

## Initiator Pharma's issue of units oversubscribed

On the 16th of June, 2020, the subscription period in Initiator Pharma A/S ("Initiator Pharma") issue of units ended. The issue of units was subscribed to a total of approximately 387 percent (incl. pre-subscriptions and excl. guarantee commitment). The guarantee commitment hence did not need to be activated. Through the issue of units, 1,420,406 shares and 2,130,609 warrants of series TO 2 are issued and Initiator Pharma will receive approximately SEK 6.96 million before issue costs. Settlement notes are expected to be sent out today, on the 18<sup>th</sup> of June 2020. Sedermera Fondkommission has acted as financial advisor in the issue of units.

### CEO Claus Elsborg Olesen comments:

*"We are very grateful for the interest that shareholders and external investors have shown in this unit issue. I would like to thank both our existing owners for their trust and other interested parties who have chosen to invest in Initiator Pharma. With the capital we now are provided, we look forward to continuing the company's development and taking IP2018 through a Phase IIa clinical trial and to generate Proof-of-Concept. Together with the drug candidate IPED2015, IP2018 complements the company's research portfolio. It is our assessment that 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 to use existing marketed medicine. Our hope and strong belief are also that positive results will facilitate attractive agreements with major pharmaceutical companies active in the field of depression."*

### Subscription and allocation

The issue of units was subscribed by existing shareholders and the public for a total of approximately SEK 26.9 million (including agreed subscription commitments), corresponding to a subscription rate of approximately 387 percent. Thus, the guarantee commitment did not have to be enforced. A total of 1,420,406 shares and 2,130,609 warrants of series TO 2 are thus issued through the unit issue. Initiator Pharma will initially receive approximately SEK 6.96 million before issue costs of approximately SEK 1.2 million (including guarantee compensation of approximately SEK 0.57 million). A total of approximately 92 percent of the issue volume is allocated to subscribers with preferential rights (incl. subscription commitments of approximately SEK 1.21 million). Those allocated units without preferential rights will receive settlement notes, which are scheduled to be sent out today, on June 18, 2020.

### Number of shares and share capital

Once the initial issue has been registered with Erhvervsstyrelsen, the total number of shares in Initiator Pharma will amount to 25,567,336 and the share capital will be SEK 2,684,570.28. In addition, there will be a total of 3,355,099 outstanding warrants of series TO 2.

### Trading in BTU

Trading in BTU (Betald Tecknad Unit) will take place on Spotlight Stock Market until the issue is registered at Erhvervsstyrelsen. This registration is expected to take place in late June 2020.

### Financial Advisor

Sedermera Fondkommission has acted as financial advisor in connection with the Initiator Pharma unit issue.

### IP2018

IP2018 is a monoamine reuptake inhibitor that inhibits the synaptic reuptake of serotonin, norepinephrine and dopamine. IP2018 preferably inhibits serotonin followed by reuptake of dopamine, while it has significantly less effect on norepinephrine reuptake. IP2018 has an antidepressant effect in animal models of depression and effect on erectile function. In addition, there is a robust preclinical data package, a phase I study, and a positive emission tomography (PET) study in patients showing binding to serotonin reuptake and dopamine reuptake transporters.

### IPED2015

IPED2015 is a small molecule that in vitro inhibits the dopamine transporters (DAT), the noradrenaline transporter (NAT), and the sodium-dependent serotonin transporters (SERT). IPED2015 binds in vivo preferentially to DAT.

IPED2015 is a potent inhibitor of DAT and has been found to increase dopamine in the synapses and to induce an erection in male rats. Besides, IPED2015 has been found to act through a peripheral pathway in erectile tissue, where increases in dopamine concentrations lead to the relaxation of erectile smooth muscle.

**For further information regarding the rights issue, please contact:**

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*This information is the type of information that Initiator Pharma (Ltd.) is obligated to publish pursuant to the EU Market Abuse Regulation. The information was provided by the contact person above, to be published on the 18<sup>th</sup> of June 2020.*

**About Initiator Pharma**

Initiator Pharma is a biotechnology company based in Aarhus, Denmark. The company's main asset, IPED2015, is a candidate drug intended for patients with erectile dysfunction. The treatment is 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](http://www.initiatorpharma.com).

**About erectile dysfunction**

ED is a sexual dysfunction characterised by the inability to achieve or maintain an erection during sexual intercourse. More than 150 million men around the world suffer from ED; a number that is expected to increase to more than 320 million by 2025 due to an ageing population and an increased incidence of lifestyle illnesses such as diabetes. ED entails an impaired quality of life in patients due to various psychosocial factors, such as low self-esteem, depression, sadness, anger, frustration, anxiety and relationship problems (1, 2, 3).

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.