letter from the CEO

Initiator Pharma's fourth quarter has, as well as the year in general, progressed according to plan with some significant events supporting the continued development of our two main assets, IPED2015 and IP2018, both clinical phase drug candidates in the field of erectile dysfunction (ED). IPED2015 is our most advanced candidate intended for patients suffering from organic ED, and IP2018 is being developed as a combined treatment for both depression and ED. Both represent First in Class treatments within their indication 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. The medical need for a new effective treatment for ED is massive, expected to affect more than 300 million men worldwide by 2025.

In March, we exercised the option agreement with Saniona securing our control of IP2018 after filing the Clinical trial application to MHRA. In early December, we dosed the first patient in the Phase 2a clinical trial with IP2018 to treat psychogenic sexual dysfunction. In November, Initiator Pharma received an Innobooster grant from Innovation Fund Denmark to co-fund the trial with up to 3.8 MDKK.

"We are delighted that Innovation Fund Denmark has decided to make this investment through their Innobooster program. It is a clear validation of Initiator Pharma's unique candidate drug IP2018 and the need for improved treatment of psychogenic ED. We remain confident that IP2018 will be a breakthrough therapy for psychogenic ED and look forward to demonstrating this in our ongoing phase 2a clinical trial."

IP2018 is a unique drug candidate that targets a clear unmet medical need as it is differentiated from all existing anti-depressants and drugs for psychogenic ED. Up to 68 percent of patients with major depressive disorder suffer from sexual dysfunction, highlighting a significant unmet medical need.

In March we reported positive data from our Phase 2a Proof-of-Concept study with our most advanced ED candidate, IPED2015. The data strengthened our belief that IPED2015 can become a new treatment method for the large group of patients that do not respond to the currently marketed drugs in the PDE5i class, such as Viagra and Cialis. Hence, we were delighted to sign a financing agreement in November, aiming to fund the upcoming IPED2015 clinical Phase 2b intercourse study. The deal is a convertible credit agreement worth up to 23 MSEK, with UK's largest independent clinical development organization, MAC Clinical Research. It gives MAC the right to convert the credit into Initiator Pharma shares up to approximately 23 MSEK at a share price of 7.5 SEK, equivalent to a premium of more than 70 percent compared to the share price day of signing the agreement.

The MAC deal is favorable for Initiator Pharma in multiple ways:

1. We get the financial support needed to conduct this vital trial of our lead candidate drug.
2. It gives us a potential new and committed large shareholder.
3. We do not give away the substantial potential upside we see in the company at the current valuation.

"We are very encouraged by MAC's decision to finance the IPED2015 clinical Phase 2b study with the possibility to become a shareholder in our company, enabling us to continue the clinical development of our lead asset IP2015."

The Phase 2b study will be conducted at multiple sites in the UK, and the plan is to initiate the study in H1 2021, pending the development of the Covid-19 situation. The final design of the study is still pending and requires approval from MHRA. Initiator Pharma and MAC utilize the learnings from the previous Phase 2a Proof-of-Concept study to design a solid Phase 2b intercourse study, expected to be completed in the second half of 2022. In Phase 2b study, the clinical endpoint, besides safety and tolerability, will also include EIIRF-questionaries (International Index of **Erectile** Function (**IIEF**)).

In addition to the financing from MAC and Innovation Fund Denmark, we have in 2020 successfully carried out a rights issue that was significantly oversubscribed, as well as a directed issue of shares and warrants to Formue Nord. All in all, together with the SEK 8.9 million before issue costs that we received in connection with the warrant exercise in December, Initiator Pharma now has the resources needed to complete the clinical phase 2a study for IP2018.

We have recently strengthened the management team by attracting Dr. Allan Wehnert to join the company as Senior Vice President, Clinical and R&D Strategy and Portfolio Management.

Furthermore, Initiator Pharma's Scientific and Clinical Advisory Board (SCAB) was initiated in December by engaging the prominent Sexual Medicine experts Dr. Irwin Goldstein and Mrs. Sue Goldstein. We now have a a team of internationally renowned expertsin place with the expertise and capabilities to deliver on our goals.

I am proud that we, in the middle of an ongoing pandemic, have continued to deliver according to plan and have been able to complete as well as initiate new clinical trials. We have a strategic review ongoing to prioritize how to develop our assets and priorities further to optimize shareholder value creation. We will revert with further details on this during 2021. I am happy with what we have achieved so far and look forward to the future with confidence.

Aarhus February 19 2021

Claus Elsborg Olesen
CEO

About Initiator Pharma

Initiator Pharma is a Biotech company established in Aarhus, Denmark. Its main asset IPED2015 represents a novel treatment paradigm for the treatment of Erectile Dysfunction (ED) and will improve the quality of life for the growing number for patients (and their partners) that do not respond or cannot be treated with the current marketed medication. Initiator Pharma is based in Århus, Denmark.

Vision

Initiator Pharma´s vision is to become a recognized biotech company dedicated to the development of paradigm changing drugs for unmet medical needs, to the benefit of both patients and the society.

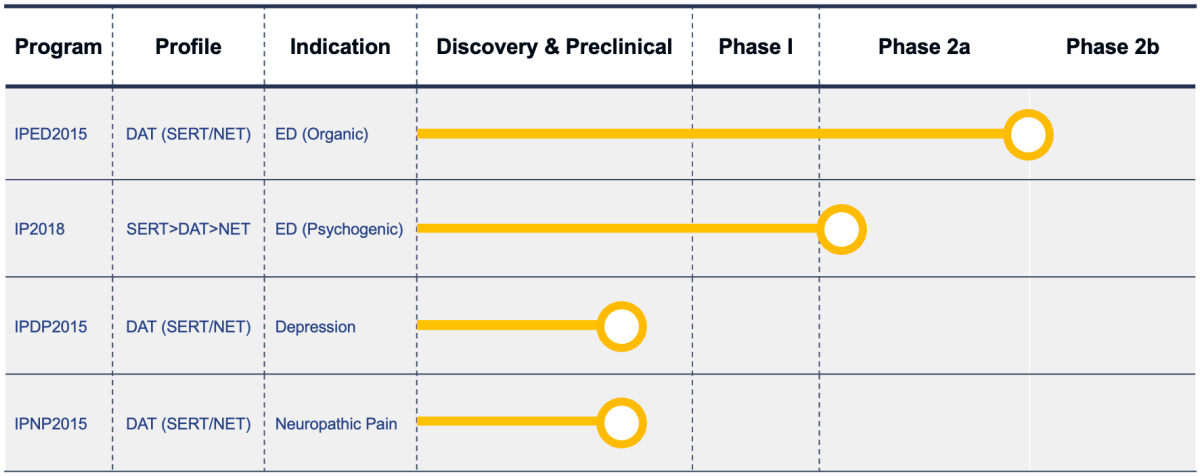
Business model

The company aims to commercialize its research efforts through the following 2 business models:

- By 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 development of Initiator Pharma's programs and typical with upfront payments, milestone and royalty payments on product sales to Initiator Pharma.
- Through 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.

Project portfolio

In 2016 Initiator Pharma acquired three potential drug candidates from Saniona. All three drug candidates belong to the drug class known as monoamine reuptake inhibitors. In 2018 the project portfolio was expanded through an option agreement to inlicense IP2018, which we exercised in March 2020:



IPED2015:

IPED2015, our most advanced drug candidate, is a novel drug candidate for the treatment of patients suffering from *organic* Erectile Dysfunction (ED) that do not respond to the currently marketed drugs in the PDE5i 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.

Summary of the completed Phase 2a clinical proof of concept study

In March 2020 we announced the final data from the successful Phase 2a Clinical Proof of Concept study for IPED2015.

The Phase 2a study included twelve patients suffering from severe ED who were enrolled after a thorough selection and screening process and dosed with a single dose of IPED2015 and placebo in a cross-over study design. The patients were enrolled to the MAC Phase I unit, Manchester, UK and in-housed during the dosing and observation period. Efficacy assessment was done with the RigiScan device with stimulus challenge assessment (Erotic Movie presentation) to assess penile rigidity and tumescence. RigiScan is a state-of-the-art model to evaluate erectile function. Safety and PK was also assessed during the trial.

The study demonstrated statistical significant efficacy data on ED. Besides, there has been no reporting of critical safety observations which is in line with the previously reported results from the Phase I trial in healthy volunteers.

Future development plans for IPED2015

On November 25th we announced a financing agreement with MAC Clinical Research Ltd covering the continued development of IPED2015 for the treatment of severe ED. Within the agreement, MAC Clinical Research (MAC) will take on the cost, up to 23 MSEK, for conducting a clinical Phase 2b intercourse study for IPED2015 in patients suffering from organic erectile dysfunction, not responding to the currently marketed drugs in the PDE5i class (e.g. Viagra®, Cialis®,Levitra®). Upon the full completion of the study, MAC has the right to convert the accrued debt into Initator Pharma shares at a share price of 7.5 SEK, equivalent to a premium of more than 70 percent compared to the share price at the day of signing the agreement.

The Phase 2b study will be conducted by MAC Clinical Research at multiple sites in the UK and is planned to be initiated in H1 2021 pending the development of Covid-19 situation. The final design of the study is still pending and requires approval from MHRA. Initiator Pharma and MAC Clinical Research are utilizing the learnings from the previous Phase 2a Proof-of-Concept study to design a Phase 2b intercourse study that also will have EIIRF-questionares as clinical end point. The study is expected to be completed in the the second half of 2022.

Erectile Dysfunction (ED) Market

The current number of ED patients is estimated to about 150 mio men worldwide and a number that is estimated to increase to more than 300 mio by 2025. About 30-40% of these patients will not respond to the current treatment and represent a significant unmeet medical need. This is exactly our primary target group and will clearly distinguish us form the PDE5i drugs, where patent expiry results in increasing price pressure from generics. In 2015 the ED market generated about 4 bn USD and Initiator Pharma strongly believes that targeting the PDE5i non-responders will allow us to receive premium pricing for IPED2015 and thereby generate substantial commercial value for Initiator Pharma.

IP2018:

In March 2020 we announced that we had exercised an option agreement for in-licensing IP2018, a clinical stage compund, from Saniona.

IP2018 is a monoamine reuptake inhibitor for the treatment of *psychogenic* Erectile Dysfunction (mainly caused by anxiety and depression) mainly targeting the serotonin instead of the dopamine system. IP2018 is different from our frontrunner IPED2015 for organic erectile dysfunction (mainly caused by diabetes and age), primarily targeting the dopamine system.

- Due to the unique profile, IP2018 will, if successful, treat patients suffering major depressive disorder where the majority also suffer from comorbid sexual dysfunction or treatment-emergent sexual dysfunction.

- IP2018 has demonstrated an excellent safety profile in a single dose study and the proof of mechanism PET study, confirming the safety and the mechanism of action of our extensive package of preclinical data.

- IP2018 is efficacious in animal models of depression (forced swim and tail suspension tests) and erectile function (intracavernosal pressure to mean arterial pressure ratio) as well as in several mouse anxiety models.

- IP2018 is targeting a clear unmet medical need as up to 68% of patients with major depressive disorder suffer from sexual dysfunction, for which only 5% to 30% is resolved with antidepressant treatment

IP2018 raises the serotonin levels in the brain, and in its preclinical trials, Initiator Pharma has shown that IP2018 has an effect on both depression and erectile function, which is a clear differentiation from other antidepressants on the market today. In the planned clinical phase 2a trial, Initiator Pharma intends to primarily confirm the effect of IP2018 on the erectile function of patients and thereafter, if the outcome is positive, follow up with further clinical safety trials on multiple dosage parameters. The company intends to position IP2018 as a daily treatment for patients suffering from depression and sexual dysfunction and/or as a supplement to treat erectile dysfunction in patients with medically induced sexual dysfunction.

Development plans for IP2018

In June 2020 we announced that we had obtained approval from the Medicines and Healthcare products Regulatory Agency, MHRA, and the Ethical committee (EC) UK, for a Phase 2a clinical trial with its candidate drug IP2018. The Phase 2a trial is a randomized, double-blind, placebo-controlled, 3-way crossover trial studying the efficacy and safety of IP2018 in young, depressed, erectile dysfunction (ED) patients. The primary objective of this study is to investigate the effects of IP2018 on penile rigidity and tumescence using visual sexual stimulation test. The study will be conducted in 24 patients at the MAC Phase I unit in Manchester, UK.

On December 9th we announced that the dosing of the first patient enrolled in this trial had been completed. Pending the Covid-19 situation the trial is planned to be executed within the first half of 2021, and top-line data from the trial is expected mid 2021.

The company has a commitment from Innovation Fund Denmark to fund the trial with up to 3.8 MDKK through the Innobooster grant.

Financial review

Initiator Pharma A/S is a Danish registered company, and is reporting its financial figures in Danish kroner (DKK). Initiator Pharma A/S was registered on May 2, 2016.

Financial review

TDKK	Q4:2020	Q4:2019	2020	2019
Net sales	0	0	0	0
Total operating expenses	-2 069	-2 503	-10 531	-9 339
Operating profit/loss	-2 069	-2 503	-10 531	-9 339
Cash flow from operating activities	-2 489	-2 534	-8 064	-8 553
Operating margin, %	neg	neg	neg	neg
Average number of employees, #	0,5	0,5	0,5	0,5
Earnings per share, DKK	-0,01	-0,06	-0,32	-0,34
Diluted earnings per share, DKK	-0,01	-0,06	-0,30	-0,34

	31.12.2020	31.12.2019
Cash and cash equivalents	13 504	7 562
Equity	14 409	9 908
Total equity and liabilities	15 603	11 438
Equity ratio, %	92%	87%
Number of shares outstanding	*27 705 728*	*23 591 375*
Number of shares, fully diluted	*28 574 121*	*24 459 769*
Weighted number of shares	*27 375 419*	*24 242 671*

Revenues and result of the operation

Revenue

Initiator Pharma generated total revenues of TDKK 0 for the fourth quarter of 2020 (0) and TDKK 0 for the full year (0).

Operating profit/loss

The company recognized an operating loss of TDKK 2,069 for the fourth quarter of 2020 (-2,503). For the full year the operating loss was TDKK 10,531 (-9,339). The increase in operating costs for the full year compared to the same period last year reflects increased costs related to the completion of the Ph2a clinical trial for IPED2015 as well as to preparations and initiaton of the ongoing Ph2a clinical trial for IP2018.

External R&D costs in the fourth quarter amounted to TDKK 412, compared to TDKK 2,212 in the same period in 2019. For the full year external R&D costs totalled TDKK 5,194 compared to TDDK 6,259 in same period in 2019.

Financial position

The equity as of December 31, 2020 was TDKK 14,409. Cash and cash equivalents amounted to TDKK 13,504 as of December 31, 2020 and total assets were TDKK 15,603.

Cash flow

In the fourth quarter of 2020 the total operating cash flow was TDKK -2 489 (TDKK -2,534), incl a negative change in working capital of TDKK 2,470 (TDKK -1,873). Cash flow from financing activities was TDKK 7,820 (TDKK -2,127).

For the full year 2020 the operating cash flow was TDKK -8,064 (TDKK -8,554), incl a positive change in working capital of TDKK 463 (TDKK -1,072). Cash flow from financing activities was TDKK 14,007 (TDKK 1,625).

The share, share capital and ownership structure
At December 31, 2020, the number of shares outstanding amounted to 27,705,728 and 868,393 warrants, representing 3.1% of the number of issued shares.

In April 2020 we carried out a direct placement of 555,555 share to Formue Nord Markedsneutral A/S as well as 1,224,490 TO2 warrants, raising a total of SEKM 3.0 before issuing costs. At the same time the board proposed to the AGM a rights issue of up to 1,420,406 shares and 2,130,609 TO2 warrants.

The Annual General Meeting on May 22nd approved an incentive program totalling 434,197 warrants. On July 13th we announced that the warrant program had been fully subscribed.

In June we completed the rights issue which was subscribed to a total of 387%, issuing 1,420,406 shares and 2,130,609 TO2 warrants and raising SEKM 7.0 before issuing costs.

On December 17th 2020 we announced that a total of 1,814,278 TO2 warrants were exercised, raising approximately SEKM 8.9 before issuing costs.

On December 23rd we announced that board members and management had exercised a total of 324,114 warrants for subscription of new shares under the warrant program 2018/2020 of a total of 434,197 warrants, approved by the AGM on May 25th 2018. The non-exercised warrants under this program lapsed on December 31, 2020.

At December 31, 2020 the company had around 4,000 shareholders. The 25 largest shareholders in the company on December 31 owned approx 45% of all outstanding shares (not reflecting the exercise of incentive warrants announced on December 23, 2020):

Top 25 shareholders as of December 31, 2020 Owners	Number of shares	Shares %
Försäkringsaktiebolaget, Avanza Pension	1 651 602	6,03%
Formue Nord Markedsneutral	1 279 734	4,67%
BNY Mellon SA/NV (Former BNY)	1 101 853	4,02%
Ålandsbanken i ägares ställe	899 191	3,28%
Claus Olesen Holding APS	692 738	2,53%
UBS Switzerland AG	629 514	2,30%
Mikael Södergård Thomsen APS	627 196	2,29%
DanPet AB	619 622	2,26%
Nordnet Pensionsförsäkring AB	590 311	2,16%
Peters, Dan	544 031	1,99%
Northern Trust Global Services	411 955	1,50%
Coolmate ApS	391 272	1,43%
Arthursson, Hannes	391 000	1,43%
Lars Hendriksen A/S	362 038	1,32%
Thauser Holding ApS	338 561	1,24%
Härlin, Thomas	282 666	1,03%
JPM Chase NA	223 162	0,82%
Leif Andersen Consulting ApS	203 618	0,74%
Joachim, Demnitz	195 000	0,71%
Caerus Capital	185 476	0,68%
Hendriksen, Lars	170 353	0,62%
Olofsson, Christian	168 924	0,62%
Sparekassen Kronjylland	166 241	0,61%
BNY Mellon SA/NV FRKN Jyske Bank	157 307	0,57%
Hans Samuelsson	153 922	0,56%
Other shareholders	14 944 327	54,58%
Total	**27 381 614**	**100,00%**

Personnel

As of December 31, 2020, the number of employees was 1 (0), of which 0 were women. Initiator Pharma follows a strategy of using an extensive network of consultants to support the development activities in the company. Such a strategy is well established in the biotech industry and ensures the company the optimal balance of access to leading edge expertise, costs and flexibility.

Operational risks and uncertainties

All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be specific to a certain company.

The main risks and uncertainties which Initiator Pharma is exposed to are related to drug development, the company's collaboration agreements, competition, technology development, patent, regulatory requirements, capital requirements and currencies.

A more detailed description of the company's risk exposure and risk management is included in the memorandum published in May 2020.

Impact of COVID-19

As of February 2020 the clinical development programs of the company have been impacted by Covid-19. The company has one ongoing clinical trial – a Phase 2a clinical trial for IP2018 – which is being conducted in England. Recruitement into this trial has been slower than anticipated and management attributes this to Covid-19 which has impacted England to a great extent over the last few months. In addition to the impact on the ongoing clinical trial, the board and management considers the following to be the key risk elements related to Covid-19 going forward:

- Potential delay in the start-up of the planned Phase 2b clinical trial for IPED2015.

- Potential risk that it will be difficult to secure additional funding on acceptable terms for the further development of the company and our projects.

The board and management will continue to carefully monitor the Covid-19 pandemic and its potential for impacting our operations and development plans.

Audit review

This Interim Report has not been subject to review by the company´s auditor.

Financial calendar

Interim Report Q1	May 25, 2021
Annual General Meeting	May 28, 2021
Interim Report Q2	August 20, 2021
Interim Report Q3	November 19, 2021
Year-End Report 2021	February 18, 2022

Aarhus, February 18, 2021

Magnus Persson - Chairman

Henrik Moltke – Board member

Peter Holm – Board member

Claus Olesen – Board member and CEO

Annette Colin – Board member

Financial Statements

Statement of income

TDKK	Q4:2020	Q4:2019	2020	2019
Gross loss	-1 953	-2 413	-9 299	-8 366
Staff costs	-110	-69	-1 206	-886
Depreciation and write-downs	-6	-21	-26	-87
Operating profit/loss	**-2 069**	**-2 503**	**-10 531**	**-9 339**
Other financial expenses	357	-585	291	-636
Profit after financial items	**-1 712**	**-3 088**	**-10 240**	**-9 975**
Tax	1 543	1 687	1 543	1 687
Net profit for the period	**-169**	**-1 401**	**-8 697**	**-8 288**

Statement of financial position

TDKK	2020	2019
ASSETS		
Patents	11	34
Intangible assets	**11**	**34**
Fixture, fittings, tools and equipment	0	4
Property, plant and equipment	**0**	**4**
Fixed assets	**11**	**37**
Other receivables	487	1 286
Tax credit	1 543	1 687
Contributed capital in arrears	58	866
Current receivables	**2 088**	**3 839**
Cash and cash equivalents	**13 504**	**7 562**
Current assets	**15 592**	**11 401**
Assets	**15 603**	**11 438**
EQUITY AND LIABILITIES		
Contributed capital	2 909	2 477
Retained earnings	11 500	7 431
Equity	**14 409**	**9 908**
Trade payables	666	1 141
Other payables	528	389
Current liabilities other than provisions	**1 194**	**1 530**
Liabilities other than provisions	**1 194**	**1 530**
Equity and liabilities	**15 603**	**11 438**

Statement of changes in shareholder equity

TDKK	Contributed capital	Retained earnings	Total
January 1, 2020	**2 477**	**7 431**	**9 908**
Increase of capital	432	12 353	12 785
Other equity postings		414	414
Profit/loss for the period		-8 697	-8 697
December 31, 2020	**2 909**	**11 501**	**14 410**

Statement of cash flow

TDKK	Q4:2020	Q4:2019	2020	2019
Operating profit/loss	-2 069	-2 503	-10 531	-9 339
Amortisation, depreciation and impairment losses	6	21	26	87
Changes in working capital	-2 470	-1 873	463	-1 072
Cash flow from operating activities before financial items	**-4 533**	**-4 355**	**-10 042**	**-10 323**
Financial income paid	357	-585	291	-636
Tax credit	1 687	2 406	1 687	2 406
Cash flow from operating activities	**-2 489**	**-2 534**	**-8 064**	**-8 553**
Investing activities				
Investment in tangible assets	0	0	0	0
Investments in intangible assets	0	0	0	0
Investments in other financial assets	0	0	0	0
Cash flow from investing activities	**0**	**0**	**0**	**0**
Financing activities				
New share issue	7 820	1 351	13 593	1 351
Issue of warrants	0	0	414	273
Proceeds from loan	0	-3 478		
Cash flow from financing activities	**7 820**	**-2 127**	**14 007**	**1 625**
Increase/decrease in cash and cash equivalents	**5 331**	**-4 661**	**5 943**	**-6 929**
Cash and cash equivalents at the end of period	**13 504**	**7 562**	**13 504**	**7 562**

Business terms - glossary

CNS
The Central Nervous System, a part of the nervous system consisting of the brain and spinal cord.

CTA
Clinical Trial Application which a pharmaceutical company file to EMA in order to obtain permission to ship and test an experimental drug in Europe before a marketing application for the drug has been approved. The approved application is called an Investigational New Drug (IND) in the US.

EMA
European Medicines Agency

Erectile Dysfunction
Erectile dysfunction (ED) or impotence is sexual dysfunction characterized by the inability to develop or maintain an erection of the penis during sexual activity in humans.

FDA
US Food and Drug Administration

IND
Investigational New Drug is a program by which a pharmaceutical company obtains permission to ship and test an experimental drug in the US before a marketing application for the drug has been approved. In Europe, the application is called a Clinical Trial Application (CTA).

IPED2015
IPED2015, our most advanced drug candidate, is a novel drug candidate for the treatment of patients suffering from Erectile Dysfunction (ED) that do not respond to the currently marketed drugs in the PDE5i class (e.g. Viagra©, Cialis©,Levitra©)

IP2018
IP2018, currently in a on-going Phase 2a trial for psychogenic erectile dysfunction.

Monoamine re-uptake inhibitor
A monoamine reuptake inhibitor (MRI) is a drug that acts as a reuptake inhibitor of one or more of the three major monoamine neurotransmitters serotonin, norepinephrine, and dopamine by blocking the action of one or more of the respective monoamine transporters.

Neuropathic pain
Neuropathic pain is a complex, chronic pain state that usually is accompanied by tissue injury. With neuropathic pain, the nerve fibers themselves may be damaged, dysfunctional, or injured. These damaged nerve fibers send incorrect signals to other pain centers.

PDE5 inhibitor
A drug used to block the degradative action of the PDE5 enzyme in the smooth muscle cells lining the blood vessels supplying the corpus cavernosum of the penis. These drug, incl Viagra©, Cialis© and Levitra© are used in the treatment of erectile and were the first effective oral treatment available for the condition.

Financial Glossary

Earnings per share
Profit/loss for the period divided by the average number of shares outstanding at the end of the period

EBIT
Earnings Before Interest and Taxes (Operating profit/loss)

Equity ratio
Shareholders' equity as a proportion of total assets

Diluted earnings per share
Profit/loss for the period divided by the average number of shares after dilution at the end of the period

Operating margin
EBIT as proportion of revenue