

Initiator Pharma announces that the subscription period of the series TO 1 warrants begins today – the company receives subscription commitments and guarantee subscription

Today, October 11, 2018, the subscription period of the series TO 1 warrants in Initiator Pharma A/S (“Initiator Pharma”) begins. The series TO 1 warrants were emitted in conjunction with the rights issue that Initiator Pharma conducted during the spring of 2018. The subscription period will continue until November 1, 2018. For every warrant of series TO 1, holders are entitled to subscribe for a new share in Initiator Pharma at a price of SEK 2.20 per share. If all warrants of series TO 1 are exercised, 5,789,294 new shares are emitted, and Initiator Pharma is allocated approximately SEK 12.7 million before issue costs. The company also announces that the Board of directors, the executive management team and the main shareholders have, through subscription agreements, committed to exercise their respective warrants. In addition, the company has entered a guarantee commitment agreement of up to SEK 1.3 million with Wilhelm Risberg, equivalent to approximately 10 % of the total issue amount, provided that a Board decision is taken in case all warrants are not exercised. For the guarantee subscription, no compensation is disbursed.

Subscription and guarantee commitments regarding TO 1

Prior to the exercise period for warrants of series TO 1, Initiator Pharma has received subscription commitments for the exercise of warrants from the Board of directors, the executive management team and the main shareholders, who undertake to exercise their respective total holdings of warrants for subscription of shares. These total subscription commitments amount to approximately SEK 1.4 million. This means that Initiator Pharma has received subscription commitments corresponding to approximately 11 percent of the total amount that warrants of series TO1 can bring. No premium compensation is disbursed for subscription commitments. The subscription commitments have been agreed in writing and have not been secured by prior transaction, bank guarantee or similar.

Guarantee subscription

In addition to the above subscription commitments, Initiator Pharma has received a guarantee subscription from Wilhelm Risberg, corresponding to a maximum of 10 % of the total amount that the company may receive through the use of warrants of series TO 1. This corresponds to a commitment of up to SEK 1,3 million and means that the party undertakes to subscribe for the number of shares remaining for full exercise, at a maximum of SEK 1,3 million. Activation of the guarantee subscription is subject to a Board decision regarding a directed new share issue of the corresponding amount, at a price of SEK 2.20 per share. Such a decision may be taken based on the authorization that was given to the Board at the Annual General Meeting on May 25, 2018. Such a decision will be taken after the exercise rate has been determined and published. For the guarantee subscription, no compensation is disbursed.

Summary of the terms of the share options

- **Subscription period:** October 11 – November 1, 2018.
- **Strike price:** SEK 2.20 per share.
- **Issue volume:** At full utilization, 5,789,294 shares will be issued and will allocate approximately SEK 12.7 million to Initiator Pharma before issue costs.
- **Last day of trading with the warrants:** October 30, 2018.
- **Current number of shares in Initiator Pharma:** 17,367,884 shares.
- **Valuation in the current offer (pre-money):** Approximately SEK 38.2 million.
- **Market value (October 10, 2018):** Approximately SEK 62,5 million.

Teaser and subscription form are available on Initiator Pharma's website (www.initiatorpharma.com). Teaser and subscription form are also available at the websites of Sedermera Fondkommission (www.sedermera.se) and

Spotlight Stock Market (www.spotlightstockmarket.com). Full terms for warrants of series TO 1 are available in Initiator Pharmas prospectus, published in March 2018.

Important dates in connection with the exercise of warrants of series TO 1

- **Start of exercise period:** October 11, 2018.
- **Last day of trading in warrants:** October 30, 2018.
- **Last day in exercise period:** November 1, 2018.
- **Payment:** Simultaneous cash payment no later than 3:00 p.m. on November 1, 2018.
- **Scheduled communication of exercise rate:** Week 45.
- **Planned conversion of interim shares to shares:** Week 46.

Investor meetings

In connection with the warrant exercise, representatives of Initiator Pharma will participate at investor meetings in Stockholm on October 17, 2018 and in Malmö on October 23, 2018, to inform about the company and its future plans. Participation at the investor meetings is free of charge and food and drinks will be offered. For more information about the investor meetings, please visit Sedermera Fondkommissions website (www.sedermera.se) or contact Sedermera Fondkommission on +46 40-615 14 10, or info@sedermera.se.

Financial advisor

Sedermera Fondkommission is the financial advisor and issuing agent to Initiator Pharma in connection with the exercise of warrants of series TO 1.

For further information about the warrants of series TO 1, please contact:

Sedermera Fondkommission
Telephone: +46 40-615 14 10
E-mail: info@sedermera.se

For further information about Initiator Pharma, please contact:

Claus Elsborg Olesen, CEO
Telephone: +45 6126 0035
E-mail: ceo@initiatorpharma.com

This information is information that Initiator Pharma is required to disclose under the EU Market Abuse Regulation. The information was provided under the above contact person's auspices, for publication on October 11, 2018.

About Initiator Pharma

Initiator Pharma is a Biotech company established in Aarhus, Denmark. Its main asset IPED2015 represents a novel treatment paradigm for patients suffering from Erectile Dysfunction (ED) and will improve the quality of life for the growing number for patients (and their partners) that do not respond to the current market PDE5i medications. Learn more at initiatorpharma.com.

About erectile dysfunction

Erectile dysfunction is 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 life style diseases such as diabetes. The large diabetic ED patient segment is often responding poorly to the current medication and is therefore of particular interest for Initiator Pharma. ED patients have decreased quality of life due to various psychosocial factors such as low self-esteem, depression, sadness, anger, frustration, anxiety, relationship problems etc. (Althof, 2002; Shabsigh et al., 1998, Tsai, 2008; Litwin et al., 1998).

This is an English translation of a press release originally drafted in Swedish. In the case of any discrepancies, the Swedish version shall prevail.