

Initiator Pharma receives approximately 8.9 MSEK through exercise of warrants of series TO 2

PRESS RELEASE

17 December 2020

On Tuesday, 15 December 2020, the exercise period for Initiator Pharma A/S ("Initiator Pharma" or "the Company") warrants of series TO 2 ("TO 2") ended. A total of 1,814,278 TO 2 were exercised. Initiator Pharma will thus receive a total of approximately SEK 8.9 million before issue costs. The capital received in connection with the warrant exercise enables Initiator Pharma to finance the completion of the Company's clinical phase II study for the drug candidate Ip2018 and provides the Company with full financing until H1 2022.

CEO Claus Elsborg Olesen comments

"We are grateful for the confidence that the warrant holders have shown our company. Even though we did not reach maximum level in the capitalization, we do have the resources to continue the development of our product portfolio thanks to the capital, and are well financed facing the goal of creating a paradigm shift within the ED-area. The market's interest in the Company's drug candidates is considerable, and together with the positive analysis from Erik Penser Bank from December 10th, which justifies our share price at SEK 11-12 per share, we are excited about the Company's development going forward. We will do our utmost to continue to develop our drug candidates further and work purposefully to realize the company's underlying values."

The Company's activities for 2021 fully funded

Initiator Pharma has recently been pleased to be able to communicate grants and investments from partners – including Vaekstfonden. Considering these additions, as well as the capital the Company still has and with the capital from the recently completed warrant exercise, the Company's capital need for the year 2021 has been met. The total capital the Company has as of after the warrant exercise will finance the operations of the company and the completion of the ongoing Phase 2a study for IP2018.

Total exercise, number of shares and share capital

In total, 1,814,278 TO 2 have been exercised, corresponding to a subscription rate of approximately 54 percent. Through TO 2, the Company will receive approximately SEK 8.9 million before issue costs, which are estimated to amount to SEK 0.7 million. When the shares from the exercise of TO 2 are registered with the Danish Companies Registration Office, the total number of shares will amount to 27,381,614 and the share capital will amount to DKK 2,875,069.47. The planned date for conversion from interim shares to regular shares is expected to take place on the 29th of December 2020 and the regular shares are expected to be visible in each subscriber's account around the 4th of January 2021.

Advisors

Sedermera Fondkommission has acted as financial advisor and Markets & Corporate Law Nordic AB has acted as legal advisor in connection with the warrant exercise.

For further information about the warrants of series TO 2, please contact:

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This information is the type of information that Initiator Pharma A/S is obligated to publish pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on 17 December 2020 at 10:50.

About 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, and IP2018, for the treatment of psychogenic erectile dysfunction. The treatments both 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. Read more on www.initiatorpharma.com.

About Erectile dysfunction (ED)

Erectile dysfunction is sexual dysfunction characterized by the inability to develop or maintain an erection of the penis during sexual activity. ED affects more than 150 million men worldwide and that number is expected to increase to more than 320 million by 2025, fuelled by aging demographics and increasing prevalence of lifestyle diseases such as diabetes, and performance anxiety. The number of ED patients is most likely grossly underestimated, particularly for Psychogenic patient segment. ED patients have decreased quality of life due to various psychosocial factors such as low self-esteem, depression, sadness, anger, frustration, anxiety, medication, and relationship problems (1,2,3). Erectile dysfunction can be divided into two main categories – Organic and Psychogenic ED – that requires different treatments. Initiator Pharma is developing IPED2015 and IP2018, respectively, for these similar but separate patient segments.

1. Shabsigh R, et al. (1998) Increased incidence of depressive symptoms in men with erectile dysfunction. *Urology*52(5):848–852.
2. McCabe MP, Althof SE (2014) A systematic review of the psychosocial outcomes associated with erectile dysfunction: Does the impact of erectile dysfunction extend beyond a man's inability to have sex? *J Sex Med*11(2):347–363.
3. Nguyen HMT, Gabrielson AT, Hellstrom WJG (2017) Erectile Dysfunction in Young Men—A Review of the Prevalence and Risk Factors. *Sex Med Rev*5(4):508–520.