Q3 2020 REPORT FOR INITIATOR PHARMA A/S
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INITIATOR PHARMA: Q3 2020 report

Financial Highlights

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

Third Quarter (2020-07-01 – 2020-09-30)
• Net revenues were TDKK 0 (0)
• EBIT was TDKK -3,068 (-1,969)
• Earnings per share was DKK –0.12 (-0.08)

First Nine Months of the Year (2020-01-01 – 2020-09-30)
• Net revenues were TDKK 0 (0)
• EBIT was TDKK -8,462 (-6,836)
• Earnings per share was DKK –0.35 (-0.28)
• Cash and bank: TDKK 8,174 (12,223)
• Solidity: 92% (67%)

Group earnings per share: period result divided by a number of 25 567 336 shares (on 2020-09-30). Solidity: equity divided by assets.

Business highlights in Q3 2020

- On July 2nd we announced that the last day of trading in BTUs issued in connection with the rights issue conducted in Q2, in which a total of 1,420,406 shares and 2,130,609 warrants of series TO 2 were issued was July 7.
- On July 13th we announced that the warrant program 2020/22, comprising a maximum of 434,197 warrants as resolved at the AGM on May 22nd and with a subscription price of SEK 1.33 per warrant had been fully subscribed. Upon vesting, each warrant entitles subscription of one new share at an exercise price of SEK 6.52 on or before 31 December, 2022.
- On August 21st we released our first six months 2020 financial report.

Significant events after this reporting period

- On October 1 we announced that the screening of patients for the Phase 2a clinical trial with IP2018 is ongoing and, pending the Covid-19 situation, the first dosing of patients is expected shortly
- On November 5th we announced that it has received a commitment from Innovation Fund Denmark to support the clinical development of IP2018. The Innobooster grant will fund the ongoing IP2018 phase 2a clinical trial with up to 3.8 MDKK**.**

Comments from the CEO

"Despite the ongoing pandemic with associated world-widedisturbances of delivery chains, Initiator Pharma's third quarter has progressed according to plan. We have continued development of our two major assets' 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."

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 third quarter has progressed according to plan. We have continued development of our two major assets' 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, with more than 150 million men worldwide affected.

In the middle of the summer, Inititator Pharma achieved approval from the Medicines and Healthcare products Regulatory Agency, MHRA, and the Ethical committee in the UK to start a Phase 2a clinical trial with IP2018. The study will be conducted in 24 patients at the MAC Phase I unit in Manchester. Our ambition is to confirm the effect of IP2018 on patients' erectile function using visual sexual stimulation test. Screening of patients for the trial started at the beginning of October, but due to the Covid-19 situation, the patient recruitment pace has been slower than expected. However, first dosing to patients is due to occur shortly and we believe we could have top-line data at the end of the first half year 2021. Obtaining Proof-of-Concept will position IP2018 as a new type of treatment for many patients who, due to serious side effects, do not want or can use the currently available drugs.

IP2018 was further validated in the beginning of November when we received a commitment from Innovation Fund Denmark to invest up to 3.8 MDKK in order to support the clinical development of IP2018. The grant is allocated through their Innobooster program and is targeted to fund the ongoing IP2018 phase 2a clinical trial. The commitment from this well-known and highly-reputed fund fortifies our confident that IP2018 can be a breakthrough therapy for psychogenic ED.

Earlier this year, we reported positive data from a Phase IIa Proof-of-Concept study with IPED2015. With confirmed Proof-of-Concept, our belief that IPED2015 has the potential to 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, has been further strengthened. The promising results support the process to plan the further clinical program for IPED2015, including preparation for a more extensive Phase IIb study, as well as the ongoing business development activities with the candidate.

About six months ago, we carried out a successful capitalization that was heavily oversubscribed and provided the company with the necessary capital to take the clinical development of IP2018 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 connected warrants. The proceeds that we can be provided through the warrants are planned 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. More information on the exercise of warrants will be provided shortly.

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. I am very pleased with what we have achieved so far and look forward with confidence on the future.

Claus Elsborg Olesen
CEO, Initiator Pharma A/S

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 this year:

Program	Profile	Indication	Discovery & Preclinical	Phase 1	Phase 2
IPED2015	DAT(SERT/NET)	Erectile dysfunction (Organic)			
IP2018*	SERT>DAT>>NET	Erectile dysfunction (Psychogenic)			
IPDP2015	DAT/SERT/NET	Depression			
IPNP2015	DAT/SERT/NET	Neuropathic Pain			

**Option agreement with Saniona AB*

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.

Data from the Phase 2a clinical proof of concept study

In March we announced the final data from the successful Phase 2a Clinical Proof of Concept study for IPED2015. The Phase 2a study which included patients suffering from servere Erectile Dysfunction (ED) has been completed satisfactorily. 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.

Phase 2a Study Design

The Phase II part study for IPED2015 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.

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 we also 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.

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.

Development plans for IP2018

In the ongoing clinical Phase 2a trial, Initiator Pharma intends to primarily confirm the effect of IP2018 on the erectile function of patients. The trial is a randomized, double-blind, placebo-controlled, 3-way crossover trial studying the efficacy and safety of IP2018 in young, depressed, 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. Pending the Covid-19 situation first dosing to patients is expected to take place shortly.

If the outcome is positive, we will 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.

Depression and Erectile Dysfunction

Depression is a mood disorder that affects feelings, thoughts, and behaviour and leads to a variety of emotional and physical illnesses. If left untreated, depression significantly reduces quality of life and may ultimately result in premature death from medical conditions or suicide. The main treatments for depression are drugs that modulate the levels of serotonin, noradrenaline and dopamine by either inhibiting the reuptake of these signalling substances (“reuptake inhibitors”) or by influencing their degradation. A key side effect of the currently available antidepressants is their significant impact on male sexual function (desire-arousal-excitement-orgasm). In a survey, it was observed that 41.7 % of men discontinued psychiatric medications due to perceived sexual side effects (Rosenberg KP et al “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). Between 14 and 35% of young men experience ED. The causes of ED can be caused by psychological, neurological, or lifestyle issues. ED can also be the result of side effects of specific medications (including some antidepressants), performance anxiety, depression, schizophrenia, and other psychological disorders.

Major depressive disorder is one of the main causes of disability worldwide due to its high prevalence and associated impairments. Lifetime prevalence is 14.3% in high-income countries. The Global Burden of Disease study showed a 37.5% burden increase due to major depressive disorder from 1990 to 2010, and major depressive disorder is the second leading cause of Disability Adjusted life years in 2020. About 13% of all Americans take anti-depression medication summing up to more than 23 million prescriptions per year (National Center for Health Statistics). The global revenue for antidepressants is forecasted to reach $18 bn in 2020. The biggest players, accounting for more than 60% of the antidepressant drugs sold, are Pfizer, Eli Lilly, GlaxoSmithKline, AstraZeneca and H. Lundbeck A/S - all facing a significant patent cliff over the next few years, with revenues projected to be hit hard by generics and biosimilars. All current marketed drugs have to varying degree been associated with erectile dysfunction emphasising the need to develop an attractive and superior alternative.

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	3Q:2020	3Q:2019	9M:2020	9M:2019	2019
Net sales	0	0	0	0	0
Total operating expenses	-3 068	-1 969	-8 462	-6 836	-9 339
Operating profit/loss	-3 068	-1 969	-8 462	-6 836	-9 339
Cash flow from operating activities	-4 432	-3 029	-5 575	-6 020	-8 553
Operating margin, %	neg	neg	neg	neg	neg
Average number of employees, #	1	1	1	1	1
Earnings per share, DKK	-0,12	-0,08	-0,35	-0,28	-0,41
Diluted earnings per share, DKK	-0,12	-0,08	-0,35	-0,28	-0,41
	30.06.2020	**30.06.2019**			**31.12.2019**
Cash and cash equivalents	8 174	12 223			7 562
Equity	7 567	9 957			9 908
Total equity and liabilities	8 265	14 795			11 438
Equity ratio, %	92%	67%			87%
Number of shares outstanding	*25 567 336*	*23 157 178*	*25 567 336*	*23 157 178*	*23 591 375*
Number of shares, fully diluted	*30 225 026*	*24 459 769*	*30 225 026*	*24 459 769*	*24 459 769*
Weighted number of shares	*25 567 336*	*23 157 178*	*24 379 658*	*23 157 178*	*23 157 178*

Revenues and result of the operation

Revenue

Initiator Pharma generated total revenues of TDKK 0 for the third quarter of 2020 (0) and TDKK 0 for the first nine months 2020 (0).

Operating profit/loss

The company recognized an operating loss of TDKK 3,068 for the third quarter of 2020 (-1,968). For the first nine months of the year the operating loss was TDKK 8,462 (-6,836). The increase in operating costs for the first nine months of the year compared to the same period last year reflects the completion of the Phase 2a clinical proof of concept study for IPED2015 and the preparations and start-up of the planned Phase 2a clinical proof of concept study for IP2018.

External R&D costs in the third quarter amounted to TDKK 1,731, compared to TDKK 827 in the same period in 2019. For the first nine months of the year external R&D costs totalled TDKK 4,616 compared to TDDK 4,047 in same period in 2019.

Financial position

The equity as of September 30, 2020 was TDKK 7,567. Cash and cash equivalents amounted to TDKK 8,174 as of September 30, 2020 and total assets were TDKK 8,265.

In connection with the direct share issue announced on April 27th and the rights issue announced on June 18th the company issued a total of 3,355,099 warrants of series TO2. The exercise price for the series TO2 warrants is SEK 4,90 and the warrants can be exercised during the period November 24-December 15. If fully exercised the series TO2 warrants can raise an additional approx SEK 16 mill (approx DKK 11 mill) before issuer costs to the company.

Cash flow
In the third quarter of 2020 the total operating cash flow was TDKK -4,432 (TDKK -3,029), incl a negative change in working capital of TDKK -1,395 (TDKK -1,066). Cash flow from investment activities was TDKK -0 (TDKK 0). Cash flow from financing activities was TDKK 4,417 (TDKK 3,751).

For the first nine months 2020 the operating cash flow was TDKK -5,575 (TDKK -6,020), incl a positive change in working capital of TDKK 2,933 (TDKK 801). Cash flow from investment activities was TDKK -0 (TDKK 0) and cash flow from financing activities was TDKK 6,187 (TDKK 3,751).

The share, share capital and ownership structure
At September 30, 2020, the number of shares outstanding amounted to 25,567,336 and 4,657,690 warrants (of which 1,302,591 are incentive warrants and 3,355,099 are series TO2 warrants), representing 18.2% of the number of issued shares.

The exercise price for the series TO2 warrants is SEK 4,90 and the warrants can be exercised during the period November 24-December 15.

At September 30, 2020 the company had around 4,000 shareholders. The 25 largest shareholders in the company on September 30 owned approx 42% of all outstanding shares:

Top 25 shareholders as of September 30, 2020		
Owners	Number of shares	Shares %
Försäkringsaktiebolaget, Avanza Pension	1 292 335	5,05%
BNY Mellon SA/NV (Former BNY)	1 088 464	4,26%
Ålandsbanken i ägares ställe	894 052	3,50%
Claus Olesen Holding APS	692 738	2,71%
UBS Switzerland AG	624 074	2,44%
Mikael Södergård Thomsen APS	621 793	2,43%
DanPet AB	619 622	2,42%
Nordnet Pensionsförsäkring AB	602 332	2,36%
Peters, Dan	544 031	2,13%
Lars Hendriksen A/S	473 367	1,85%
Formue Nord Markedsneutral	333 744	1,31%
Sv Handelsbanken Copenhagen branch	320 000	1,25%
Thauser Holding ApS	312 518	1,22%
Coolmate ApS	291 336	1,14%
Härlin, Tobias	262 945	1,03%
Joachim, Demnitz	225 000	0,88%
JPM Chase	223 162	0,87%
Leif Andersen Consulting ApS	203 618	0,80%
Arthursson, Hannes	200 000	0,78%
Feldthus, Thomas	180 153	0,70%
Caerus Capital	171 211	0,67%
Hendriksen, Lars	170 353	0,67%
Olofsson, Christian	168 924	0,66%
Sparekassen Kronjylland	165 332	0,65%
Müller, Christian Matthias	165 000	0,65%
Other shareholders	14 721 232	57,58%
Total	**25 567 336**	**100,00%**

Personnel

As of September 30, 2020, the number of employees was 1, 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 November 2020 the company has seen only limited impact of the Covid-19 situation on the financial position of the company. However, depending on the length and severity of the Covid-19 pandemic the board and management believe future risks are related to:

- Potential delay in enrollment of patients in the ongoing Phase 2a proof-of-concept clinical trial for IP2018.
- Potential risk that the ongoing business development efforts for IPED2015 are delayed or that the probability of securing a partnering deal on acceptable terms is reduced.
- 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 22, 2020
Annual General Meeting	May 22, 2020
Interim Report Q2	August 21, 2020
Interim Report Q3	November 20, 2020
Year-End Report 2019	February 19, 2021

Aarhus, November 19, 2020

Magnus Persson - Chairman

Henrik Moltke – Board member

Peter Holm – Board member

Claus Olesen – Board member and CEO

Financial Statements

Statement of income

TDKK	3Q:2020	3Q:2019	9M:2020	9M:2019	2019
Gross loss	-2 553	-1 755	-7 346	-5 953	-8 366
Staff costs	-495	-192	-1 096	-817	-886
Depreciation and write-downs	-9	-22	-20	-66	-87
Operating profit/loss	**-3 068**	**-1 969**	**-8 462**	**-6 836**	**-9 339**
Other financial expenses	11	-16	-66	-51	-636
Profit/loss	**-3 057**	**-1 985**	**-8 528**	**-6 887**	**-9 975**
Tax					1 687
Net profit for the period	**-3 057**	**-1 985**	**-8 528**	**-6 887**	**-8 288**

Statement of financial position

TDKK	30.09.2020	30.09.2019	2019
ASSETS			
Patents, acquired rights	17	39	34
Intangible assets	**17**	**39**	**34**
Other fixtures, fittings, tools and equipment	0	19	4
Property, plant and equipment	**0**	**19**	**4**
Fixed assets	**17**	**58**	**37**
Other receivables	74	108	1 286
Income tax receivables	0	2 406	1 687
Prepayments	0	0	866
Current receivables	**74**	**2 514**	**3 839**
Cash and cash equivalents	**8 174**	**12 223**	**7 562**
Current assets	**8 248**	**14 737**	**11 401**
Assets	**8 265**	**14 795**	**11 438**
EQUITY AND LIABILITIES			
Contributed capital	2 685	2 432	2 477
Retained earnings	4 882	7 525	7 431
Equity	**7 567**	**9 957**	**9 908**
Loan		3 478	
Trade payables	569	841	1 141
Other payables	129	519	389
Current liabilities other than provisions	**698**	**4 838**	**1 530**
Liabilities other than provisions	**698**	**4 838**	**1 530**
Equity and liabilities	**8 265**	**14 795**	**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	207	5 980	6 187
Profit/loss for the period		-8 528	-8 528
September 30, 2020	**2 684**	**4 883**	**7 567**

Statement of cash flow

TDKK	3Q:2020	3Q:2019	9M:2020	9M:2019	2019
Operating profit/loss	-3 057	-1 969	-8 462	-6 836	-9 339
Amortisation, depreciation and impairment losses	9	22	20	66	87
Changes in working capital	-1 395	-1 066	2 933	801	-1 072
Cash flow from operating activities before financial items	**-4 443**	**-3 013**	**-5 509**	**-5 969**	**-10 323**
Other financial expenses	11	-16	-66	-51	-636
Tax credit					2 406
Cash flow from operating activities	**-4 432**	**-3 029**	**-5 575**	**-6 020**	**-8 553**
Investing activities					
Investment in intangible assets					0
Investments in tangible assets					0
Cash flow from investing activities	**0**	**0**	**0**	**0**	**0**
Financing activities					
New share issue	4 003		5 773		1 351
Issue of warrants	414	273	414	273	273
Proceeds from loan		3 478		3 478	
Cash flow from financing activities	**4 417**	**3 751**	**6 187**	**3 751**	**1 625**
Increase/decrease in cash and cash equivalents	**-15**	**722**	**612**	**-2 268**	**-6 929**
Cash and cash equivalents at the end of period	**8 174**	**12 223**	**8 174**	**12 223**	**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©)

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