Initiator Pharma

Invitation to invest in Initiator Pharma A/S

Preferential Rights Issue 2021

The Danish Financial Supervisory Authority approved this prospectus on 8 July 2021. This prospectus is valid for a period of up to twelve (12) months from the date of the approval. The obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid and Initiator Pharma A/S will only supplement the prospectus when required according to rules on prospectus supplement in the prospectus regulation (EU) 2017/1129.

IMPORTANT INFORMATION

Information to investors

This EU Growth Prospectus (the "**Prospectus**") has been prepared in connection with Initiator Pharma A/S ("**Initiator**" or the "**Company**"), with corporate registration number (Dk. *CVR No*) 37663808, offer to subscribe for shares in a preferential rights issue (the "**Offer**" or the "**Rights Issue**")**.** For certain definitions and abbreviations used in the Prospectus, see "Certain definitions and abbreviations" on the following page.

This Prospectus has been approved and registered by the Danish Financial Supervisory Authority (Dk. Finanstilsynet) (the "DFSA"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus regulation**"). The approval and registration do not imply that the DFSA guarantees that the information in the Prospectus is accurate or complete.

In connection with the Rights Issue described in this Prospectus, Shark Communication AB has assisted the Company in the preparation of this Prospectus and Nordic Issuing (issuing services brand within Sedermera Fondkommission) is the appointed issuing agent. The Board of Directors of Initiator is responsible for the content, whereupon Shark Communication AB and Nordic Issuing disclaim all liability in relation to shareholders in the Company and regarding other direct or indirect consequences as a result of investment decisions or other decisions based wholly or partly on the information in this Prospectus.

No shares in Initiator are subject to trade or application thereon in any country other than Sweden. The invitation according to this Prospectus does not apply to individuals whose participation requires additional prospectus, registration measures or other measures than those that comply with Danish law. This Prospectus may not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where the distribution or this invitation requires additional measures as stated in the previous sentence or contravene rules in such country. Disputes arising from the contents of the Prospectus or related legal matters shall be settled according to Danish law and at the Danish court.

In the member states of the European economic area, with the exception for Sweden and Denmark, the Offer may be made only on conditions that it does not lead to requirements for drawing up of prospectuses in such countries in accordance with the Prospectus regulation. Initiator reserves the right, at its discretion, to disregard any subscription application that Initiator or its advisors believe may give rise to a breach or violation of any law, rule or regulation.

The Prospectus is available at Initiator's office Ole Maaløes Vej 3, 2200 København N, Denmark and on the Company's website (https://initiatorpharma.com/investors/) The Prospectus is also available on Nordic Issuing's website (www.nordic-issuing.se) and the DFSA's website (www.dfsa.dk).

Apart from what is stated in the audit report and reports incorporated by reference, no information in the Prospectus has been reviewed or audited by the Company's auditor.

Forward-looking statements

This Prospectus contains forward-looking statements that reflect the Company's current views or expectations on future events as well as financial and operational development. These statements are well thought out, but the reader is made aware that these, like all future assessments, are associated with uncertainty. Words such as "intend", "could", "assess", "expect", "plans", "believes", "estimates" or other expressions that relate to indications or predictions concerning future developments or trends, and that do not refer to historical facts, constitute forward-looking statements. Forward-looking statements are inherently associated with both known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Forward-looking statements are no guarantee of future results or performance, and the actual results may differ materially from what is stated in the forward-looking statements. Factors that could cause Initiator's future results or development to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "Risk Factors". Statements about the outside world and future conditions in this Prospectus reflect the Board of Directors' current view on future events and financial developments. Thus, forward-looking statements express only the assessments and assumptions made by the Board of Directors as at the date of this Prospectus. The Company expressly disclaims any obligation or undertaking to publicly update or revise these forward-looking statements to reflect any change in information or events or similar circumstances other than as required by applicable laws and regulations.

Business and market information

This Prospectus contains information relating to Initiator's business and the market in which the Company operates. Unless otherwise stated, such information has been derived from reports prepared by third parties and/or is based on the Company's analysis of several different sources. The Company has not independently verified and cannot give any assurances as to the correctness of industry and market information contained in this Prospectus that were extracted or derived from such industry publications or reports. Industry and market information is inherently forward-looking, subject to uncertainty and does not necessarily reflect actual market conditions. Industry publications or reports generally state that the information reproduced therein has been obtained from sources deemed to be reliable, but the accuracy and completeness of such information cannot be guaranteed. Certain information in this Prospectus has been prepared by the Company, in some cases based on assumptions. Although the Company believes that the methods and assumptions are reasonable, the information has only to a limited extent been reviewed or verified against external sources. Against this background, the reader shall note that the market statistics and estimates of market information presented in this Prospectus do not necessarily constitute reliable indicators of the Company's future performance. However, as far as the Board of Directors is aware and can ascertain by comparisons with other information published by the relevant third parties, no facts have been omitted which could render the information provided inaccurate or misleading.

Spotlight Stock Market

Financial Authority. ATS Finans AB is a subsidiary of Spotlight Group AB, a company listed on Spotlight Stock Market since 15 September 2020. Spotlight Stock Market operates a so-called MTF platform. Companies listed on Spotlight Stock Market have committed to follow Spotlight Stock Market´s listing agreement. The agreement aims, among other things, to ensure that shareholders and other players at the market receive accurate, immediate and simultaneous information on the circumstances the may affect the Company`s shares price. Trading on Spotlight Stock Market takes place in an electronic trading system that is available to the banks and members connected to Nordic Growth Market. The listing agreement and share prices can be found on Spotlight Stock Market`s website (www.spotlightstockmarket.com)

TABLE OF CONTENTS

Documents incorporated by reference 4
Summary 5
Responsibility statement 12
Information from third parties 13
Background and reasons 14
Business and market overview 17
Risk factors 28
Terms and conditions of the shares 31
Terms and conditions of the offer 34
Board of Directors and executive management 42
Financial information and key figures 46
Legal issues, ownership structure and additional information 48
Documents available 50
Appendix A - Swedish Translation of Summary 51

CERTAIN DEFINITIONS AND ABBREVIATIONS

"APAC" refers to the Asia-Pacific Region

"BTA" refers to Betald Tecknad Aktie, translates to Paid-in Subscribed-for Share

"CAGR" refers to compound annual growth rate

"CMC" refers to Chemistry Manufacturing Controls

"Company" or "Initiator" refers to Initiator Pharma A/S, corporate registration number (CVR) 37663808

"CTA" refers to an application for clinical trials

"DA" refers to Dopamine

"ED" refers to erectile dysfunction

"EMA" refers to the European Medicines Agency

"EU" refers to the European Union

"Euroclear" refers to Euroclear Sweden AB

"FDA" refers to the U.S. Food and Drug Administration

"IIEF-5-scale" refers to The international index of erectile function

"IIEF-questionares" refers to the international index of erectile function-questionares

"NA" refers to Norephinedrine

"PDE5i" refers to phosphodiesterase type 5 inhibitor

"SEK", "DKK", and "USD" refers to Swedish kronor, Danish kroner, and U.S. dollars respectively

"TN" refers to trigeminal neuralgia

"UK" refers to the United Kingdom

"VP Securities" refers to VP Securities A/S

"5-HT" refers to 5-hydroxytryptamine receptors, or serotonin receptors

DOCUMENTS INCORPORATED BY REFERENCE

The investor should take note of the information incorporated in the Prospectus by reference and that the information to which reference is made should be read as part of the Prospectus. The information given below as part of the following documents is incorporated into the Prospectus by reference. Copies of the Prospectus and the documents incorporated by reference can be obtained from Initiator electronically via the Company's website, https://initiatorpharma.com/investors/, or obtained by the Company in paper format at the Company's office with address: Ole Maaløes Vej 3, 2200 København N, Denmark. The parts of the document that are not incorporated are either not relevant to the investors or the corresponding information is reproduced elsewhere in the Prospectus.

Q1 REPORT 2021	PAGE NUMBER
Income statement and statement of comprehensive income	14
Balance sheet	15
Statement of changes in equity	16
Cash flow statement	17

Link to document: https://initiatorpharma.com/investors/financial-reports/

ANNUAL REPORT 2020	PAGE NUMBER
Income statement and statement of comprehensive income	18
Balance sheet	19
Statement of changes in equity	20
Cash flow statement	20
Accounting policies and Notes to the financial statements	21-24
Independent auditor's report	26-27

Link to document: https://initiatorpharma.com/investors/financial-reports/

ANNUAL REPORT 2019	PAGE NUMBER
Income statement and statement of comprehensive income	16
Balance sheet	17
Statement of changes in equity	18
Cash flow statement	18
Accounting policies and Notes to the financial statements	19–22
Independent auditor's report	24–25

Link to document: https://initiatorpharma.com/investors/financial-reports/

SUMMARY

SECTION 1 – INTRODUCTION

1.1	**Name and international securities identification number ('ISIN') of the securities**	The Offer consists of shares in Initiator Pharma A/S. Share: Ticker INIT, ISIN code DK0060775872.
1.2	**Name and contact details to the issuer**	Initiator Pharma A/S, corporate registration number 37663808 and LEI code 213800DFI4I1A5RVKB59. Representatives of Initiator may be reached at telephone +45 6126 0035, and by e-mail ceo@initiatorpharma.com. The Company's visiting address is Ole Maaløes Vej 3, 2200 København N, Denmark and the website is www.initiatorpharma.com.
1.3	**Name and contact details for the relevant authority that has approved this prospectus**	The Danish Financial Supervisory Authority (Dk. *Finanstilsynet*) ("the **DSFA**") is the competent authority which is responsible for approval of the Prospectus. The visiting address to the DFSA is Århusgade 110, 2100 Copenhagen, Denmark, and the website is www.dfsa.dk. The DFSA can also be reached on telephone +45 33 55 82 82 and email finanstilsynet@ftnet.dk.
1.4	**Date of approval**	The EU growth prospectus was approved by the Danish Financial Supervisory Authority on the 8 July 2021.
1.5	**Warning**	This summary should be read as an introduction to the EU Growth Prospectus. Any decision to invest in the shares should be based on the investor studying the entire prospectus. The investor may lose all or part of his invested capital. If a claim related to information in the EU Growth Prospectus is made in court, the investor claiming under national law in the Member State may have to pay the cost of translating the EU Growth Prospectus before the legal proceedings begin. Civil liability covers only those persons who have presented the summary, including translations thereof, but only if the summary is misleading, incorrect or inconsistent with the other parts of the EU Growth Prospectus or if it together with other parts of the EU Growth Prospectus does not provide the key information that investors need when deciding whether to invest in the shares concerned.

SECTION 2 – KEY INFORMATION ABOUT THE ISSUER

2.1	**Who is the issuer of the securities?**	Initiator Pharma A/S, formed and registered in May 2016, is a Danish public limited liability company governed by Danish law and the Danish Companies Act (Dk. Selskabsloven). Initiator is a Danish life science company which develops innovative drugs, targeting key unmet medical needs within the central and peripheral nervous system. The Board of Directors has its registered office in Copenhagen, Denmark and Claus Elsborg Olesen is the Company's CEO since 2016. As at the date of this Prospectus, the Company is not part of any group and has no holdings in other companies. The following table shows all shareholders with holdings in excess of five percent of the shares and votes in the Company. There are, to the Board of Directors knowledge, no shareholder agreements or other agreements

between the Company's shareholders, which seek to have joint influence over the Company. The Company is not directly or indirectly controlled by any shareholder

Shareholder	Number of shares	Percentage of votes and capital (%)
Linc AB	4,729,729	13,21 %
Adrigo Asset Management AB	2,162,162	6,04 %

2.2 What is the key financial information regarding the issuer?

The financial information incorporated into this Prospectus by reference includes the annual reports for the financial years 2020 and 2019, which have been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C, and the interim report for the period 1 January 2021 to 31 March 2021. The annual reports have been audited by the Company's independent auditor as set forth in their audit report included therewith. The interim report has not been audited.

DKK '000 (SEK '000)	1 Jan 2020 31 Dec 2020	1 Jan 2019 31 Dec 2019	1 Jan 2021 31 Mar 2021	1 Jan 2020 31 Mar 2020
	Audited	Audited	Unaudited	Unaudited
Income statement				
Net revenues	0	0	0	0
Operating loss, EBIT	-10,531 (-14,251)	-9,339 (-12,638)	-2,069 (-2,799)	-2,392 (-3,237)
Balance sheet				
Total assets	15,603 (21,115)	11,438 (15,479)	13,029 (17,632)	9,095 (12,308)
Total equity	14,409 (19,499)	9,908 (13,408)	12,603 (17,005)	7,424 (10,046)
Cash flow statement				
Cash flows from operating activities	-8,064 (-10,913)	-8 553 (-11,574)	-2,217 (-3,000)	-480 (-649)
Cash flows from investing activities	0	0	0	0
Cash flows from financing activities	14,007 (18,955)	1,625 (2,119)	0	0
Key figures				
Earnings per share	–0.32	–0.34	–0.01	–0.11
Cash and bank	13,504 (18,274)	7,562 (10,223)	13,504 (18,274)	7,082 (9,584)
Solidity (%)	92%	87%	92%	82%

Definitions
Operating earnings (EBIT): Earnings Before Interest and Taxes (Operating profit/loss)
Earnings per share: Profit/loss for the period divided by the average number of shares outstanding at the end of the period.
Solidity: Equity divided by assets.

2.3	**What are the key risks that are specific to the issuer?**	**Clinical trials** The life science industry, and clinical trials, are associated with great uncertainties and risks regarding delays and results in the trials. The manufacturing of compounds for use in humans is heavily regulated to secure the safety of humans. There is a risk that results from Initiator's early clinical trials are not repeated in more extensive clinical trials. There is thus a risk that Initiator's current and future clinical trials will not prove a risk benefit ratio or sufficient clinical benefit in order for the Company to be able to subsequently sell its products to partners or customers according to plan or obtain regulatory approvals. There is also a risk that Initiator's clinical trial results are inadequate to draw any conclusions and that they may have to be repeated, hence causing uncertainty, delays and requiring additional funding. Thus, there is a risk that this leads to a reduced or a lack of cash flow for the Company and/or that Initiator may be forced to raise additional capital based on unsuccessful clinical trial results. It is Initiator's assessment that the probability of the risk occurring is high. If the risk would materialise, Initiator considers the potential negative impact to be high. **Currently in development phase** Initiator was established in 2016. The Company has not yet launched products on the market and has thus not yet generated any revenue. The Company will need to conduct further trials before sales of its first product can commence. There is a risk that the Company will not succeed in the ongoing trials and that the Company cannot attract partners or customers for its eventual products, and it may therefore be difficult to evaluate the Company's sales potential. There is risk that the Company is materially negatively affected if e.g. its ongoing trials are not completed as planned and, hence, revenues completely or partially is not generated. It is Initiator's assessment that the probability of the risk occurring is moderate If the risk would materialise, Initiator considers the potential negative impact to be high

SECTION 3 – KEY INFORMATION ON THE SECURITIES

3.1	**What are the main features of the securities?**	**Type, category and ISIN of the securities** Initiator's shares with ISIN code DK0060775872 are traded at Spotlight Stock Market. The ticker for the share is INIT. The new shares that will be issued in connection with the Rights Issue will be traded in the same ISIN code as the shares already admitted to trading. There is only one class of shares in the Company. **Currency, nominal value and number of securities** Shares are denominated in DKK. As at the date of this Prospectus, the Company's registered share capital amounts to DKK 3,760,452,57 (SEK 5 million) divided among 35,813,834 shares. The nominal value of each share is DKK 0,105 and the shares have been fully paid. The currency of the Rights Issue is SEK. **Rights attached to the securities** The new shares will have the identical rights as the existing shares. These include voting rights, right to receive dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company, and pre-emptive rights in connection with the issue of new/additional warrants, convertible bonds and shares by cash contribution.

		Initiator is a growth company and has not since its formation paid dividends to the shareholders. Nor does the Company have a dividend policy. The Board of Directors intends to finance development, operations, and growth with a combination of possible profit and future equity issues. In the event of a dividend, all shares in the Company carry equal right to dividends. Dividend on shares that are newly issued in the Rights Issue as described in this Prospectus will be paid on the record day for the dividend that may occur after the registration of the shares in the share register kept by Euroclear Sweden AB and VP Securities A/S The dividend is not of an accumulated nature, i.e. there is no firm commitment by the company to pay dividend. The Company has no legal or binding commitment to pay dividends. The right to a dividend applies to investors who are registered as shareholders in Initiator on the record day for the distribution of dividend. There are no existing restrictions on dividends or special procedures for shareholders resident outside of Denmark, and payment of any distribution of dividend is intended to take place via Euroclear Sweden AB and VP Securities A/S in the same manner as for shareholders resident in Denmark. Dividends accrue to Initiator if it has not been claimed by the shareholder within three (3) years from the time of the declaration of the dividends. Dividends go to Initiator after the limitation. **Transferability of the securities** There are no restrictions in the transferability of the shares.
3.2	**Where will the securities be traded?**	Initiator's shares are traded on Spotlight Stock Market and the new shares in the Rights Issue will be admitted to trading on Spotlight Stock Market. Securities listed on Spotlight Stock Market are not subject to as extensive regulations as the securities that are admitted to trading on regulated markets.
3.3	**Is there a guarantee attached to the securities?**	The securities are not covered by guarantees.
3.4	**What are the key risks that are specific to the securities?**	**Future dividends** Historically, no dividend has been paid by Initiator and the intention is to not propose dividends to the shareholders unless and until the Company achieves long-term profitability. Hence, there is a risk that no dividends will ever be paid in the future. The size of the future dividends, if any, will depend on Initiator's future earnings, financial position, cash flows, working capital requirements and other factors. It is Initiator's assessment that the probability of the risk occurring is high. If the risk would materialise, Initiator considers the potential negative impact to be high. **Unsecured subscription commitments and underwriting commitments** A number of different parties have entered into subscription commitments whereby they have undertaken to subscribe for approximately SEK 6.7 million (DKK 4 .9 million) of the Rights Issue amount, corresponding to approximately 23 percent of the Rights Issue. In the event not all shares in the Rights Issue are subscribed for, the Company has received legally binding pre-subscription commitments of approximately SEK 6.7 million (DKK 4.9 million), which corresponds to approximately 23 percent of the share issue volume, and underwriting commitments of approximately SEK

22.8 million (DKK 16.8 million), which corresponds to approximately 77 percent of the share issue volume. Thus, 23 percent of the Rights Issue is not covered by an underwriting agreement or a firm commitment. Accordingly, the full Rights Issue amount of approximately SEK 29.4 million (DKK 21.7 million) is covered by subscription and underwriting commitments . However, these subscription and underwriting commitments are not confirmed or secured via prior transactions, bank guarantees or similar. Consequently, there is a risk that one or several of said parties will not fulfil their respective commitments and obligations. If the abovementioned subscription commitments are not met, this could negatively impact Initiator's ability to successfully complete the Rights Issue, which in turn could adversely affect the Company's business activities with negative impacts related to reduced financial resources propel the business activities forward going into the future.

It is Initiator's assessment that the probability of the risk occurring is low. If the risk would materialise, Initiator considers the potential negative impact to be moderate.

SECTION 4 – KEY INFORMATION ON THE OFFERING OF SHARES TO THE PUBLIC

4.1 Under which conditions and timetable can I invest in this security?

The Offer
On 2 July 2021, the Board of Directors of Initiator decided, with authorization from the Extraordinary General Meeting on 11 May 2021, to carry out the Rights Issue. The Offer is carried out with preferential rights for the existing shareholders. The Company's share capital will increase with DKK 835,655.94 (SEK 1.1 million) through issuing 7,958,628 new shares, each with a nominal value of DKK 0,105. The rights issue is conducted with preferential right for existing shareholder. The total issue proceeds amount to SEK 29,446,923.60 (DKK 21.7 million).

Subscription price
The subscription price is SEK 3.70 per share for Euroclear shareholders and DKK 2.72 per share for VP Securities shareholders. Brokerage fee may occur.

Subscription period
The subscription period starts on 12 July 2021 and ends on 26 July 2021 2021.

Valuation
Initiator's pre-money valuation in the offer amounts to MSEK 132.5 (DKK 97.8 million).

Allocation
If not all shares in the rights issue are subscribed for with preferential right, the board of directors shall decide on allocation of shares within the limits of the amount of the rights issue to shareholders or other investors that have subscribed for shares without preferential right.

Firstly, allocation of shares which are subscribed for without preferential right shall be made to shareholders or other investors who have also subscribed for shares by exercising subscription rights, regardless if the subscriber was a registered shareholder on the record date or not. In case that allocation of shares cannot fully be provided in accordance with subscriptions without subscription rights, allocation shall be made in relation (pro rata) to the quantity of subscription rights exercised for

subscription of shares in the rights issue, and to the extent this is not possible, by drawing of lots.

Secondly, allocation of shares which are subscribed for without preferential right shall be made to other investors than the above mentioned, who have subscribed for shares without subscription rights. In case that allocation of shares cannot fully be provided in accordance with subscriptions without subscription rights, allocation shall be made in relation (pro rata) to the amount of subscribed for shares without subscription rights in the rights issue, and to the extent this is not possible, by drawing of lots.

Thirdly, the allocation of shares shall be made to the underwriters in proportion to the size of the underwriting commitments made, and to the extent this is not possible, by drawing of lots.

Dilution
Through the Rights Issue, the Company's share capital will increase with DKK 835,655.94 (SEK 1.1 million), through the issuing of 7,958,628 shares. This equals 18.2 percent of the votes and capital in the Company.

Initiator has a financing agreement with MAC Clinical Research Ltd (MAC). Through the agreement, MAC has the right to convert accrued debt of up to SEK 23 million (DKK 16.9 million) into Initiator shares at a share price of SEK 7.5. Provided that the forthcoming Rights Issue is fully subscribed and that no other events occur that changes the share capital of the Company, the conversion of the debt will result in an additional dilution of 6.5 percent of the votes and capital in the Company.

Costs for the Right Issue
The issue cost amount to approx. SEK 3.0 million (DKK 2.2 million), approx. 10 percent, of the Rights Issue.

4.2	**Why is this EU Growth prospectus being produced?**	In order to finance further operational advancements, Initiator is now executing a preferential rights issue, which will provide Initiator with approximately SEK 29.4 million (DKK 21.7 million) (before issue costs) if fully subscribed. The proceeds from the Rights Issue are expected to enable an expansion of Initiator's clinical pipeline. The net proceeds of approximately SEK 26.4 million (DKK 19.4 million) from the Rights Issue are intended to finance the Company's operations well into 2023, which includes the following key activities ordered by priority: • Proof-of-Principle clinical trial in Neuropathic pain with IPTN2021. Approx. 55 percent of the proceeds. • CMC activities supporting the above clinical trial. Approx. 15 percent of the proceeds. • Phase 1 MAD clinical trial with IPTN2021 in preparations for the Phase 2 program if successful results from the Proof-of-Principle trial. Approx. 30 percent of the proceeds. The Board of Directors makes the assessment that the net proceeds will be sufficient to carry out the above mentioned activities. The Company has, in April 2021 received legally binding pre-subscription commitments of approximately SEK 6.7 million (DKK 4.9 million), which corresponds to approximately 23 percent of the share issue volume, and underwriting commitments of approximately SEK 22.8 million (DKK 16.8 million), which corresponds to approximately 77 percent of the share issue volume. Thus, 23 percent of the Rights Issue is not covered by an

underwriting agreement or a firm commitment. Pre-subscription commitments and underwriting commitments have not been secured through advance transaction, bank guarantee or similar.

Conflicts of interest

Shark Communication AB and Nordic Issuing provides services to Initiator in connection with the Rights Issue. The parties above have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company for which they have received, and may yet receive, remuneration.

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in Initiator as a consequence of their direct or indirect shareholdings in the Company.

A few investors have entered into underwriting commitments in the Rights Issue. In addition to the interests of these parties in the successful completion of the Rights Issue and the payment of the agreed remuneration of the guarantors, there is no financial or other interests or conflicts of interest between the parties who in accordance with the above have financial or other interests in the Rights Issue.

RESPONSIBILITY STATEMENT

PERSONS RESPONSIBLE

The Board of Directors and the CEO of Initiator are responsible for the content of this Prospectus. As at the date of this Prospectus, the Board of Directors of the Company comprises Magnus Persson (chairman), Annette Colin (board member), Henrik Moltke (board member), Peter Holm (board member) and Claus Elsborg Olesen (board member). For additional information regarding Initiator's board members and CEO, please refer to section "Board of Directors and executive management" in this Prospectus.

STATEMENT BY THE CEO AND BOARD OF DIRECTORS OF INITIATOR A/S

We hereby declare, as the persons responsible for this Prospectus on behalf of Initiator Pharma A/S (CVR no. 37663808), that to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

DANISH FINANCIAL SUPERVISORY AUTHORITY

This Prospectus has been approved and registered by the Danish Financial Supervisory Authority (Dk. *Finanstilsynet*) ("the DFSA") as competent authority under Regulation (EU) 2017/1129. The DFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the securities that are the subject of this Prospectus. The Prospectus has been drawn up as part of an EU Growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

København, 8 July 2021

Initiator Pharma A/S

The CEO and Board of Directors

Magnus Persson, chairman

Annette Colin, board member

Henrik Moltke, board member

Peter Holm, board member

Claus Elsborg Olesen, board member and CEO

INFORMATION FROM THIRD PARTIES

The Board of Directors confirms that information obtained from third parties in this Prospectus have been correctly reproduced and that, as far as the Board of Directors knows and can ascertain from the information published by these third parties, no factual circumstances have been omitted that would render the information reproduced incorrect or misleading. The statements in this Prospectus are based on the assessment of the Board of Directors and executive management if no other grounds are stated. Apart from Initiator's audited financial statements for the last two years (2019 and 2020), no information in the Prospectus has been reviewed or audited by the Company's auditor. There are no reports from experts in this Prospectus.

REFERENCES

- Alberson M, Orabi H, Lue T. Evaluation and treatment of erectile dysfunction in the aging male: a mini-review. Gerontology. 2012;58:3-14.
- Coherent Market Insights. "Neuropathic Pain Market Analysis" (2020), https://www.coherentmarketinsights.com/market-insight/neuropathic-pain-market-3656
- Finnerup, Nanna B., et al. "Pharmacotherapy for neuropathic pain in adults: a systematic review and meta-analysis." The Lancet Neurology 14.2 (2015): 162-173.
- Joanna M. Zakrzewska, Eastman Dental Hospital, London, United Kingdom Mark E. Linskey, University of California Irvine, Irvine, California Am Fam Physician. 2016 Jul 15;94(2):133-135.
- Johns Hopkins Medicine. " Trigeminal Neuralgia", https://www.hopkinsmedicine.org/health/conditions-and-diseases/trigeminal-neuralgia.
- Jones, M.R., Urits, I., Ehrhardt, K.P., Cefalu, J.N., Kendrick, J.B., Park, D.J., Cornett, E.M., Kaye, A.D. and Viswanath, O., 2019. A comprehensive review of trigeminal neuralgia. Current pain and headache reports, 23(10), pp.1-7.
- Kendirci M, Tanriverdi O, Trost L, et al. Management of sildenafil treatment failures. Curr Opin Urol. 2006;16:449–59.
- Pratt, L. A., Brody, D. J., & Gu, Q. (2017). Antidepressant Use among Persons Aged 12 and Over: United States, 2011-2014. NCHS Data Brief. Number 283. National Center for Health Statistics.
- Quilter M, Hodges L, von Hurst P, Borman B, Coad J. Male sexual function in New Zealand: a population-based cross-sectional survey of the prevalence of erectile dysfunction in men aged 40-70 years. J Sex Med. (2017) 14:928–36. doi: 10.1016/j.jsxm.2017.05.011
- Reports and Data. "Anxiety Disorder and Depression Treatment Market By Therapies" (2020), https://www.reportsanddata.com/report-detail/anxiety-disorder-and-depression-treatment-market.
- Rosenberg, K. P., Bleiberg, K. L., Koscis, J., & Gross, C. (2003). A survey of sexual side effects among severely mentally ill patients taking psychotropic medications: impact on compliance. Journal of Sex & Marital Therapy, 29(4), 289-296.
- Rosen RC, Fisher WA, Eardley I, Niederberger C, Nadel A, Sand M. The multinational Men's Attitudes to Life Events and Sexuality. (MALES) study: I. Prevalence of erectile dysfunction and related health concerns in the general population. Curr Med Res Opin. (2004) 20:607–17. doi: 10.1185/030079904125003467

BACKGROUND AND REASONS

Initiator is a Danish life science company focusing on the development of innovative drugs, targeting key unmet medical needs within the central and peripheral nervous system. Initiator's research is focusing on monoamine reuptake inhibitors, molecules that are affecting the synaptic concentrations of neurotransmitters such as dopamine, serotonin and noradrenaline. Initiator's lead drug candidates are:

- IPED2015, which is targeting the medical condition erectile dysfunction caused by by diabetes and aging, primarily target the dopamine system.IPED2015 is specifically deve-loped for patients with erectile dysfunction that are non-responsive to drugs within the PDE5i class, including the approved drugs Viagra®, Cialis®, Levitra®.
- IP2018 is a monoamine reuptake inhibitor for the treatment of Erectile Dysfunction associated with anxiety and depression or drug treatment thereof, primarily target the serotonin followed by 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.

At the beginning of June 2019, Initiator announced that the Company had successfully completed a Phase 1 study regarding safety and tolerability with IPED2015, and in March 2020, Initiator achieved successful Phase 2a results for IPED2015. Results from the study support the goal of further developing an oral formulation of IPED2015 for the treatment of moderate and severe erectile dysfunction in patients who do not respond to current therapies. On 25 November 2020 Initiator announced a financing agreement with MAC Clinical Research Ltd covering the continued development of IPED2015. The Phase 2b study will be conducted by MAC Clinical Research at multiple sites in the UK and is planned to be initiated in the first half of 2021, pending the development of the Covid-19 situation.

In June 2020 Initiator announced that it 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 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 9 December 2020 Initiator Pharma 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 later this year.

Use of proceeds
The issue of shares will provide the Company with a maximum of approximately SEK 29.4 million (DKK 21.7 million) before issue costs. Estimated issue costs attributable to the Rights Issue amount to approximately SEK 3.0 million (DKK 2.2 million), corresponding to approximately 10 percent of the issue.

Part of the capitalisation will fund an expansion of Initiator's clinical pipeline. The new program will target trigeminal neuralgia, an orphan drug indication in severe neuropathic pain. Initiator will thus continue to have a pipeline consisting of three clinical programs, which is in line with the Company's business model and strategy of becoming a recognised life science company through internal drug development.

With the proceeds from the Rights Issue, the Company intends to finance the following activities:
- Proof-of-Principle clinical trial in Neuropathic pain with IPTN2021. Approx. 55 percent of the proceeds.
- CMC activities supporting the above clinical trial. Approx. 15 percent of the proceeds.
- Phase 1 MAD clinical trial with IPTN2021 in preparations for the Phase 2 program if successful results from the Proof-of-Principle trial. Approx. 30 percent of the proceeds.

The proceeds will finance the new orphan drug indication and secure Initiator's operations well into 2023 regarding both the Company's operational costs and the continuation of the already ongoing and upcoming clinical trials with IP2018 and IPED2015.

PRE-SUBSCRIPTION AND UNDERWRITING COMMITMENTS

The Company has, in April 2021 received legally binding pre-subscription commitments of approximately SEK 6.7 million (DKK 4.9 million), which corresponds to approximately 23 percent of the share issue volume, and underwriting commitments of approximately SEK 22.8 million (DKK 16.8 million), which corresponds to approximately 77 percent of the share issue volume. Thus, 23 percent of the Rights Issue is not covered by an underwriting agreement or a firm commitment. Subscription commitments and underwriting commitments have not been secured through advance transaction, bank guarantee or similar. Cash premium compensation of 10 percent is paid for the underwriting commitment. The full list of subscribers and their subscription amounts are set out in the table following this section. Any investors, who have committed themselves to subscribe for more than five (5) percent of the offer, will also appear in the table following this section.

Subscriber	Corporate registration number	Pre-subscription commitment (SEK)	Pre-subscription commitment (%)	Address
Linc AB	556232-0811	3,888,885.00 (DKK 2.8 million)	13,21 %	Birger Jarlsgatan 36, 114 29, Stockholm, Sverige
Adrigo Asset Management AB	556988-2086	1,777,776.00 (DKK 1.3 million)	6.04 %	c/o Adrigo Asset Management, Kungsgatan 33, 111 93, Stockholm, Sverige
Mats Thorén	710103-4978	555,555.00 (DKK 0.4 million)	1.89 %	Eriksbergsgatan 1 B, 114 30, Stockholm, Sverige
Jinderman & Partners AB	559193-1745	444,444.00 (DKK 0.3 million)	1.51 %	Hornsgatan 178, 117 34, Stockholm, Sverige
Total		**6,666,660.00 (DKK 4.9 million)**	**23 %**	

Subscriber	Corporate registration number	Underwriting commitments (SEK)	Underwriting commitments (%)	Address
Linc AB	556232-0811	13,288,488.50 (DKK 4.9 million)	45,13 %	Birger Jarlsgatan 36, 114 29, Stockholm, Sverige
Adrigo Asset Management AB	556988-2086	6,074,738.08 (DKK 4.4 million)	20.63 %	c/o Adrigo Asset Management, Kungsgatan 33, 111 93, Stockholm, Sverige
Vixco Capital AB	556762-5313	1,898,353.90 (DKK 1.3 million)	6,45 %	Eriksbergsgatan 1 B, 114 30, Stockholm, Sverige
Jinderman & Partners AB	559193-1745	1,518,683,12 (DKK 1.1 million)	5.16 %	Hornsgatan 178, 117 34, Stockholm, Sverige
Total		**22,780,263.60 (DKK 16.8 million)**	**77 %**	

ADVISORS

In connection with the Rights Issue described in this Prospectus, Shark Communication AB has assisted the Company in the preparation of this Prospectus and Nordic Issuing (issuing services brand within Sedermera Fondkommission) is the appointed issuing agent. The Board of Directors of Initiator is responsible for the content, whereupon Shark Communication AB and Nordic Issuing disclaims all liability in relation to shareholders in the Company and regarding other direct or indirect consequences as a result of investment decisions or other decisions based wholly or partly on the information in this Prospectus.

PARTIES WITH INTERESTS

Shark Communication AB and Nordic Issuing provides services to Initiator in connection with the Rights Issue. The parties above have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company for which they have received, and may yet receive, remuneration.

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in Initiator as a consequence of their direct or indirect shareholdings in the Company. Magnus Persson owns 138,943 warrants (if exercised it will result in a dilution of 0,39 percent), Henrik Moltke owns 47,762 warrants (if exercised it will result in a dilution of 0,13 percent), Claus Elsborg Olesen owns 173,677 warrants (if exercised it will result in a dilution of 0,48 percent), Torgeir Vaage owns

156,308 warrants (if exercised it will result in a dilution of 0,43 percent), and Mikael Thomsen owns 156,308 warrants (if exercised it will result in a dilution of 0,43 percent).

A few investors have entered into underwriting commitments in the Rights Issue. In addition to the interests of these parties in the successful completion of the Rights Issue and the payment of the agreed remuneration of the guarantors, there is no financial or other interests or conflicts of interest between the parties who in accordance with the above have financial or other interests in the Rights Issue.

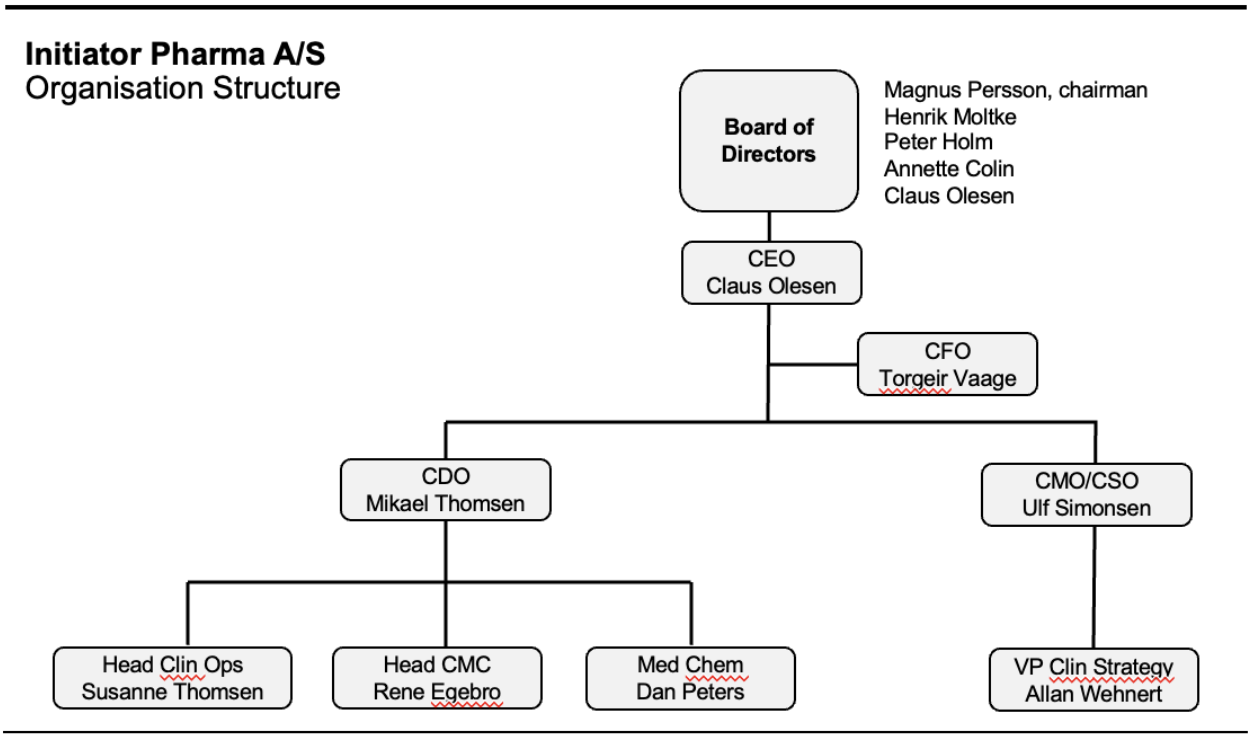
BUSINESS AND MARKET OVERVIEW

The Board of Directors certifies that the information derived from references and citations has been described and reproduced as found and that – as far as the Board of Directors is aware of and is able to ascertain from information published by third party – no facts or information have been omitted, which would render the reproduced information inaccurate or misleading.

GENERAL

The Company's legal and commercial name is Initiator Pharma A/S with corporate registration number (CVR) 37663808. The LEI code of the Company is 213800DFI4I1A5RVKB59. Initiator was incorporated in Denmark and is a Danish public limited liability company governed by Danish law and the Danish Companies Act (Dk. Selskabsloven). Initiator is a Danish life science/medical technology company which develops treatments for, among other things, erectile dysfunction. The Board of Directors has its registered office in København, Denmark. Representatives of Initiator may be reached at telephone +45 6126 0035, and by e-mail ceo@initiatorpharma.com. The Company's visiting address is Ole Maaløes Vej 3, 2200 København N, Denmark, and the website is www.initiatorpharma.com. It is to be noted that the information on the Company's website does not form part of the Prospectus unless the information is incorporated in the Prospectus by reference.

Initiator was incorporated in 2 May 2016 and is not part of any group and has no holdings in other operations.



The company currently has a board of five members, and the chairman of the board is Magnus Persson.

The CEO of Initiator Pharma is Claus Olesen who is also a member of the board. The executive management of Initiator Pharma consists of Claus Olesen (CEO), Torgeir Vaage (CFO) and Mikael Thomsen (CDO).

BACKGROUND

Initiator started off as a spin-out company from Saniona AB ("Saniona") together with Dr. Claus Olesen, Dr. Dan Peters, Professor Ulf Simonsen and Dr. Mikael Thomsen, with the business idea of further developing a family of drug candidates based on so-called MRI technology (Monoamine Reuptake Inhibitor). The technology aims to inhibit the reuptake of monoamines in the body's nerves and thereby increase dopamine levels in various parts of the body. Dopamine is an important neurological signalling substance and by

increasing the body's dopamine level, a number of different diseases can be treated. All founders of Initiator have long and solid experience of preclinical and clinical drug development and are also world-leading researchers in both erectile dysfunction and MRI technology, which forms the basis for the Company's drug candidates.

BUSINESS MODEL AND STRATEGY

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

Initiator´s strategy is to identify promising drug candidates in late preclinical and early clinical development that target medical symptoms with clearly defined unmet medical needs and with attractive commercial opportunities, and rapidly progress these candidates through clinical Proof-of-Concept studies to the point where we expect to enter partnerships for late-stage clinical development. A specific challenge for Initiator is ensuring that the company can in-source select programs and assets requiring modest clinical trial designs and generating a data package that can argue for continued development or attract interest for Pharmaceutical companies for acquisitions or partnerships.

The company aims to commercialise its research efforts through the following two 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's programs and typical with upfront payments, milestone and royalty payments on product sales to Initiator.
- 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.
-

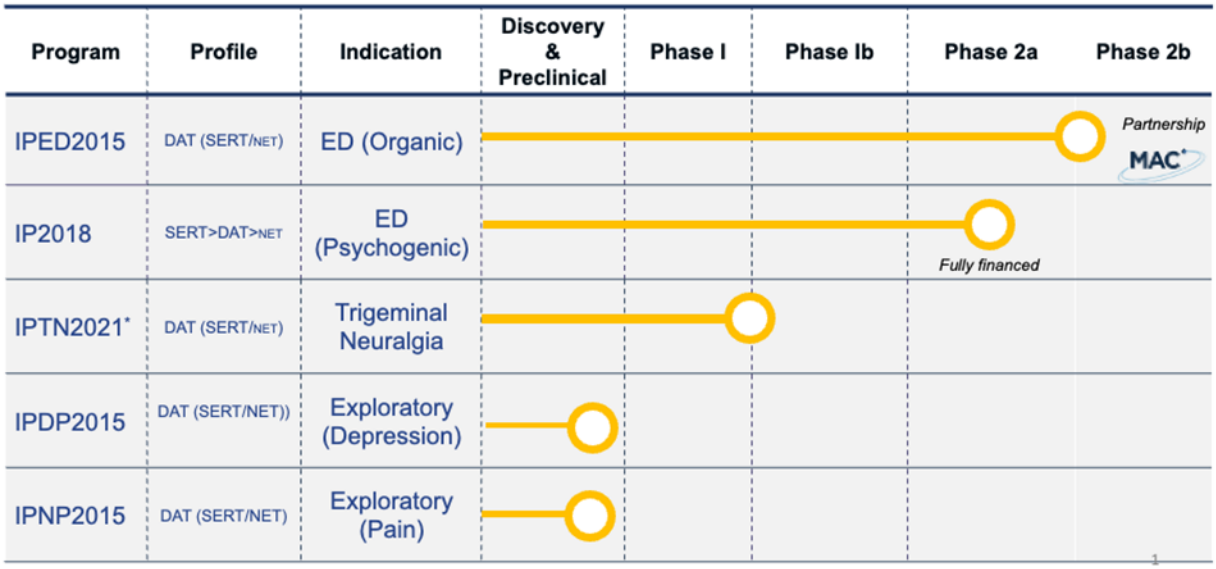
An inherent challenge in the business model is for the Company to succeed in attracting a pharmaceutical partner. This may be due to lack of sufficiently strong clinical data, lack of industry interest in the indication areas or general market conditions. Such partnerships would result in the Company not having to shoulder all development costs.

PRODUCT PORTFOLIO AND PIPELINE

Initiator Pharma has a pipeline of compounds focused on the safe therapeutics modulation of monoamine neurotransmitter e.g. dopamine, noradrenaline, and serotonin. Modulation and regulation of monoamines are indeed validated and efficacious therapy for a broad range of medical conditions. The monoaminergic system plays a pivotal role in many important physiological functions, e.g., mood, pain, arousal, sexual function, and might be used to treat depression, attention deficit hyperactive disorder (ADHD), narcolepsy, and anxiety.

The major challenge with targeting the monoaminergic system is ensuring that the modulation archives a safe therapeutics window, deviating from the adverse effects (AEs) known from previously and currently marketed monoamine modulation drugs, e.g. liver tox and sexual dysfunction. Initiator Pharma has a pipeline of clearly differentiated monoamine modulation drug candidates with attractive safety profiles.

In 2016 Initiator 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 in-license IP2018, which Initiator exercised in March 2020:



(IPED2015 API)

IPED2015

IPED2015, Initiator's most advanced drug candidate has successfully demonstrated efficacy in a Clincial Phase 2a study 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 – Strengthes the natural erection response 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 erectile dysfunction in patients suffering from erectile dysfunction due to metabolic syndrome and diabetes denoted organic erectile dysfunction.

Organic Erectile dysfunction are best characterized by:

- Physical impairment of the delivery of adequate blood flow to the erectile tissue of the penis
- As much as 80% of ED is accounted for by organic causes (vasculogenic, neurologic, endocrinologic)
- Usually, the result of an underlying medical condition affecting blood vessels or nerves supplying the penis
- Gradual onset, incremental loss, lack of morning erections

It is estimated that more than 150 million men worldwide are suffering from erectile dysfunction.[1] At the beginning of June 2019, Initiator announced that the Company had successfully completed a Phase 1 study regarding safety and tolerability with IPED2015, and in March 2020, Initiator achieved successful Phase 2a results for IPED2015. The Phase 2a study was designed as an exploratory study and included twelve patients who had severe erectile dysfunction with scores below 12 on the IIEF-5 scale, which meant that it was not possible to treat the condition with currently available treatment. Results from the study support the goal of further developing an oral formulation of IPED2015 for the treatment of moderate and severe erectile dysfunction in patients who do not respond to current therapies.

The scientific basis for IPED2015, a type of monoamine reuptake inhibitor intended to treat erectile dysfunction in men, is based on research conducted by Professor Ulf Simonsen. The information from this research was part of Initiator's acquisition of the drug candidate and showed promising results, including:

- An increased number of spontaneous erectile reactions in animal models.

[1] Alberson M, Orabi H, Lue T. Evaluation and treatment of erectile dysfunction in the aging male: a mini-review. Gerontology. 2012;58:3-14.

- Low statistic probability that the drug candidate will have addictive effects.
- Identified effective dose level.
- No unexpected toxicity at the effective dose level.
- No adverse cardiovascular adverse reactions at effective dose level.
- Low / limited probability of interaction between IPED2015 and other drugs.

Since Initiator was founded and acquired IPED2015, all preclinical development of the drug candidate to enable an application for clinical trials (CTA) has been carried out by auspices of the Company. IPED2015 is developed as a tablet that is taken orally and it is the Company's goal to be able to create a new "First-in-Line" treatment (recommended treatment) for the large group of men who suffer from organic erectile dysfunction, but for various reasons do not respond to the currently recommended treatment with PDE5i. Initiator's main business concept is to, with the help of a competent research team, further develop the existing drug candidate IPED2015 through successful phase 2 studies, which then could lay the foundation for a potential exit or partnership agreement.

On 25 November 2020 Initiator announced a financing agreement with MAC Clinical Research Ltd covering the continued development of IPED2015. Within the agreement, MAC Clinical Research (MAC) will take on the cost, up to 23 MSEK (DKK 16.9 million), for conducting a clinical Phase 2b intercourse study for IPED2015 in patients suffering from organic erectile dysfunction, i.e. patients that is not responding to the currently marketed drugs in the PDE5i class. Upon the full completion of the study, MAC has the right to convert the accrued debt into Initiator shares at a share price of SEK 7.5 (DKK 5.5).

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

IPTN2021 Program
Trigeminal neuralgia is a chronic pain condition that affects the trigeminal nerve. The trigeminal nerve carries sensation from the face to the brain. In patients with trigeminal neuralgia, even mild stimulation of the face, such as brushing your teeth or putting on makeup, may trigger a jolt of excruciating pain. The disease is seriously invalidating. It is reported that worldwide 150,000 people are diagnosed with trigeminal neuralgia (TN) every year. Trigeminal neuralgia affects women more often than men, and it's more likely to occur in people who are older than 50. The causes of the disease include pressure on the nerve, aging, brain disease or is idiopathic. The treatment involves medications and surgery. Clinical guidelines recommend carbamazepine (the only drug FDA-approved for TN) and oxcarbazepine as first-line therapies, however the current medication is often found ineffective and with serious adverse events.[2] Therefore there is an unmet need, which Initiator will address in the IPTN2021 program.

In the IPTN2021 program the Active Pharmaceutical ingredient is (API) IP2015. Monoamines play an important role in regulating the endogenous pain system, particularly in neuropathic pain. Monoamine transporters are validated drug targets e,g, Duloxetine (primarily SERT and NET modulation) has proven efficacious in some pain indication, but the drug has significant side effects e.g: sexual problems, liver tox. Whereas, the data generated for IP2015 drug candidate demonstrate a clear improvement on safety and tolerability

In preclinical studies, IPED2015 is effective and markedly inhibits neuralgic pain. We aim in a Proof-of-Principle study to examine the effect of IPED2015 in subjects exposed to the sensory nerve stimulant capsaicin. The protocol is under development and conducted in collaboration with the MAC clinic, Manchester, UK.

[2] Joanna M. Zakrzewska, Eastman Dental Hospital, London, United Kingdom Mark E. Linskey, University of California Irvine, Irvine, California Am Fam Physician. 2016 Jul 15;94(2):133-135.

IP2018

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 IPED2015 for organic erectile dysfunction (mainly caused by diabetes and age), primarily targeting the dopamine system.

Psychogenic Erectile dysfunction are best characterized by:

- Persistent inability to achieve/maintain erection predominantly due to psychologic factors
- Psychological factors (stress, anxiety, depression etc.) are responsible for about 20% of all cases of or ED
- Newly identified causes include relationship problems, feelings of guilt, and addiction to pornography
- Sudden onset, immediate loss, Morning erections possible

IP2018 raises the serotonin levels in the brain. In preclinical trials, Initiator 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 intends to primarily confirm the effect of IP2018 on the erectile function of patients with depression. Expecting the outcome is positive, Initiator Pharma 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 as a supplement to treat erectile dysfunction in patients with medically-induced sexual dysfunction.

- 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

In June 2020, Initiator announced that it had obtained approval from the Medicines and Healthcare products Regulatory Agency, MHRA, and the Ethical Committee (EC) the 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 patients. The primary objective of this study is to investigate the effects of IP2018 on penile rigidity and tumescence using a visual sexual stimulation test. The study will be conducted on 24 patients at the MAC Phase I unit in Manchester, UK.

On 9 December 2020, Initiator 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 later this year.

IPNP2015

Neuropathic pain is a devastating condition that affects millions of patients globally. The market for the symptom was estimated at approximately USD 6.3 billion in 2019 and is expected to increase to approximately USD 10 billion by 2027.[3] It is a multifactorial disease where recommended first-line treatments include selected antidepressants (i.e., tricyclic antidepressants and dual serotonin and norepinephrine

[3] Coherent Market Insights "Neuropathic Pain Market Analysis" (2020), https://www.coherentmarketinsights.com/market-insight/neuropathic-pain-market-3656.

reuptake inhibitors), calcium channel alpha2-delta ligands (i.e., gabapentin and pregabalin) and lidocaine. Opioid analgesics and tramadol are generally recommended as the second line of treatment, which may be considered for first-line use in specific clinical circumstances. Despite the availability of several different treatment options, less than 50 percent of patients experience meaningful pain relief.[4] With the lack of effective treatments, these areas have a large unsatisfied need, which creates opportunities to develop new therapies.

IPNP2015 is a proprietary triple reuptake inhibitor of 5-HT, NA, and DA. Initiator has tested IPNP2015 in rodent models of persistent and neuropathic pain. IPNP2015 possesses superior antinociceptive efficacy compared with the dual monoamine reuptake inhibitor duloxetine, and it is an attractive new drug candidate for the treatment of chronic pain. In preclinical studies, IPNP2015 has shown positive effects in comparison with the drug duloxetine.

IPDP2015

IPDP2015 is in preclinical development against depression. IPDP2015 has shown positive effects in animal models of prolonged and neuropathic pain. Depression and pain share biological pathways and neurotransmitters. With IPDP2015, the ambition is to treat both areas simultaneously in order to improve results.

PRE-CLINICAL AND CLINICAL STUDIES

Phase 1 Single ascending Dose (SAD) study for IPED2015 completed 2019
Phase 2a IPED2015 completed 2020
Phase 2a IP2018 for ED of psychogenic origin ongoing 2020-21

FUTURE OBJECTIVES

Initiator's objectives for the forthcoming years are presented below.

2021

2H	Complete Proof-of-concept in phase II study that IP2018 has effect on ED in patients with ED of psychogenic origin
2H	Start Phase IIb study to examine the effect of IPED2015 on sexual intercourse and erectile dysfunction in patients with ED of organic origin
2H	Start Proof-of-Principle Pain study in healthy subjects IPTN2021 Program

2022

1H	Start Phase 1 Multiple ascending Dose (MAD) Clinal study IPTN2021
2H	Complete Phase IIb study to examine the effect of IPED2015 on sexual intercourse and erectile dysfunction in patients with ED of organic origin

2023

H1/H2	Initiate Phase II study IPTN2021 program to examine the effect on Trigeminal Neuralgia

PATENTS

Initiator's patent for IPED2015 is registered in the United States and is valid until the year 2031. Initiator also has registered patents in the United States, Germany, France, and the United Kingdom for the drug IPDP2015, valid until 2029. The patent for the drug IP2018 is registered in the United States, valid until 2026, and in Germany, France, United Kingdom, Switzerland, Japan, and Israel, valid until 2025. The medical use of IP2018 is also covered in an international patent application which can render protection until 2040. The Company also has approved patents on the drug IPNP2015 in the United States, Germany, France, the United Kingdom, and Switzerland, valid until 2030. Initiator has an active patent strategy that protects ongoing innovations based on results from clinical development by filing new patent applications.

[4] Finnerup, Nanna B., et al. "Pharmacotherapy for neuropathic pain in adults: a systematic review and meta-analysis." The Lancet Neurology 14.2 (2015): 162-173.

MARKET OVERVIEW

Erectile dysfunction

As the world's population reaches an increasing average age and is increasingly affected by welfare diseases such as diabetes and obesity, a problematic side effect for the male part of the population also arises to a greater extent - erectile dysfunction. Erectile dysfunction, impotence in everyday speech, is defined as the inability for a man to achieve and maintain an erection. Erectile dysfunction currently affects about 150 million men worldwide and this figure is expected to increase to about 322 million in 2025.[5]

The problem with erectile dysfunction has to some extent been addressed in connection with the market introduction of drugs based on so-called PDE5 inhibitors (PDE5i), such as sildenafil, vardenafil and tadalafil. The most well-known drug in this category, sildenafil, is marketed under the brand name Viagra®; this drug also constitutes the treatment currently recommended for the symptom. These drugs usually have good effects but also suffer from a major problem – about 30 - 40 percent of the men who suffer from erectile dysfunction do not respond to treatment with this type of drug.[6] The patient group that may be resistant to PDE5i treatment for erectile dysfunction includes patients with neurological damage, diabetes and severe cardiovascular disease (organic erectile dysfunction). Other groups that may be resistant to PDE5i treatment include, among others, patients who are being treated with certain antidepressants and have psychological disorders (psychogenic erectile dysfunction). Among young men, about 14 - 35 percent, experience erectile dysfunction, which may also be due to psychiatric reasons e.g. performance anxiety when the man is too nervous to maintain an erection, or the result of side effects of specific drugs treating e.g. depression, schizophrenia and other mental disorders.[7] [8] Thus, there is a great unsatisfied medical need and thus also a need for an alternative treatment for erectile dysfunction that can satisfy the group of patients who are resistant to the treatment that is currently recommended. This group is the Company's primary target group.

Trigeminal neuralgia

Trigeminal neuralgia is a chronic pain condition that affects the trigeminal nerve. The trigeminal nerve carries sensation from the face to the brain. In patients with trigeminal neuralgia, even mild stimulation of the face, such as brushing your teeth or putting on makeup, may trigger a jolt of excruciating pain. The disease is seriously invalidating. It is reported that 15,000 people are diagnosed with trigeminal neuralgia (TN) every year in US.[9] Trigeminal neuralgia affects women more often than men, and it's more likely to occur in people who are older than 50. The causes of the disease include pressure on the nerve, aging, brain disease or is idiopathic. The treatment involves medications and surgery. Clinical guidelines recommend carbamazepine (the only drug FDA-approved for TN) and oxcarbazepine as first-line therapies, however the current medication is often found ineffective and with serious adverse events. Therefore there is a significant for new therapies, which Initiator will address in the IPTN2021 program.[10] The IPTN2021 development plan aims for orphan drug registration for trigeminal neuralgia and the future ambition is to seek a fast track designation at the FDA and EMA to obtain regulatory support from the authorities and significantly reduce the lead time to product registration.

---

[5] Alberson M, Orabi H, Lue T. Evaluation and treatment of erectile dysfunction in the aging male: a mini-review. Gerontology. 2012;58:3-14.

[6] Kendirci M, Tanriverdi O, Trost L, et al. Management of sildenafil treatment failures. Curr Opin Urol. 2006;16:449–59.

[7] Rosen RC, Fisher WA, Eardley I, Niederberger C, Nadel A, Sand M. The multinational Men's Attitudes to Life Events and Sexuality. (MALES) study: I. Prevalence of erectile dysfunction and related health concerns in the general population. Curr Med Res Opin. (2004) 20:607–17. doi: 10.1185/030079904125003467

[8] Quilter M, Hodges L, von Hurst P, Borman B, Coad J. Male sexual function in New Zealand: a population-based cross-sectional survey of the prevalence of erectile dysfunction in men aged 40-70 years. J Sex Med. (2017) 14:928–36. doi: 10.1016/j.jsxm.2017.05.011

[9] Johns Hopkins Medicine. " Trigeminal Neuralgia", https://www.hopkinsmedicine.org/health/conditions-and-diseases/trigeminal-neuralgia.

[10] Jones, M.R., Urits, I., Ehrhardt, K.P., Cefalu, J.N., Kendrick, J.B., Park, D.J., Cornett, E.M., Kaye, A.D. and Viswanath, O., 2019. A comprehensive review of trigeminal neuralgia. Current pain and headache reports, 23(10), pp.1-7.

The neuropathic Pain Market to according to Garner a Valuation of US$ 9,862.3 Million by 2027, at CAGR of 6.4 percent by the end of 2027.[11] On average annual healthcare cost for painful neuropathic disorder is US$ 17,355 per patient and with a solid efficacy and safety data on IPTN2021 Initiator Pharma expect to able to obtain premium pricing siginificantly strengthening the commercial opportunity with the potential to reach high hundreds of MUSD in sales.

Depression

The main treatments for depression are drugs that selectively inhibit the uptake of serotonin (SSRIs) or serotonin and norepinephrine (SNRIs) or the breakdown of serotonin, norepinephrine and dopamine by inhibiting monoamine oxidase. Antidepressants such as SSRIs and SNRIs have a negative effect on male sexual function. Although the incidence of sexual dysfunction is lower with certain atypical antidepressants, such as bupropion, mirtazapine and vortioxetine, compared to SSRIs, it is nevertheless important to treat sexual dysfunction induced by antidepressant drugs (treatment-induced sexual dysfunction). In one study, it was observed that 41.7 percent of men discontinued psychiatric medication due to perceived sexual side effects.[12] Between 14 and 35 percent of young men have experience with erectile dysfunction, which may be due to performance anxiety, depression, schizophrenia, or other mental disorders.[13] About 13 percent of all Americans take antidepressant drugs, which means over 23 million prescriptions per year.[14] The global Anxiety Disorder and Depression Treatment Market is forecasted to grow at a rate of 2.4 percent from USD 15.85 billion in 2019 to USD 19.21 billion in 2027.[10] [15] The largest players, which account for more than 60 percent of antidepressants sold, are Pfizer, Eli Lilly, GlaxoSmithKline, AstraZeneca and H Lundbeck A/S. All are facing major patent expirations in the next few years, and generics and biosimilars are expected to hit revenues hard. All drugs currently on the market have been associated with erectile dysfunction to varying degrees, and this underlines the need to develop a better alternative.

COMPETITIVE LANDSCAPE

There are, according to the Board of Directors, a small number of other treatment methods against erectile dysfunction under development at other pharmaceutical companies which could be considered competitors to Initiator and its main candidate IPED2015. The competing methods are based mainly on different variants of testosterone treatments, further developments of existing treatments with PDE5 inhibitors and certain more technical or surgical solutions such as shock wave therapy and injections directly into the man's penis. These treatments are often associated with side effects such as severe pain, fibrosis or priapism (a prolonged and painful erection that is not caused by sexual arousal). For these reasons, patients' willingness to use these competing methods should be considered low.

Initiator makes the assessment that IPED2015 represents a completely unique treatment method that will be able to meet the needs of the large group of patients who do not respond to current treatment methods, with which competition is judged to be limited.

There is also a certain competitive situation with regard to the companies that market the existing treatment method with PDE5 inhibitors, since these drugs also treat patients suffering from erectile dysfunction. Initiator's goal with IPED2015 is, however, that the drug candidate should treat the patient group that is not successfully treated by PDE5 inhibitors, so these drugs can rather be seen as a complement, and not a competitor, to IPED2015.

---

[11] Coherent Market Insights "Neuropathic Pain Market Analysis" (2020), https://www.coherentmarketinsights.com/market-insight/neuropathic-pain-market-3656.

[12] Rosenberg, K. P., Bleiberg, K. L., Koscis, J., & Gross, C. (2003). A survey of sexual side effects among severely mentally ill patients taking psychotropic medications: impact on compliance. Journal of Sex &Marital Therapy, 29(4), 289-296.

[13] Quilter M, Hodges L, von Hurst P, Borman B, Coad J. Male sexual function in New Zealand: a population-based cross-sectional survey of the prevalence of erectile dysfunction in men aged 40-70 years. J Sex Med. (2017) 14:928–36. doi: 10.1016/j.jsxm.2017.05.011

[14] Pratt, L. A., Brody, D. J., & Gu, Q. (2017). Antidepressant Use among Persons Aged 12 and Over: United States, 2011-2014. NCHS Data Brief. Number 283. National Center for Health Statistics.

[15] Reports and Data. "Anxiety Disorder and Depression Treatment Market By Therapies" (2020), https://www.reportsanddata.com/report-detail/anxiety-disorder-and-depression-treatment-market.

The current treatment for sexual dysfunction in patients with depression is to use one of the atypical antidepressant drugs (e.g. bruproprion), as an addition to antidepressant treatment with serotonin reuptake inhibitors (SSRIs) or serotonin noradrenaline reuptake inhibitors (SNRIs). An alternative is to change antidepressant treatment to monotherapy with vortioxetine, so that the occurrence of depression is reduced. Against mild depression and erectile dysfunction, the recommended treatment consists of phosphodiesterase-type 5 inhibitors, in addition to the antidepressant treatment, such as vardenafil. However, there is still a large group of patients with co-morbidity (comorbidity) of depression and erectile dysfunction with unsatisfied need for treatment. Drug candidate IP2018 has a unique profile with high selectivity for serotonin and dopamine uptake, which provides both antidepressant and positive effects on sexual function. The Company assess that IP2018 is a first-class drug candidate with very favorable sexual activity characteristics.

The closest competitor to IP2018 is Trintellix (vortioxetine), an optimized SSRI from Lundbeck/Takeda that received an sNDA in October 2018, by showing less therapeutic sexual dysfunction (TESD), the difference is that IP2018 provides active support for sexual function. Initiator believe that IP2018 represents a completely unique treatment method that will be able to meet the needs of the large group of patients who do not respond to current treatment methods, which means limited competition for the drug candidate.

FINANCIAL STRATEGY AND FINANCING

Initiator is in a growth phase with operational advancements and clinical studies currently underway. The Company's advancements entails significant costs. No dividend is planned, and all cash flow generated internally and externally will finance Initiator's growth strategy. Until the Company is generating a cash flow that covers the Company's financing needs for continued growth, the future financing strategy includes share capital generated through new share issues, loans, income from supply and licensing agreements, or another capital raising.

LOANS AND FINANCING STRUCTURE

The Extraordinary General Meeting on 11 May 2021 resolved on a new share issue without preferential rights for existing shareholders. 8,108,106 shares were issued and resulted in an increase of Initiator's share capital by DKK 851,351.13 (SEK 1.1 million). The subscription price per share was SEK 3.70. The total issue proceeds amounted to SEK 29,999,992.20 (DKK 22.1 million).

As at the date of this Prospectus, and apart from the share issue mentioned above, there has been no significant change in the Company's borrowing and funding structure since the end of the last financial period.

INVESTMENTS

As at the date of this Prospectus, no material investments have been made since the date of the Company's last published financial statements. Besides the preferential rights issue described in this Prospectus, there are no investments which are in progress and/or for which firm commitments have already been made.

TRENDS AND THE IMPACT OF COVID-19

Covid-19 has impacted the international life science sector in multiple ways during 2020 and so far in 2021. The impact has been seen across the whole value chain, from research operations to manufacturing of drugs to the conduct of clinical trials. It is anticipated that these effects will diminish as the vaccination programs are rolled out. However, if the pandemic is not contained there is a possibility that further negative effects will impact the biotech industry as a whole.

For Initiator Pharma the main negative impact of Covid-19 to date been delays to the ongoing Phase 2a proof-of-concept clinical trial for IP2018 that is being conducted in the UK. Recruitment into this trial has been slower than anticipated, and the Company attributes this to the reduced mobility of potential subjects to come in for physical screening due to Covid-19. Over the last weeks the clinical operations in the UK have been gradually returning to normal as a significant proportion of the UK population has been vaccinated.

If the pandemic re-emerges in the UK there is a possibility that Initiator Pharma will see further delays in the ongoing Phase 2a trial with IP2018. Furthermore, the company is planning to initiate a Phase 2b trial with IPED2015 during 2nd half of 2021 in the UK, and the conduct of this trial may also be impacted should the pandemic re-emerge in the UK. Delays to these clinical programs will increase cost and time to reach key data read-out from the trials, and may require the company to raise additional capital to complete the clinical trials.

In addition to what is described above, Initiator estimates that there are no significant known trends in terms of production, sales, inventory, costs, and selling prices from 31 December 2020 until the date of this Prospectus.

WORKING CAPITAL

According to the Board of Director's assessment, the existing working capital is not sufficient to meet the Company's needs during the forthcoming twelve-month period from the date of this Prospectus to execute the current strategy. The shortfall in working capital is expected to occur in May 2022. The Company expects that the shortfall in working capital for the forthcoming twelve-month period will amount to approximately DKK 5 million (SEK 6.7 million).

In order to provide the Company with sufficient working capital, Initiator has decided to carry out the Rights Issue in accordance with this Prospectus, which will provide the Company with a maximum of approximately SEK 29.4 million (DKK 21.7 million) before issue costs. Estimated issue costs attributable to the Rights Issue amount to approximately SEK 3.0 million (DKK 2.2 million), corresponding to approximately 10 percent of the issue.

It is the Board of Directors' assessment that the Rights Issue described in this Prospectus will cover the Company's needs for working capital and finance its operations into the second half of 2023.

The Company has, in April 2021 received legally binding pre-subscription commitments of approximately SEK 6.7 million (DKK 4.9 million), which corresponds to approximately 23 percent of the share issue volume, and underwriting commitments of approximately SEK 22.8 million (DKK 16.8 million), which corresponds to approximately 77 percent of the share issue volume. The Rights Issue is thus fully underwritten through pre-subscription commitments and underwriting commitments . However, pre-subscription commitments and underwriting commitments have not been secured through advance transaction, bank guarantee or similar.

In the event that the Company does not raise the above-mentioned capital after financing issue costs, the Company will not implement the growth plan and activities described in this Prospectus and will investigate alternative financing options such as additional capital raising, grants or financing together with one or more partners or alternatively conduct the business at a lower rate than expected, until additional capital can be raised.

Further in the event that the Company is not successful in raising the required capital to fund the planned development activities beyond the forth-coming twelve month period the Company will initiate the following:

- Postpone the planned Proof of Principal study in neuropathic pain (IPTN2021)
- Postpone further build-out of the organization

If the Board of Directors decides to implement the above initiatives the Company will have operating liquidity through 2022.

RISK FACTORS

A number of risk factors can have a negative impact on Initiator's operations. There are risks pertaining to Initiator, and risks that have no specific connection with Initiator, but that impact the industry and market in which the Company operates. The risks that, according to the Company's assessment, are specific and material to Initiator and the Company's securities are described below. The risk factors that are considered to be most significant are first presented in each category, while the risk factors then follow without special ranking. The risk factors include an assessment of the probability of the occurrence of the risk and the extent of its negative impact on Initiatorlisted as high, moderate or low.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S OPERATIONS

Clinical trials
The life science industry, and clinical trials, are associated with great uncertainties and risks regarding delays and results in the trials. The manufacturing of compounds for use in humans is heavily regulated to secure the safety of humans. There is a risk that results from Initiator's early clinical trials are not repeated in more extensive clinical trials. There is thus a risk that Initiator's current and future clinical trials will not prove a risk benefit ratio or sufficient clinical benefit in order for the Company to be able to subsequently sell its products to partners or customers according to plan or obtain regulatory approvals. There is also a risk that Initiator's clinical trial results are inadequate to draw any conclusions and that they may have to be repeated, hence causing uncertainty, delays and requiring additional funding. Thus, there is a risk that this leads to a reduced or a lack of cash flow for the Company and/or that Initiator may be forced to raise additional capital based on unsuccessful clinical trial results.

The company plans to conduct three clinical trials in 2021. The ability of the company and its Clinical Research Organization conducting the study to enroll patients in a timely fashion is a risk factor. If enrolment is delayed compared to plans this may entail higher costs to the company.

The outcome of clinical trials is inherently uncertain, and there is a risk that the planned clinical trials will not give the positive results that the company expects, based on preclinical data. If one or more of the clinical study outcomes are negative this may impact the company´s ability to raise further funds for future development activities.

It is Initiator's assessment that the probability of the risk occurring is high. If the risk would materialise, Initiator considers the potential negative impact to be high.

Currently in development phase
Initiator was established in 2016. The Company has not yet launched products on the market and has thus not yet generated any revenue. The Company will need to conduct further trials before sales of its first product can commence. There is a risk that the Company will not succeed in the ongoing trials and that the Company cannot attract partners or customers for its eventual products, and it may therefore be difficult to evaluate the Company's sales potential. There is risk that the Company is materially negatively affected if e.g. its ongoing trials are not completed as planned and, hence, revenues completely or partially is not generated.

It is Initiator's assessment that the probability of the risk occurring is high If the risk would materialise, Initiator considers the potential negative impact to be high.

Development costs
Initiator will continue to develop and further develop products within its area of business. It is not possible to predict in advance the exact time and cost aspects of the development of the products. This means that there is risk that planned product development will be more costly than planned. There is a risk that the above will adversely affect the Company's business operations and earnings. If the development of a new product takes longer than projected, there is a risk that this will lead to increased development costs and thereby a reduced operating profit for the Company.

It is Initiator's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Initiator considers the potential negative impact to be moderate.

Financing needs and capital
Currently ongoing and planned future pre-clinical and clinical trials will entail significant costs for Initiator. There is a risk that delays in clinical trials or product development will result in that cash flow is generated later than planned. Furthermore, there is a risk that Initiator's targets will not be achieved within the timeframe determined and that it takes longer than planned to reach the milestones determined by the Board of Directors of the Company. A situation may arise where Initiator may need to obtain additional capital in the future, depending upon how much revenue the Company is able to generate in relation to its expenses. There is a risk however that such additional capital cannot be acquired on reasonable terms, or at all. There is a risk that this results in that the development is temporarily halted or that Initiator is forced to conduct its business operations at a slower pace than desired, which can lead to delays or that the commercialization is not implemented and no revenue is obtained.

It is Initiator's assessment that the probability of the risk occurring is high. If the risk would materialise, Initiator considers the potential negative impact to be high.

Patents and other intellectual property rights
Initiator's patent for IPED2015 is registered in the United States and is valid until the year 2031. Initiator also has registered patents in the United States, Germany, France, and the United Kingdom for the drug IPDP2015, valid until 2029. The patent for the drug IP2018 is registered in the United States, valid until 2026, and in Germany, France, United Kingdom, Switzerland, Japan, and Israel, valid until 2025. The medical use of IP2018 is also covered in an international patent application, potentially valid until 2040. The Company also has granted patents on the drug IPNP2015 in the United States, Germany, France, the United Kingdom, and Switzerland, valid until 2030. Initiator Pharma A/S has an active patent strategy that protects ongoing innovations based on results from clinical development by filing new patent applications.

Due to the age of the above outlined composition of matter patent families filed around 2010, there is a risk that the remaining patent term will not be adequate to prevent competitors from entering the proprietary chemical space currently dominated by Initiator Pharma. There is a risk that this could adversely affects the Company's earnings and, as a result, its financial position.

In view of Initiator's active patent strategy outlined above, and the data exclusivity conferred by regulatory authorities, to the market authorized product, it is the Company's assessment that the probability of the risk occurring is low to moderate. If the risk would materialise, Initiator considers the potential negative impact to be moderate.

Key individuals and employees
Initiator's key personnel have extensive and broad expertise and experience within the Company's business area. However, Initiator's organisation is small and in the event that one or more key employees chooses to leave their employment with the Company, there is a risk that such a loss could have adverse consequences for Initiator's business operations and its potential earnings. There is a risk that Initiator will need to recruit and hire personnel to replace key personnel, which may be a very time consuming and costly process. There is a risk that the Company will incur increased expenses as a consequence of this. If Initiator were to lose one or more of its key employees, there is also a risk that the Company will not be able to find a suitable replacement.

It is Initiator's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Initiator considers the potential negative impact to be moderate.

Competitors
There are currently several approved drugs within the class of PDE5 inhibitors for the treatment of Erectile Dysfunction, such as Viagra™ and Cialis™. The patent protection of these drugs have been or will run out over the next few years, potentially impacting the price of these drugs. Our lead program IPED2015 is uniquely positioned to treat patients that are not helped by PDE5 inhibitors and therefore we do not expect that the reduced pricing for the generics will affect the anticipated premium pricing for our product.

At this stage the preclinical and clinical pipeline for new ED therapies is slim and to Initiator Pharma's knowledge there are no active programs in development specifically focusing specifically on the PDE5i non responders patient segment. Th majority of the pipeline projects are focused on alternative formulations of PDE5i products to optimize the action in patients responding to PDE5i amd posed therefore no competition to Initiator Pharma.

It is Initiator's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Initiator considers the potential negative impact to be high.

Effects of COVID-19
The current COVID-19 pandemic has impacted peoples' health and the financial development on a global scale and may continue to have such impact in the near future. This also affects Initiator and its partners, such as hospitals and other research institutions and could, consequently, also affect the ongoing clinical trials with delays and practical difficulties in pursuing the trials as planned due to, but not limited to, delays or disappearance/mishandling of cross board shipments, quarantine or illness of key people. There is a risk that such delays have a negative financial impact on the Company going forward.

It is Initiator's assessment that the probability of the risk occurring is moderate. If the risk would materialise, Initiator considers the potential negative impact to be moderate.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S SHARES

Future dividends
Historically, no dividend has been paid by Initiator and the intention is to not propose dividends to the shareholders unless and until the Company achieves long-term profitability. Hence, there is a risk that no dividends will ever be paid in the future. The size of the future dividends, if any, will depend on Initiator's future earnings, financial position, cash flows, working capital requirements and other factors.

It is Initiator's assessment that the probability of the risk occurring is high. If the risk would materialise, Initiator considers the potential negative impact to be high.

Unsecured subscription commitments and underwriting commitments
A number of different parties have entered into subscription commitments whereby they have undertaken to subscribe for approximately SEK 6.7 million (DKK 4.9 million) of the Rights Issue amount, corresponding to approximately 23 percent of the Rights Issue. In the event not all shares in the Rights Issue are subscribed for, certain existing shareholders and external investors have provided underwriting commitments whereby they have undertaken to subscribe for new shares to such extent that the Rights Issue is fully subscribed. Accordingly, the full Rights Issue amount of approximately SEK 29,37 million (DKK 21.6 million) is covered by subscription and underwriting commitments . However, these subscription and underwriting commitments are not confirmed or secured via prior transactions, bank guarantees or similar. Consequently, there is a risk that one or several of said parties will not fulfil their respective commitments and obligations. If the abovementioned subscription commitments are not met, this could negatively impact Initiator's ability to successfully complete the Rights Issue, which in turn could adversely affect the Company's business activities with negative impacts related to reduced financial resources propel the business activities forward going into the future.

It is Initiator's assessment that the probability of the risk occurring is low. If the risk would materialise, Initiator considers the potential negative impact to be moderate.

TERMS AND CONDITIONS OF THE SHARES

ISSUER
Initiator Pharma A/S with corporate registration number (CVR) 37663808 and LEI code 213800DFI4I1A5RVKB59.

RESOLUTIONS, AUTHORISATIONS AND APPROVALS
The Extraordinary General Meeting on 14 January 2021 decided to authorise the Board of Directors, for the period up to 31 December 2024, to resolve to increase the Company's share capital with not more than DKK 321,160.035 (SEK 0.43 million) by an issue of new shares to MAC Clinical Research Finance Ltd. under the financing agreement with the same party (see under "Convertible securities, exchangeable securities and securities with warrants").

The Extraordinary General Meeting on 11 May 2021 decided to authorise the Board of Directors, for the period up to 31 December 2021, to resolve to increase the Company's share capital with not more than DKK 835,655.94 (SEK 1.1 million) by an issue of new shares. The issue may only be carried out with preferential rights for the existing shareholders. The subscription price shall be SEK 3.70.

The Annual General Meeting on 28 May 2021 decided to authorise the Board of Directors, for the period up to the Annual General Meeting 2022, to resolve to increase the Company's share capital with not more than DKK 581,820.225 (SEK 0.78 million) by an issue of new shares, warrants and/or convertible securities.

On 2 July 2021, the Board of Directors of Initiator decided, with authorization from the Extraordinary General Meeting on 11 May 2021, to carry out the Rights Issue. The Offer is carried out with preferential rights for the existing shareholders. The new shares are expected to be issued on 11 August 2021. No other resolutions, authorisations or approvals have been made in Initiator to issue new shares or warrants.

INFORMATION CONCERNING THE SHARES TO BE OFFERED
The Offer described in this Prospectus consists of a maximum of 7,958,628 new shares of nominally DKK 0.105 each. All shares belong to the same share class and carry the same rights. The shares only registered in VP Securities A/S system can however not be traded. With a subscription of the maximum number of new shares in the Offer, Initiator's share capital will increase from nominally DKK 3,760,452.57 (SEK 5 million) to DKK 4,596,108.51 (SEK 6.2 million) and the number of shares will increase from 35,813,834 to 43,772,462. With a subscription of the maximum number of new shares in the Offer, the issue proceeds to be received by the Company (excluding any costs in relation the Offer) will amount to SEK 29,446,923.60 (DKK 21.7 million).

Initiator's shares are traded under the International Security Identification Number (ISIN) DK0060775872 on Spotlight Stock Market under the code/ticker "INIT". The shares have CFI code ESVUFN and FISN code Initia Pharma/-.

The shares are issued according to the Danish Companies Act (no. 763 of 23/07/2019) and the Company's Articles of Association as at the date of this Prospectus. Initiator is, moreover, subject to general Danish legislation, including Regulation (EU) 2017/1129 and the Danish Act on Capital Markets (no. 377 of 02/04-2020). Due to its listing on Spotlight Stock Market, Initiator is however bound to the obligations set out in the applicable Spotlight Stock Market regulations. Such obligations include, but are not limited to, complying with disclosure and information requirements in the Swedish Securities market. Through its listing on Spotlight Stock Market, the Company will also be subject to Swedish self-regulation, which implies takeover rules and recommendations on directed cash issues, while the Swedish Securities Council may, on request, decide whether a measure by the Company or its shareholders is consistent with which if the body of the Swedish self-regulating system issuing rulings, advice and inform good practice in the Swedish stock market.

The shares are registered with VP Securities A/S, Weidekampsgade 14, 2300 København S, Denmark, and Euroclear Sweden AB and the share register is kept by Euroclear Sweden AB, Box 7822, 103 97 Stockholm, Sweden. A total of 35,813,834 shares are registered in VP Securities and a total of 35,718,545 shares are mirrored and registered in Euroclear.

The new shares are issued in Danish Kroner (DKK).

RIGHTS ATTACHED TO THE NEW SHARES
The new shares will have identical rights as the existing shares. These include voting rights, right to receive dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company, and pre-emptive rights in connection with the issue of new warrants, convertible bonds and shares by cash contribution. The rights of the shareholders can only be changed in accordance with the procedures specified in the Articles of Association and the Danish Companies Act.

Voting rights
The shares expected to be issued in connection with the Rights Issue are ordinary shares and no shares of the Company carry special rights. At General Meetings, each share has one vote and each voter can vote for their full number of shares without limitation. The right of a shareholder to attend a general meeting and to vote is determined by the shares held by the shareholder at the record date. The record date is one week before the general meeting is held.

Pre-emption right to new shares
Under Danish law, the shareholders generally have pre-emptive subscription rights if the general meeting of the Company resolves to increase the share capital by cash payment. However, the pre-emptive rights of the shareholders may be derogated from by a majority comprising at least 2/3 of the votes cast and of the share capital represented at the general meeting if the share capital increase is made at market price.

Rights to dividend, profits and surplus in the event of liquidation
All shares in the Company carry equal right to dividends. Dividend on shares that are newly issued in the Rights Issue as described in this Prospectus will be paid on the record day for the dividend that may occur after the registration of the shares in the share register kept by Euroclear Sweden AB and VP Securities A/S. The dividend is not of an accumulated nature. The right to a dividend applies to investors who are registered as shareholders in Initiator on the record day for the distribution of dividend. There are no existing restrictions on dividends or special procedures for shareholders resident outside of Denmark, and payment of any distribution of dividend is intended to take place via Euroclear Sweden AB and VP Securities A/S in the same manner as for shareholders resident in Denmark. Dividends accrue to Initiator if it has not been claimed by the shareholder within three years from the time of the declaration of the dividends. Dividends go to Initiator after the limitation.

All shares possess equal rights to profit distribution, as well as to any surplus in the event of liquidation or bankruptcy. All shares provide shareholders with equal preferential rights to the number of shares they own.

Redemption and conversion provisions
According to the articles of association of the Company, no shareholder is obliged to have its shares redeemed in whole or in part. In addition, no shares carry any redemption or conversion rights or any other special rights.

Squeeze-out
Under the Danish Companies Act, a shareholder who directly or indirectly holds more than 90 percent of the share capital in a company has the right to redeem the remaining shares from other shareholders in Initiator. In a corresponding manner, a shareholder whose shares can be redeemed is entitled to such redemption by the majority shareholder holding more than 90 percent of the share capital in a company. The shares that are newly issued in the preferential rights issue as described in this Prospectus are not subject to an offer that is made as a result of a bid obligation, redemption or resolution obligation.

TAKEOVER RULES
The Swedish Corporate Governance Board has issued the "takeover rules" for certain trading platforms, which are essentially equivalent to the rules that apply to companies for which shares are admitted to trading on a regulated market. The takeover rules will be applied to public takeover offers for companies in which shares are traded on Spotlight Stock Market. This means that, in their entirety, the rules will apply not only in

cases in which the shares are traded exclusively on Spotlight Stock Market, but also in cases in which the shares are traded on both Spotlight Stock Market and in a foreign marketplace.

It follows from point II.21 (defensive measures) and section III (bid obligation) in the takeover rules issued by The Swedish Corporate Governance Board that these takeover rules only apply to target companies that are Swedish limited liability companies. Thus, the Swedish takeover rules that applies to Spotlight Stock Market are not applicable to Initiator, since Initiator is a Danish limited liability company.

Moreover, takeover rules in the Danish Act on Capital Markets are only applicable on regulated markets. Spotlight Stock Market is not a regulated market and, thus, the Danish takeover rules are not applicable to Initiator.

THE SHARES' TRANSFERABILITY
As at the date of this Prospectus, there are no restrictions in the transferability of the shares.

TAX CONSIDERATIONS
An investment in the Rights Issue may result in tax consequences for the investor. Initiator is a Danish registered company that has unlimited tax liability in Denmark. The Company's shares are traded on Spotlight Stock Market, a multilateral trading facility (MTF), and the shares in Initiator are therefore covered by the Swedish tax rules for listed shares. The tax legislation in the investor's home country and Sweden may have an effect on any income received from the Rights Issue described in this Prospectus. Taxation of any dividend, as well as capital gains tax and rules regarding capital losses on sale of securities depends on the individual investors' specific situation. Shareholders may need to consult their own accountant or tax adviser for a closer assessment of tax consequences, including applicability and effect of foreign tax rules and tax treaties when being a shareholder in Initiator.

TERMS AND CONDITIONS OF THE OFFER

THE OFFER
On 2 July 2021, the Board of Directors of Initiator decided, with authorization from the Extraordinary General Meeting on 11 May 2021, to carry out the Rights Issue. The Offer is carried out with preferential rights for the existing shareholders. The new shares are expected to be issued on 11 August 2021. No other resolutions, authorizations or approvals have been made in Initiator to issue new shares or warrants.

The rights issue will be conducted in both Euroclear Sweden AB ("Euroclear") and VP Securities A/S ("VP Securities"). A total of 35,813,834 shares are registered in VP Securities and a total of 35,718,545 shares are mirrored and registered in Euroclear.

The maximum number of shares issued will be 7,958,628. One (1) existing share in the Company entitles the owner to one (1) subscription right and nine (9) subscription rights give the owner the right to subscribe for two (2) new shares. The subscription price per share is SEK 3.70 for Euroclear shareholders (shareholders holding shares in both VP Securities and Euroclear) and DKK 2.72 per share for VP Securities shareholders (shareholders holding shares in only VP Securities).

DILUTION
Through the rights issue, the Company's share capital will increase with a maximum of DKK 835,655.94 (SEK 1.1 million), through the issuing of a maximum of 7,958,628 shares of nominal DKK 0.105 each. The existing shares, which have been issued as at the date of this prospectus, will be diluted by the issue of new shares. Following the completion of the rights issue, and if existing shareholders decide not to exercise their pre-emptive subscription rights (i.e. decide not to defend their percentage shareholding in the Company) and provided that the Rights Issue is fully subscribed for, such shareholders' proportionate ownership will be diluted by 18.2 percent.

Initiator has a financing agreement with MAC Clinical Research Ltd (MAC). Through the agreement, MAC has the right to convert accrued debt of up to SEK 23 million (DKK 16.9 million) into Initiator shares at a share price of SEK 7.5. Provided that the forthcoming Rights Issue is fully subscribed and that no other events occur that changes the share capital of the Company, the conversion of the debt will result in an additional dilution of 6.5 percent of the votes and capital in the Company.

PREFERENTIAL RIGHT FOR SUBSCRIPTION
Parties who on the record date on 5 July 2021 were shareholders in the Company, have preferential right to subscribe for shares in the rights issue in relation to their previous shareholdings, whereby one (1) existing share entitles to one (1) subscription right.

Shareholders whose shares were registered in Euroclear on the record date receives pre-emptive subscription rights through the Euroclear system.

Shareholders whose shares were not registered in Euroclear on the record date, receives subscription rights through the VP Securities system.

SUBSCRIPTION PRICE AND VALUATION
The subscription price is SEK 3.70 per share for Euroclear shareholders and DKK 2.72 per share for VP Securities shareholders. Brokerage fee may occur.

RECORD DATE
Record date in Euroclear and VP Securities for participation with preferential right was 5 July 2021. The last day of trading with shares in the Company including preferential right was 1 July 2021. The first day of trading with shares in the Company without preferential right was 2 July 2021.

SUBSCRIPTION PERIOD IN EUROCLEAR SWEDEN AB

The subscription period starts on 12 July 2021 and ends on 26 July 2021. After the subscription period, all unexercised subscription rights will be void and lose their value. Unexercised subscription rights are removed from the respective shareholder's securities depository account, without a specific notification from Euroclear. The board of directors in the Company reserves the right to extend the subscription period. A possible extension will be announced by the Company through a press release no later than 26 July 2021.

SUBSCRIPTION PERIOD IN VP SECURITIES A/S

The subscription period starts on 12 July 2021 and ends on 26 July 2021. After the subscription period, all unexercised subscription rights will be void and lose their value. Unexercised subscription rights are removed from the respective shareholder's securities depository account, without a specific notification from VP Securities. The board of directors in the Company reserves the right to extend the subscription period. A possible extension will be announced by the Company through a press release no later than 26 July 2021.

CROSS-BORDER TRANSFER OF SECURITIES

A cross-border transfer is not possible between the 2 July 2021 until the 5 July 2021, both days included, meaning that transfer of shares from VP Securities to Euroclear or from Euroclear to VP Securities is not possible during the aforementioned period. Subscription rights and subscribed and paid for shares ("BTA") in the Company will not be transferrable between VP Securities and Euroclear or from Euroclear to VP Securities.

TRADING WITH SUBSCRIPTION RIGHTS

Only subscription rights issued through the Euroclear system will be tradeable on Spotlight Stock Market during the subscription period. Trading in subscription rights will take place on Spotlight Stock Market from 12 July 2021 until 21 July 2021. Shareholders shall contact their bank or other nominee with the necessary authority to carry out the purchase or sale of subscription rights directly. Subscription rights that are acquired during the above-mentioned trading period provide the same right to subscribe for new shares as shareholders with subscription rights based on their shareholding in the Company on the record date. Subscription rights must be exercised no later than 26 July 2021 or sold no later than 21 July 2021, in order to not become void or lose their value.

PRE-SUBSCRIPTION COMMITMENTS AND UNDERWRITING COMMITMENTS

The Company has, in April 2021 received legally binding pre-subscription commitments of approximately SEK 6.7 million (DKK 4.9 million), which corresponds to approximately 23 percent of the share issue volume, and underwriting commitments of approximately SEK 22.8 million (DKK 16.8 million), which corresponds to approximately 77 percent of the share issue volume. Subscription commitments and underwriting commitments have not been secured through advance transaction, bank guarantee or similar. The cash premium compensation is the compensation the underwriters receive for entering into the underwriting commitment. The cash premium compensation in this specific Rights Issue is 10 percent of each of the guarantors' underwriting commitment and is paid from the Company to each of the underwriters after the Rights Issue is finalized. The full list of subscribers and their subscription amounts are set out in the table following this section. Any investors, who have committed themselves to subscribe for more than five (5) percent of the offer, will also appear in the table following this section.

Subscriber	Corporate registration number	Pre-subscription commitment (SEK)	Pre-subscription commitment (%)	Address
Linc AB	556232-0811	3,888,885.00 (DKK 2.8 million)	13,21 %	Birger Jarlsgatan 36, 114 29, Stockholm, Sverige
Adrigo Asset Management AB	556988-2086	1,777,776.00 (DKK 1.3 million)	6.04 %	c/o Adrigo Asset Management, Kungsgatan 33, 111 93, Stockholm, Sverige
Mats Thorén	710103-4978	555,555.00 (DKK 0.4 million)	1.89 %	Eriksbergsgatan 1 B, 114 30, Stockholm, Sverige
Jinderman & Partners AB	559193-1745	444,444.00 (DKK 0.3 million)	1.51 %	Hornsgatan 178, 117 34, Stockholm, Sverige
Total		**6,666,660.00 (DKK 4.9 million)**	**23 %**	

Subscriber	Corporate registration number	Underwriting commitments (SEK)	Underwriting commitments (%)	Address
Linc AB	556232-0811	13,288,488.50 (DKK 4.9 million)	45,13 %	Birger Jarlsgatan 36, 114 29, Stockholm, Sverige
Adrigo Asset Management AB	556988-2086	6,074,738.08 (DKK 4.4 million)	20.63 %	c/o Adrigo Asset Management, Kungsgatan 33, 111 93, Stockholm, Sverige
Vixco Capital AB	556762-5313	1,898,353.90 (DKK 1.3 million)	6,45 %	Eriksbergsgatan 1 B, 114 30, Stockholm, Sverige
Jinderman & Partners AB	559193-1745	1,518,683,12 (DKK 1.1 million)	5.16 %	Hornsgatan 178, 117 34, Stockholm, Sverige
Total		**22,780,263.60 (DKK 16.8 million)**	**77 %**	

SUBSCRIPTION OF SHARES FOR SHAREHOLDERS IN EUROCLEAR

Preprinted paying slips and subscription forms

SHAREHOLDERS DIRECTLY REGISTERED IN EUROCLEAR
Shareholders or representatives of shareholders, who on the record date 5 July 2021, were registered in the Euroclear system, receives a preprinted paying slip (account statement), the subscription form "Subscription with subscription rights", the subscription form "Subscription without subscription rights" and a folder containing the terms and conditions for the rights issue with referral to the prospectus and a money laundering form. The information can be downloaded at Nordic Issuing's web page (www.nordic-issuing-se) or at the web page of the Company (www.initiatorpharma.com). Shareholders who are included in the separate list of pledgees and others in relation to Euroclear's system to not receive information and will be notified separately. An account notice, which declares the delivery of subscription rights on the shareholder's book-entry account, are not distributed.

SHAREHOLDERS REGISTERED WITH A NOMINEE
Shareholder whose holdings of shares in the Company are nominee registered with a bank or other trustee do not receive a preprinted paying slip or subscription from but will receive a folder containing a summary of the rights issue and reference to the full prospectus. Subscription and payment should instead be made in accordance with instruction from the respective bank or trustee. Please note that if the use of subscription rights takes place via a bank or a trustee, this should be done early in the subscription period, as the respective bank/trustee may set different deadlines for the last subscription date.

SUBSCRIPTION OF SHARES WITH PREFERENTIAL RIGHT THROUGH EUROCLEAR
Subscription with the support of subscription rights shall be made by simultaneous cash payment no later than 26 July 2021. Subscription by payment must be made either with the prepaid payment slip attached to the account statement or by payment instruction on the subscription form in accordance with the follow two options:

Preprinted paying slip (account statement)
If all subscription rights allotted on the record date shall be exercised, only the preprinted paying slip shall be used for subscription by way of cash payment. The subscription form "Subscription with subscription rights" shall not be used in this case.

Subscription form – "Subscription with subscription rights"
If a different number of subscription rights than what is stated on the pre-printed paying slip shall be exercised, for example, if subscription rights are acquired or sold, the subscription form "Subscription with subscription rights" shall be used for subscription by means of cash payment. The shareholder must state on the subscription form, the number of subscription rights being exercised, the number of shares they are subscribing for, and the amount that shall be paid. If the payment is made in another way than with the pre-printed paying slip, the securities account must be indicated as a reference. Incomplete or incorrectly filled out subscription forms may be disregarded. The subscription form "Subscription with subscription rights" can be downloaded at Nordic Issuing's web page (www.nordic-issuing.se). A complete subscription form

must, in connection with cash payment, be sent to, and received by Nordic Issuing no later than 26 July 2021 on the contact details stated below. The subscription is binding.

E-mail: info@nordic-issuing.se (scanned subscription form)

Subject: Initiator Pharma A/S
Nordic Issuing
Stortorget 3
211 22 Malmö, Sweden
Phone: 040-632 00 20

SUBSCRIPTION OF SHARES FOR SHAREHOLDERS IN VP SECURITIES

SUBSCRIPTION OF SHARES WITH PREFERENTIAL RIGHT THROUGH VP SECURITIES
Subscription and payment of shares with pre-emptive subscription rights for shareholders who, on the record date, were only registered in VP Securities, and thus not registered in Euroclear, shall be carried out according to instructions from each account holding bank or broker registered in VP Securities no later than the 26 July 2021. Payment shall be made in DKK.

NOMINEE-REGISTERED SHAREHOLDERS
Shareholders whose shares in the Company were nominee registered through a bank or broker will not receive preprinted paying slips or subscription forms. However, shareholders who, on the record date, were nominee registered in the Euroclear system, receive a folder containing the terms and conditions for the Rights Issue with referral to the investment prospectus. Subscription and payment shall be carried out according to instructions from each account holding bank or broker.

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHT
It is only possible to apply for subscription of shares without preferential right in SEK. A subscription of shares without preferential rights is to be made on the form "Subscription without subscription rights" available for downloading at Nordic Issuing's website (www.nordic-issuing.se) and at the website of Company (www.initiatorpharma.com). Subscription can also be made with BankID/NemID signatures on Nordic Issuing's website (www.nordic-issuing.se).

Nominee-registered shareholders, requesting subscription of shares without preferential right, must coordinate such a subscription with the account-holding bank in accordance with instructions from the respective account-holding bank, or if shares are registered at several different nominee-registered accounts, from each of these account-holding banks or brokers. Subscription can also be made on the form "Subscription without subscription rights".

Note that shareholders or other investors who have an account with specific rules for securities transactions, such as an investment savings account (Sw. Investeringssparkonto) or endowment account (Sw. Kapitalförsäkring), must check with the account holding bank or broker, whether, and if so, the subscription of shares in the rights issue is possible. The subscription shall in that case be made in accordance with instructions received from the account-holding bank or broker.

Incomplete or incorrectly filled out subscription forms may be disregarded. It is only permissible to submit one (1) subscription form "Subscription without subscription rights." If more than one such subscription form is submitted, only the one last received will be considered, and other such subscription forms will be disregarded. The subscription form must be Nordic Issuing at hand no later than 26 July 2021. The subscription is binding.

ALLOCATION OF SHARES SUBSCRIBED FOR WITHOUT PREFERENTIAL RIGHT
If not all shares in the rights issue are subscribed for with preferential right, the board of directors shall decide on allocation of shares within the limits of the maximum amount of the rights issue to shareholders or other investors that have subscribed for shares without preferential right.

Firstly, allocation of shares which are subscribed for without preferential right shall be made to shareholders or other investors who have also subscribed for shares by exercising subscription rights, regardless if the subscriber was a registered shareholder on the record date or not. In case that allocation of shares cannot fully be provided in accordance with subscriptions without subscription rights, allocation shall be made in relation (pro rata) to the quantity of subscription rights exercised for subscription of shares in the rights issue, and to the extent this is not possible, by drawing of lots.

Secondly, allocation of shares which are subscribed for without preferential right shall be made to other investors than the above mentioned, who have subscribed for shares without subscription rights. In case that allocation of shares cannot fully be provided in accordance with subscriptions without subscription rights, allocation shall be made in relation (pro rata) to the amount of subscribed for shares without subscription rights in the rights issue, and to the extent this is not possible, by drawing of lots.

Thirdly, the allocation of shares shall be made to the underwriters in proportion to the size of the underwriting commitments made, and to the extent this is not possible, by drawing of lots.

Notification of allocation of shares subscribed for without preferential right

Notification of allotment of shares without preferential rights will be made via a settlement note sent via e-mail. Settlement notes are expected to be sent out as soon as possible after the subscription period, and payment must be made in accordance with the payment instructions on the settlement note. Payment is due within three (3) Swedish business days from the date the settlement note was distributed. Note that payment for any allotted shares will not be withdrawn from the specified securities account. If payment is not received in due time, the subscribed for shares may be assigned to another party. Should the price by such an assignment be lower than the subscription price of the rights issue, the subscriber who initially was allocated these shares may vouch for all or a part of the difference. Shareholders or other investors that are not allotted any shares will not receive any notification.

NOTIFICATION OF ALLOCATION OF SHARES SUBSCRIBED FOR WITHOUT PREFERENTIAL RIGHT

Notification of allotment of shares without preferential rights will be made via a settlement note sent via e-mail. Settlement notes are expected to be sent out as soon as possible after the subscription period, and payment must be made in accordance with the payment instructions on the settlement note. Payment is due within three (3) Swedish business days from the date the settlement note was distributed. Note that payment for any allotted shares will not be withdrawn from the specified securities account. If payment is not received in due time, the subscribed for shares may be assigned to another party. Should the price by such an assignment be lower than the subscription price of the rights issue, the subscriber who initially was allocated these shares may vouch for all or a part of the difference. Shareholders or other investors that are not allotted any shares will not receive any notification.

SUBSCRIPTION ABOVE 15,000 EUR

If the subscription amounts to, or exceeds EUR 15,000.00, a money laundering form shall be completed and sent to Nordic Issuing in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. Please observe that Nordic Issuing cannot distribute any securities, even if payment have been received, before the money laundering form has been received by Nordic Issuing.

SHAREHOLDERS RESIDING OUTSIDE OF DENMARK AND SWEDEN

Shareholders who reside outside of Sweden and Denmark (with the exception of shareholders residing in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation in the rights issue requires supplementary prospectus, further registration or other measurements than those which are required by Swedish and Danish legislation) who have preferential right in the rights issue can contact Nordic Issuing for further information about subscription and payment.

Due to restrictions in the legislation regarding securities in USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other countries in which participation requires supplementary prospectus, further registration or other measurements than those which are required by Swedish and Danish legislation, subscription rights through Euroclear will not be issued to shareholders with

registered addresses in any of these countries. Accordingly, no offer is made to subscribe for shares in the Company to shareholders residing in these countries.

SHAREHOLDERS AND INVESTORS RESIDING IN DENMARK OR OTHER COUNTRIES OUTSIDE OF SWEDEN

Shareholders and other investors residing in Denmark or other countries outside of Sweden who can subscribe for shares in the Rights Issue are notified that subscription and payment of shares through a non-Swedish bank or broker might be associated with additional costs or fees which will be charged the shareholder or investor by the specific bank or broker. Furthermore, delivery and account holding of shares via a non-Swedish bank or broker may be associated with additional costs or fees, which will be charged the shareholder or investor by the specific bank or broker.

PAID AND SUBSCRIBED FOR SHARES ("BTA")

Subscription via payment is registered with Euroclear and VP Securities as soon as feasible, which normally means a few banking days after payment is made. Subscribers who have subscribed and paid in the Euroclear system will subsequently receive a securities depository account notification confirming that the registration of Paid Subscribed Share (BTA) has occurred in the subscriber's securities account. Subscribed for shares are entered as BTA's in the securities account until the Rights Issue has been registered with the Danish Business Authority.

Shareholders who have their holdings in a custodian account at a bank or brokerage firm will receive information from their respective custodian.

Shareholders who have their holdings in a custodian account at a bank or brokerage firm will receive information from their respective custodian.

TRADING IN BTA

Only BTA's issued through the Euroclear system will be tradeable on Spotlight Stock Market. Trading in BTA's will take place on Spotlight Stock Market from 12 July 2021 until the rights issue is registered at Erhvervsstyrelsen (Danish Companies Registration Office). Subscribed for shares are entered as BTA in the securities depository account until the preferential rights issue has been registered with Erhvervsstyrelsen, which is expected to take place on 9 August 2021.

DELIVERY OF SHARES

As soon as the rights issue has been registered with Erhvervsstyrelsen, which is expected to take place on 9 August 2021, BTA is rebooked to shares without special notification from Euroclear.

INFORMATION REGARDING DELIVERY AND REGISTRATION OF SHARES

Since the Company is a Danish public limited liability company, all of the company's shares are issued through, and hence registered in, the VP Securities system. In order to trade the shares on Spotlight Stock Market, clearing need to occur within the Euroclear system which means that the shares must be registered in Euroclear. All shares registered in Sweden are mirrored in the Euroclear system from VP Securities. This means that Euroclear is registered as owner of the shares on behalf of underlying shareholders, in the shareholder register kept by VP Securities.

Shares which are subscribed for on basis of subscription rights, by exercising subscription rights issued in the VP Securities system, and which are paid for in DKK, will not be registered in Euroclear and will hence not be tradeable on Spotlight Stock Market. In order for such shares to be tradeable on Spotlight Stock Market, the shareholder must first administrate a cross-border transfer of shares to Euroclear. Such a cross-border transfer of shares may be subject to additional costs or fees, which will be charged the shareholder or investor by the specific account holding bank or broker.

Shares which are subscribed for without subscription rights and paid for in SEK, will be delivered to investors through the Euroclear system and will hence be tradeable on Spotlight Stock Market.

As soon as the Rights Issue has been registered at the Danish Business Authority, as expected at the beginning of August 2021, BTA's are converted into shares without further notice from Euroclear and VP

Securities. Partial registration of shares in the Rights Issue may occur at the Danish Business Authority. Publication of the outcome in the Rights Issue is scheduled to 4 August 2021, or as soon as possible after the subscription period ends. The Company will publish the result of the Rights Issue through a press release.

APPLICABLE LEGISLATION
The shares are emitted under Selskabsloven and are regulated by Danish law. The Company is however governed by Swedish law in relevant aspects directly related to Spotlight Stock Market's listing agreement.

ENTITLED TO DIVIDEND
The new shares carry the right to a dividend for the first time on the first record date for dividends that occur after the new shares have been registered to Erhvervsstyrelsen. The new shares have the same right to dividend as the existing shares. Payment of any dividend for shares registered in the Euroclear system is managed by Euroclear, or for nominee registered shares, in accordance with the respective account holding bank or brokers' routines. Payment of any dividend for shares only registered in the VP Securities system is managed by VP Securities. Payment of any dividend will be made in DKK. Payment of any dividend for shares registered in the Euroclear system will be made in SEK after exchange by either the Company or Euroclear. See section "Dividend and voting rights etc.".

REGISTER OF SHAREHOLDER
The Company's shareholder register is handled and administrated partly by VP Securities with visiting address Weidekampsgade 14, DK-2300 Copenhagen S, Denmark and partly by Euroclear Sweden with visiting address Klarabergsviadukten 63, 111 64 Stockholm, Sweden.

SHAREHOLDER RIGHTS
The shareholders' right to dividend, voting right, pre-emptive subscription rights of shares is governed by both the Company's articles of association (available via the website of the Company and in the investment prospectus), as well as the Danish Companies Act. The Swedish Companies Act applies in relevant aspects, e.g., as regards to the rules on certain related transactions. See section "Transactions with Related Parties".

TRADING IN THE SHARE AND ISIN
The shares of the Company are listed on Spotlight Stock Market. The shares are traded under the short name "INIT" and have the ISIN-code DK0060775872. Only shares that are affiliated to Euroclear are, and will be, tradeable on Spotlight Stock Market. Newly issued shares which are delivered through the Euroclear system are tradeable in conjunction with the conversion of BTA's to shares in the Euroclear's system. Newly issued shares will have the same ISIN-code as the current shares. ISIN-code for the subscription rights will be SE0016275309. ISIN-code for the BTA will be SE0016275317.

SHAREHOLDERS REPORTING OBLIGATION
All shareholders in Initiator Pharma have an obligation to comply with the reporting rules to "The Public Ownership Register". Registration of holdings shall be made to Initiator Pharma (tv@initiatorpharma.com) within 14 days after the registration obligation has been actualized (when the holding amounts to or exceeds 5 percent in the Company and/or passes some other thresholds). See www.erhvervsstyrelsen.dk for more information about the rules on "The Public Ownership Register".

ISSUING AGENT AND PAYING AGENT
Issuing agent in Sweden in connection to the Rights Issue is Nordic Issuing. The issuing agent and settlement agent in Denmark in connection to the Rights Issue is VP Securities A/S and Nordic Issuing.

DIRECTED ISSUE OF SHARES
The Extraordinary General Meeting on 11 May 2021 resolved on a new share issue without preferential rights for existing shareholders. 8,108,106 shares were issued and resulted in an increase of Initiator's share capital by DKK 851,351.13 (SEK 1.1 million). The subscription price per share was SEK 3.70. The total issue proceeds amounted to SEK 29,999,992.20 (DKK 22.1 million). The rights which the shares entitle to does not differ from the rights which the shares in the Offer entitle to.

CONTACT INFORMATION VP SECURITIES A/S AND EUROCLEAR SWEDEN AB

VP Securities A/S,	Euroclear Sweden AB,

Weidekampsgade 14, 2300 Copenhagen, Denmark	Box 191, SE-202 23 Stockholm, Sweden

OTHER

The Board of directors is authorized to decide on minor corrections required for registration with the Erhvervsstyrelsen and Euroclear Sweden AB. Minor corrections refer to corrections of a minor extent, such as, for example, spelling errors or other typing errors, which may prevent the decision from being registered with Erhvervsstyrelsen or Euroclear Sweden AB.

The board of directors is not entitled the right to withdraw the offer.

In the case an excess amount has been paid by a subscriber for the new shares, the excess amount will be repaid to the subscriber. Excess amounts less than SEK 100 (DKK 73) will not be refunded.

The Rights Issue may be withdrawn at the discretion of the Board of Directors before registration of the new shares with the Danish Business Authority. If the Rights Issue is withdrawn, any exercise of the subscription rights that has already taken place will be cancelled automatically. The subscription amount for the new shares will be refunded (less any transaction costs) to the last registered owner of the new shares as the date of such withdrawal. All pre-emptive subscription rights will lapse, and no new shares will be issued.

Trades of subscription rights on Spotlight Stock Market will, however, not be affected. Consequently, investors who have acquired subscription rights will incur a loss corresponding to the purchase price of the subscription rights and any transaction costs.

The Company is not liable for any losses that investors may suffer as a result of withdrawal of the Rights Issue including but not limited to any transaction costs or lost interest. A withdrawal of the Rights Issue will be announced through Spotlight Stock Market.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

Pursuant to clause 11 of Initiator's Articles of Association, the Board of Directors shall consist of at least three (3) and no more than five (5) members elected by the General Meeting. As at the date of this Prospectus, the Board of Directors consists of five (5) members elected for the period until the end of the next Annual General Meeting. All members of the Board of Directors may be contacted at the Company's address, Ole Maaløes Vej 3, 2200 København N, Denmark.

The table below contains information about the members of the Board of Directors, their year of birth, each member's position, the year they were elected as board members for the first time, and whether they are considered to be independent in relation to the Company and its executive management, and major shareholders. The table is followed by individual information regarding each board member.

				Independent in relation to:	
Name	**Year of birth**	**Position**	**Member of the Board since**	**The Company and its executive management**	**Major shareholders**
Magnus Persson	1960	Chairman	2016	Yes	Yes
Annette Colin	1965	Member	2021	Yes	Yes
Henrik Moltke	1958	Member	2016	Yes	Yes
Peter Holm	1974	Member	2016	Yes	Yes
Claus Elsborg Olesen	1974	Member and CEO	2016	No	Yes

Magnus Persson, born 1960
Chairman of the Board of Directors since 2016,
About: Magnus Persson is a doctor and a docent in physiology at Karolinska Institutet in Stockholm. Persson has extensive experience in medicine, life science and biotech financing. Persson has led development teams in phase II and III programs in the pharmaceutical industry and has founded and led both private and public biotech and medical technology companies in Europe and the US as chairman of the board and board member. In addition, Persson has been involved in about ten IPOs.
Other ongoing assignments: Chairman and Partner in Eiv Ventures Partners AB, chairman in Eir Ventures I AB, Cantargia AB, Attgeno AB and Addi Medical AB.
Holdings in the Company: 215,018 shares (0.06 % of total amount of shares) and 138,943 warrants

Annette Colin, born 1965
Member of the Board of Directors since 2021,
About: Annette Colin has education in Business administration and law at Lund University. She has more than 25 years of experience in executive positions such as CEO, CFO, COO and Tax Manager, including 15 years in Life Science. Annette has been part of fast-growing companies and organizations and has long experience in building strategic planning, raising capital, business development, leadership development, streamlining infrastructure and Investor Relations. She has been involved in several M&A and IPO transactions and worked with both Venture Capital and Private Equity owners and the majority in Publicly listed companies, from start-ups to Large Cap companies. Most recent assignments include Annexin Pharmaceuticals AB (publ) Observe Medical International (publ), Stille AB (publ), Lindab International AB (publ), Perbio Science AB (publ) and EY.
Other ongoing assignments: Board member of Colinex Capital AB, Biotage GB Ltd, Sozap AB (publ) and Redsense Medical AB (publ). Deputy board member of Biotage Sweden AB. Partner in Stall Piantini Handelsbolag. CFO of Biotage AB (publ).
Holdings in the Company: -

Henrik Moltke, born 1958
Member of the Board of Directors since 2016,

About: Henrik Moltke has a master's degree in international economics and strategic management from Copenhagen Business School. Moltke has over 25 years of experience as CFO and Deputy CEO in the life science and health industries. The main focus for Moltke's career has been venture capital, IPO, capitalization of listed companies, investor relations and business development in companies such as Scandinavian Micro Biodevices ApS, Astion Pharma A / S, NeuroSearch A/S, Novo A/S and Ferrosan A/S. Moltke also has extensive experience from working as a board member in several listed and private companies.
Other ongoing assignments: CFO in FluoGuide A/S, Chairman of the Board at Werner Richter og Hustrus Legat. Board member at Hartmanns A/S, Board member of Biosergen AB.
Holdings in the Company: 102,125 shares (0.03 % of total amount of shares) and 47,762 warrants

Peter Holm, born 1974
Member of the Board of Directors since 2016,
About: Peter Holm has a PhD in Medical Sciences from Karolinska Institutet in Stockholm and also holds a master's degree in chemistry from Linköping University. Holm is a European Patent Attorney, Partner and Country Manager for Sweden at the patent law firm HØIBERG. Through this position, Holm has extensive experience in strategic global intellectual property law and advice on commercialization strategies for companies and organizations in the life science sector.
Other ongoing assignments: European Patent Attorney, Partner, Country Manager Sweden at the patent law firm HØIBERG.
Holdings in the Company: -

Claus Elsborg Olesen, born 1974
Member of the Board of Directors and Chief Executive Officer, CEO, since 2016
Education: Ph.D. in Physiology and Biophysics from Aarhus University.
About: Claus Olesen received his doctorate in physiology and biophysics from Aarhus University in 2008 and has since been involved in both basic and applied research regarding structural biology and the function of membrane proteins. Olesen has also been involved in several projects regarding drug development, both in academia and in industry. Olesen has entrepreneurial experience from his participation in the founding of several biotech companies, Pcovery ApS, STipe Therapeutics and NMD Pharma.
Other ongoing assignments: Senior Researcher, Department of Biomedicine, Aarhus University, Denmark and STipe Therapeutics, Founder and CEO, Denmark.
Holdings in the Company: 917,438 shares (0.03 % of total amount of shares) and 173,677 warrants

EXECUTIVE MANAGEMENT
All persons discharging managerial responsibilities in Initiator may be contacted at the Company's address, Ole Maaløes Vej 3, 2200 København N, Denmark. The table below contains information about the executive management of Initiator, their year of birth, current position and the year the person became a member of the executive management. The table is followed by individual information regarding each person.

Name	Year of birth	Position	Member of the executive management since
Claus Elsborg Olesen	1974	CEO	2016
Torgeir Vaage	1964	CFO	2016
Mikael Thomsen	1968	CDO	2016

Torgeir Vaage, born 1964
Chief Financial Officer, CFO
About: Torgeir Vaage has extensive experience from the financial industry in Norway, among other things, through the role of a financial analyst at ABG Sundal Collier, Handelsbanken Markets, and Norden Equity.
Other ongoing assignments: CEO in Pluvia AS, CEO and sole owner of Caersus Consulting AS, a consultancy firm providing CFO support for life science companies in the Nordic region.
Holdings in the Company: 254,948 shares (0.07 % of total amount of shares) and 156,308 warrants

Mikael Thomsen, born 1968
Chief Development Officer, CDO

About: Mikael Thomsen has two M. Sc. degrees (Pharmacy and Human Biology; from University of Pharmaceutical Sciences, Copenhagen and University of Copenhagen, Medical Faculty) and has a PhD in Pharmacology and Toxicology (University of Copenhagen and FDA site, Arkansas, US) and a degree in Pharmaceutical Medicine (ECPM, Basel, Switzerland). Mikael Thomsen has worked in the pharmaceutical area for close to 20 years within different major pharmaceutical companies including Novartis Pharma, Basel, Switzerland, Novo Nordisk, as well as at the U.S. Food and Drug Administration. Through a number of roles at these companies, Thomsen has very extensive experience of drug development, both in preclinical and clinical phases. Thomsen's primary focus and expertise in drug development is rapid development in the early stages.
Other ongoing assignments: CEO and sole owner of Mikael Soendergaard Thomsen Aps, Denmark, a consultancy firm providing executive management support for life science companies in the Nordic region.
Holdings in the Company: 636,056 shares (0.2 % of total amount of shares) and 156,308 warrants

ADDITIONAL INFORMATION ABOUT THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

All members of the Board of Directors are elected until the next Annual General Meeting. Members of the Board of Directors may resign from their position at any time. The division of responsibilities between the CEO and the Board of Directors is defined in the Board of Directors' rules of procedure as well as the CEO instructions and delegation of authority established by the Board of Directors. Both the rules of procedure as well as the CEO instructions are determined annually by the Company's Board of Directors. Issues related to audit and compensation matters are decided directly by the Board of Directors.

No member of the Board of Directors or the executive management has, during the past five years, been convicted in any fraud-related case, nor been subject to any prohibition of engaging in commercial activities. There exist no sanctions or allegations from the competent authorities (including approved professional bodies) against these persons and no member of the Board of Directors or the executive management has, in the past five years, been disqualified by a court from holding a position on an administrative, management or supervisory body or from holding an executive or senior position at a company. No member of the Board of Directors or the executive management has, during the past five years, been declared bankrupt or in liquidation, nor been involved in any bankruptcy or mandatory liquidation proceedings in relation to companies they have represented in the past five years.

There are no family ties between any of the members of the Board of Directors or executive management. No member of the Board of Directors or executive management has any conflicts of interest in which private interests would conflict with the Company's interests. Further, no member of the Board of Directors or the executive management has entered into any agreement with the Company that would entitle to post-employment benefits, other than what is set forth in this Prospectus. However, certain members of the Board of Directors and the executive management have financial interests in the Company as a consequence of their holdings of shares.

REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Remuneration is paid to the members of the Board of Directors in accordance with the decision of the Annual General Meeting.

At the Annual General Meeting on 22 May 2020, it was decided that remuneration shall be SEK 210,000 (DKK 0.15 million) for Magnus Persson (Chairman) and 80 000 SEK (DKK 59 000) to each of Henrik Moltke and Peter Joakim Holm. Claus Elsborg Olesen is not entitled to any remuneration for his role as board member. No additional remuneration was paid to the board members during 2020. At the Extraordinary General Meeting on 14 January 2021, it was decided that remuneration shall be SEK 80,000 (DKK 59 000) for Anette Collin. As of the date of the Prospectus, the Company has no allocated or accrued amounts for pensions or similar benefits after any of the member of the Board of Directors' resignation from office or assignment.

The table below shows remuneration paid to the executive management during the financial year 2020. As of the date of the Prospectus, the Company has no allocated or accrued amounts for pensions or similar benefits after any of the executive managements' resignation from office or assignment.

(DKK)	Fixed salary	Variable remuneration	Other benefits*	Pension costs	Total
Claus Elsborg Olesen	661,121 (SEK 0.89 million)	274,166 (SEK 0.37 million)	0	0	935,287 (SEK 1.2 million)
Torgeir Vaage	779,113 (SEK 1 million)	0	0	0	779,113 (SEK 1 million)
Mikael Thomsen	900,000 (SEK 1.2 million)	0	0	0	900,000 (SEK 1.2 million)

FINANCIAL INFORMATION AND KEY FIGURES

INTRODUCTION

Initiator is not a part of a group and does not have any subsidiaries. Therefore, the financial overview in this Prospectus applies exclusively to Initiator Pharma A/S, with corporate registration number (CVR) 37663808. The financial information incorporated in this Prospectus by reference includes the annual reports for the financial years 2020 and 2019, which have been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C, and the interim report for the period 1 January 2021 to 31 March 2021. The annual reports have been audited by the Company's independent auditor as set forth in their audit report included therewith. The interim report has not been reviewed or audited.

FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The following documents incorporated by reference herein are available at Initiator's office (Ole Maaløes Vej 3, 2200 København N, Denmark) and website www.initiatorpharma.com. The pages that are not incorporated below are not relevant or are presented elsewhere in this Prospectus.

Interim report 1/1-2021 to 31/3-2021

- Income statement (page 14), Balance sheet (pages 15), and Cash flow statement (17).
- Link to document: https://initiatorpharma.com/investors/financial-reports/

Annual report 2020

- Income statement and statement of comprehensive income (page 18), Balance sheet (page 19), Statement of changes in equity (page 20), Cash flow statement (page 20), and Accounting policies and Notes (pages 21-24).
- Independent auditors report (pages 26-27)
- Link to document: https://initiatorpharma.com/investors/financial-reports/

Annual report 2019

- Income statement and Statement of comprehensive income (page 16), Balance sheet (pages 17), Statement of changes in equity (page 18), Cash flow statement (page 18), and Accounting policies and Notes (pages 19-22).
- Independent auditors report (pages 24–25)
- Link to document: https://initiatorpharma.com/investors/financial-reports/

The annual reports for the financial years 2020 and 2019 have been audited by Deloitte Statsautoriseret, CVR 33963556, responsible partner Jens Sejer Pedersen, MNE-number 14986, Revisionspartnerselskab, without negative observations or comments. Notes to the financial statements can be found in the audited financial statements for 2019 and 2020, which have been incorporated into the Prospectus by reference. Unless otherwise stated, no other information in the Prospectus has been audited or reviewed by the Company's auditor.

KEY FIGURES

The Prospectus contains certain key figures that have not been defined in accordance with Initiator's applied accounting rules for financial reporting. This key financial data has not been audited or reviewed by the Company's auditor. Initiator believes that these key figures are deemed to be useful supplementary measures of earnings performance and financial position. The key figures, as defined by the Company, are not necessarily comparable with similar measures presented by other companies and have certain limitations as tools for analysis. Accordingly, they should not be considered separately from, or a replacement for, the Company's financial information.

TDKK (TSEK)	1 Jan 2020 31 Dec 2020	1 Jan 2019 31 Dec 2019	1 Jan 2021 31 Mar 2021*	1 Jan 2020 31 Mar 2020*
Net revenues	0	0	0	0
Operating result, EBIT	-10,531 (-14,251)	-9,339 (-12,638)	-2,069 (-2,799)	-2,392 (-3,237)
Earnings per share	–0.32	–0.34	–0.01	–0.11
Cash and bank	13,504 (18,274)	7,562 (10,223)	13,504 (18,274)	7,082 (9,584)
Solidity (%)	92%	87%	92%	82%

* Unaudited figures

Definitions
Operating earnings (EBIT): Earnings Before Interest and Taxes (Operating profit/loss)
Earnings per share: Profit/loss for the period divided by the average number of shares outstanding at the end of the period.
Solidity: Equity divided by assets.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

The Extraordinary General Meeting on 11 May 2021 resolved on a new share issue without preferential rights for existing shareholders. 8,108,106 shares were issued and resulted in an increase of Initiator's share capital by DKK 851,351.13 (SEK 1.1 million). The subscription price per share was SEK 3.70. The total issue proceeds amounted to SEK 29,999,992.20 (DKK 22.1 million).

As at the date of this Prospectus, and apart from the above mentioned issue of shares, no significant changes with respect to the Company's financial position has occurred since 31 March 2021.

DIVIDEND POLICY

Initiator does not have a dividend policy. The Board of Directors of Initiator intends to finance development, operations, and growth with possible profits. As a consequence, the Board of Directors does not expect to declare dividends for the financial years 2021 and 2022. Any future dividends, and the amount of such, are dependent on, among other things, the Company's future earnings, financial condition, working capital requirements and liquidity. Dividends are decided by the Annual General Meeting based on a proposal from the Board of Directors.

LEGAL ISSUES, OWNERSHIP STRUCTURE AND ADDITIONAL INFORMATION

SHARE INFORMATION

As at the date of this Prospectus, the Company's registered share capital amounts to DKK 3,760,452.57 (SEK 5 million) divided among 35,813,834 shares. At the beginning of the year, 1 January 2020, the Company's registered share capital amounted to DKK 2,477,094.37 (SEK 3.3 million) divided among 23,591,375 shares. At the end of the year, 31 December 2020, the Company's registered share capital amounted to DKK 2,909,101.44 (SEK 3.9 million) divided among 27,705,728 shares. At the beginning of the year, 1 January 2021, the Company's registered share capital amounted to DKK 2,909,101.44 (SEK 3.9 million) divided among 27,705,728 shares. There is only one class of shares and the nominal value of each share is DKK 0,105. Initiator's shares have been pursuant to Danish law and are denominated in DKK. The shares have been fully paid and are freely transferrable.

The Rights Issue will, upon registration, result in the Company's share capital increasing from DKK 3,760,452.57 (SEK 5 million) to DKK 4,596,108.51 (SEK 6.2 million) and the number of shares increasing from 35,813,834 shares to 43,772,462 shares. The currency of the Rights Issue is SEK. The dilution after the Rights Issue (provided that it is fully subscribed) is 18.18 percent.

OWNERSHIP STRUCTURE

The table below sets forth information about the shareholders of Initiator as at the date of this Prospectus. There is only one class of shares and each share carries one (1) vote at general meetings. As at the date of this Prospectus, the Board of Directors is not aware of any directly or indirectly controlling parties or of any such agreements that can change the control of the Company. There are, to the Board of Directors knowledge, no shareholder agreements or other agreements between the Company's shareholders, which seek to have joint influence over the Company. Except for what is presented in the table below, according to the Company's knowledge, there are no natural or legal persons owning more than five percent of the votes and capital.

Shareholder	Number of shares	Percentage of votes and capital (%)
Linc AB	4,729,729	13,21 %
Adrigo Asset Management AB	2,162,162	6,04 %

LOCK-UP UNDERTAKINGS

There are no lock-up undertakings.

MATERIAL CONTRACTS

Initiator has not entered into any agreements that are outside the Company's ordinary operations and which are of material importance to Initiator or which contain rights or obligations that are of material importance to the Company for a period of twelve months prior to this prospectus.

CONFLICTS OF INTERESTS

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in Initiator as a consequence of their direct or indirect shareholdings in the Company, see section "Board of Directors and executive management" in this Prospectus. No member of the Board of Directors or executive management has been elected as a result of agreements or arrangements with shareholders, customers suppliers or other parties.

Except for what is stated above, there are no conflicts of interest or family ties within administrative, management and supervisory bodies, nor with other individuals in senior positions in the Company. In addition, there are no other natural persons or legal entities involved in the Rights Issue that have financial or other relevant interests in Initiator.

CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES AND SECURITIES WITH WARRANTS

On 25 November 2020 Initiator announced a financing agreement with MAC Clinical Research Ltd covering the continued development of IPED2015 for the treatment of severe erectile dysfunction. Within the agreement, MAC Clinical Research (MAC) will take on the cost, up to 23 MSEK (DKK 16.9 million), 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. Upon the full completion of the study, MAC has the right to convert the accrued debt into Initiator shares at a share price of 7.5 SEK (DKK 5.54). A maximum of 3,058,667 shares may be issued upon the full completion of the study, which will result in a maximum increase of the share capital by DKK 321,160.04 (SEK 0.43 million) and a dilution of 7,9 percent of the votes and capital in the Company.

If MAC Clinical Research decides not to convert the credit upon completion of the study, the credit is converted into long-term debt carrying 1 percent annual interest and payable in full 3 years after the completion of the study.

The Company has established a warrant program, approved by the Annual General Meetings in 2019 and 2020. The purpose of the warrant program is to align the long-term incentives of board members, management and key consultants with those of our shareholders.

434,197 warrants are outstanding after the decision by the Annual General Meeting in 2019. One warrant may be exercised to purchase one share for SEK 8.40 (DKK 6.20). The warrants may be exercised at any point until 31 December 2021.

434,196 warrants are outstanding after the decision by the Annual General Meeting in 2020. One warrant may be exercised to purchase one share for SEK 6.52 (DKK 4.81). The warrants may be exercised at any point until 31 December 2022.

The Annual General Meeting on 28 May 2021 resolved on a long-term incentive program to the executive management and key individuals. The program runs until 31 December 2023 and includes vesting criteria for the participants. The total number of shares that may be issued under the program is dependent on the development of the price of the Company's share. A maximum number of 1,320,000 shares may be issued under the program if the price of the Company's share increases with at least 100 % between the date of the Annual General Meeting and 31 December 2023. The subscription price per share will be DKK 0.105.

As at the date of this Prospectus, there are no other outstanding convertible securities, exchangeable securities, or securities with warrants.

RELATED-PARTY TRANSACTIONS

The Company has not, during the period covered by the historical financial information and up until the date of this Prospectus, been a party to any related-party transactions, which individually or together are material to the Company.

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

Initiator has not been a party to any legal, arbitration or governmental proceedings (including pending cases or such that the Company is aware may arise), during a period covering at least the previous 12 months, that have had or could have significant effects on the Company's financial position or profitability. Nor has the Company been informed of claims that could lead to Initiator becoming a party to such a process or arbitration. There are no arrangements, known to the issuer, which may at a subsequent date result in or prevent a change in control of the issuer.

MISCELLANEOUS

There exist no provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.

DOCUMENTS AVAILABLE

The below documents are available in electronic form on the Company's website www.initiatorpharma.com. Printed copies of the documents are also available during ordinary office hours at Initiator's office, Ole Maaløes Vej 3, 2200 København N, Denmark, during the period of validity of this Prospectus.

- Memorandum of Association (Constituent Document; Stiftelsesdokument)
- Articles of Association (Corporate Bylaws)

APPENDIX A - SWEDISH TRANSLATION OF SUMMARY

SAMMANFATTNING

AVSNITT 1 – INLEDNING

1.1	**Värdepapprens namn och ISIN**	Erbjudandet består av aktier i Initiator Pharma A/S. Aktierna: Kortnamn INIT och ISIN-kod DK0060775872.
1.2	**Namn och kontaktuppgifter för emittenten**	Initiator Pharma A/S, organisationsnummer 37663808 och LEI-kod 213800DFI4I1A5RVKB59. Initiators representanter kan nås via telefon +45 6126 0035, och via e-post ceo@initiatorpharma.com. Bolagets besöksadress är Ole Maaløes Vej 3, 2200 Köpenhamn N, Danmark och Bolagets webbplats är www.initiatorpharma.com.
1.3	**Namn och kontaktuppgifter för behörig myndighet som godkänt prospektet**	Danska Finnansinspektionen (på danska "Finanstilsynet" eller "DFSA") är den behöriga myndighet som är ansvarig för godkännandet av prospektet. Besöksadress till DFSA är Århusgade 110, 2100 Köpenhamn, Danmark, och webbplats är www.dfsa.dk. DFSA kan också nås via telefon +45 33 55 82 82 och e-post finanstilsynet@ftnet.dk.
1.4	**Datum för godkännande**	EU-tillväxtprospektet godkändes av Finanstilsynet den 8 juli 2021.
1.5	**Varning**	Denna sammanfattning bör läsas som en introduktion till EU-tillväxtprospektet. Alla beslut om att investera i aktierna bör grundas på att investeraren studerar hela prospektet. Investeraren kan förlora hela eller delar av sitt investerade kapital. Om ett yrkande relaterat till information i ett EU-tillväxtprospekt görs i en domstol kan den investerare som är kärande enligt nationell lagstiftning i medlemsstaterna bli tvungen att betala kostnaden för att översätta EU-tillväxtprospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar omfattar enbart de personer som presenterat sammanfattningen, inklusive översättningar av denna, men enbart om sammanfattningen är vilseledande, felaktig eller inkonsekvent jämfört med de andra delarna av EU-tillväxtprospektet eller om denna tillsammans med andra delar av EU-tillväxtprospektet inte ger den nyckelinformation som investerare behöver vid beslut om huruvida de ska investera i de berörda aktierna.

AVSNITT 2 – NYCKELINFORMATION OM EMITTENTEN

2.1	**Information om emittenten**	Initiator Pharma A/S, bildat och registrerat i maj 2016, är ett danskt aktiebolag som regleras av dansk lag och den danska aktiebolagslagen (Dk. Selskabsloven). Initiator är ett danskt life science-bolag som utvecklar innovativa läkemedel riktade mot viktiga ouppfyllda medicinska behov inom det centrala och perifera nervsystemet. Styrelsen har sitt säte i Köpenhamn, Danmark, och Claus Elsborg Olesen är Bolagets VD sedan 2016. Per dagen för detta prospekt ingår inte Bolaget i någon koncern och har inga innehav i andra företag. Följande tabell visar alla aktieägare med innehav över fem procent av aktierna och rösterna i Bolaget. Såvitt styrelsen vet finns det inga aktieägaravtal, eller andra avtal mellan Bolagets aktieägare, som försöker få gemensamt inflytande över Bolaget. Bolaget kontrolleras inte direkt eller indirekt av någon aktieägare.

Aktieägare	Antal aktier	Andel av röster och kapital (%)
Linc AB	4 729 729	13,21 %
Adrigo Asset Management AB	2 162 162	6,04 %

2.2 Finansiell nyckelinformation om emittenten

Den finansiella informationen som införlivas i detta prospekt genom hänvisning inkluderar årsredovisningen för räkenskapsåren 2020 och 2019, som upprättats i enlighet med bestämmelserna i den danska redovisningslagen för företag i rapporteringsklass B med tillägg av vissa avsättningar för rapporteringsklass C, och delårsrapporten för perioden 1 januari 2021 till 31 mars 2021. Årsredovisningarna har granskats av Bolagets oberoende revisor enligt vad som anges i deras revisionsberättelse. Delårsrapporten har inte granskats.

DKK '000 (SEK '000)	1 Jan 2020 31 Dec 2020	1 Jan 2019 31 Dec 2019	1 Jan 2021 31 Mar 2021	1 Jan 2020 31 Mar 2020
	Reviderad	Reviderad	Ej reviderad	Ej reviderad
Resultaträkning				
Nettoomsättning	0	0	0	0
Rörelseresultat, EBIT	-10 531 (-14 251)	-9 339 (-12 638)	-2 069 (-2 799)	-2 392 (-3 237)
Balansräkning				
Summa tillgångar	15 603 (21 115)	11 438 (15 479)	13 029 (17 632)	9 095 (12 308)
Eget kapital	14 409 (19 499)	9 908 (13 408)	12 603 (17 005)	7 424 (10 046)
Kassaflödesanalys				
Kassaflöde från den löpande verksamheten	-8 064 (-10 913)	-8 553 (-11 574)	-2 217 (-3 000)	-480 (-649)
Kassaflöde från investeringsverksamheten	0	0	0	0
Kassaflöde från finansieringsverksamheten	14 007 (18 955)	1 625 (2 119)	0	0
Nyckeltal				
Resultat per aktie	–0,32	–0,34	–0,01	–0,11
Likvida medel	13 504 (18 274)	7 562 (10 223)	13 504 (18 274)	7 082 (9 584)
Soliditet (%)	92%	87%	92%	82%

Definitioner

Rörelseresultat (EBIT): Bolagets rörelseresultat före räntor och skatt (rörelseresultat).

Resultat per aktie: Vinst eller förlust för perioden dividerad med det genomsnittliga antalet utestående aktier vid periodens utgång.

Soliditet: Eget kapital dividerat med tillgångar.

2.3	**Huvudsakliga risker som är specifika för Bolaget**	**Kliniska prövningar** Life science-sektorn och kliniska prövningar är förknippade med stor osäkerhet och risker avseende förseningar och resultat i kliniska prövningar. Tillverkningen av preparat för användning hos människor är kraftigt reglerad för att säkerställa människors säkerhet. Det finns risk att resultaten från Initiators tidiga kliniska prövningar inte upprepas i mer omfattande kliniska prövningar. Det finns alltså risk att Initiators nuvarande och framtida kliniska prövningar inte kommer att bevisa ett risknyttoförhållande eller tillräcklig klinisk nytta för att Bolaget därefter ska kunna sälja sina produkter till partners eller kunder enligt plan, eller erhålla myndighetsgodkännanden. Det finns också risk att Initiators kliniska prövningsresultat är otillräckliga för att dra några slutsatser och att de kan behöva upprepas, vilket orsakar osäkerhet, förseningar och kräver ytterligare finansiering. Det finns alltså risk att detta leder till ett minskat eller bristande kassaflöde för Bolaget och/eller att Initiator kan tvingas ta in ytterligare kapital baserat på misslyckade kliniska prövningsresultat. Det är Initiators bedömning att sannolikheten för att risken uppstår är hög. Om risken skulle uppstå anser Initiator att den potentiella negativa effekten är hög. **För närvarande i utvecklingsfas** Initiator grundades 2016. Bolaget har ännu inte lanserat produkter på marknaden och har därmed ännu inte genererat några intäkter. Bolaget behöver genomföra ytterligare prövningar innan försäljning av Bolagets första produkt kan påbörjas. Det finns risk att Bolaget inte kommer lyckas i de pågående prövningarna och att Bolaget inte kan locka partners eller kunder till sina eventuella produkter, och det kan därför vara svårt att utvärdera Bolagets försäljningspotential. Det finns risk att Bolaget påverkas väsentligt negativt om t.ex. dess pågående prövningar inte slutförs som planerat och att intäkterna därför, helt eller delvis, inte genereras. Det är Initiators bedömning att sannolikheten för att risken uppstår är måttlig. Om risken skulle uppstå, anser Initiator att den potentiella negativa effekten är hög.

AVSNITT 3 – NYCKELINFORMATION OM VÄRDEPAPPREN

3.1	**Vilka är värdepapperens huvuddrag?**	**Typ, kategori och ISIN för värdepapperen** Initiators aktier med ISIN-kod DK0060775872 handlas på Spotlight Stock Market. Kortnamnet för aktien är INIT. De nya aktier som kommer emitteras i samband med Företrädesemissionen ska handlas i samma ISIN-kod som de aktier som redan tagits upp till handel. Det finns bara ett aktieslag i Bolaget. **Valuta, nominellt värde och antal värdepapper** Aktierna är denominerade i DKK. Per dagen för detta prospekt uppgår Bolagets registrerade aktiekapital till 3 760 452,57 DKK (5 MSEK) fördelat på 35 813 834 aktier. Det nominella värdet för varje aktie är 0,105 DKK och aktierna har betalats till fullo. Valutan för Företrädesemissionen är SEK. **Rättigheter kopplade till värdepapperen**

		De nya aktierna kommer att ha samma rättigheter som de befintliga aktierna. Dessa inkluderar rösträtt, rätt att erhålla utdelning, rätt att delta i intäkterna vid upplösning eller likvidation av Bolaget och företrädesrätt i samband med emission av nya/ytterligare teckningsoptioner, konvertibla obligationer och aktier genom kontant bidrag. Initiator är ett tillväxtföretag och har inte sedan bildandet lämnat utdelning till aktieägarna. Bolaget har inte heller någon utdelningspolicy. Styrelsen avser att finansiera utveckling, verksamhetsdrift och tillväxt genom en kombination av möjliga vinstmedel och framtida emissioner. Vid händelse av utdelning har alla aktier i Bolaget lika rätt till utdelning. Utdelning på aktier som nyligen emitterats i Företrädesemissionen som beskrivs i detta Prospekt kommer att betalas ut på avstämningsdagen för den utdelning som kan inträffa efter registreringen av aktierna i Euroclear Sweden AB och VP Securities A/S. Utdelningen är inte ackumulerad, dvs det finns inget fast åtagande från Bolaget att betala utdelning. Bolaget har inget lagligt eller bindande åtagande att betala utdelning. Rätten till utdelning gäller investerare som är registrerade som aktieägare i Initiator på avstämningsdagen för utdelning. Det finns inga befintliga begränsningar för utdelning eller särskilda förfaranden för aktieägare bosatta utanför Danmark, och betalning av distribuerad utdelning är avsedd att ske via Euroclear Sweden AB och VP Securities A/S på samma sätt som för aktieägare bosatta i Danmark. Utdelning tillfaller Initiator om det inte har krävts av aktieägaren inom tre (3) år från tidpunkten då utdelningen deklareras. Utdelningen tillfaller Initiator efter begränsningen. **Värdepapperens överlåtbarhet** Det finns inga begränsningar i aktiernas överlåtbarhet.
3.2	**Var kommer värdepapperen handlas?**	Initiators aktier handlas på Spotlight Stock Market och de nya aktierna i Företrädesemissionen kommer att tas upp till handel på Spotlight Stock Market. Värdepapper noterade på Spotlight Stock Market omfattas inte av lika omfattande regler som de värdepapper som är upptagna till handel på reglerade marknader.
3.3	**Omfattas värdepapperen av garantier?**	Värdepapperen omfattas inte av garantier.
3.4	**Vilka är de huvudsakliga risker som är specifika för värdepappren?**	**Framtida utdelningar** Historiskt sett har ingen utdelning betalats av Initiator och avsikten är att inte föreslå utdelning till aktieägarna såvida inte Bolaget uppnår långsiktig lönsamhet. Därför finns det risk att ingen utdelning kommer att betalas ut i framtiden. Storleken på den framtida utdelningen, om någon, beror på Initiators framtida resultat, finansiella ställning, kassaflöde, rörelsekapitalbehov och andra faktorer. Det är Initiators bedömning att sannolikheten för att risken uppstår är hög. Om risken skulle uppstå anser Initiator att den potentiella negativa effekten är hög. **Osäkra tecknings- och garantiåtaganden**

	Ett antal olika parter har ingått teckningsåtaganden varigenom de har åtagit sig att teckna cirka 6,7 MSEK (4,9 MDKK) av Företrädesemissionen, vilket motsvarar cirka 23 procent av Företrädesemissionen. För det fall inte samtliga aktier i Företrädesemissionen tecknas har Bolaget erhållit bindande teckningsåtaganden om cirka 23 procent av emissionsvolymen och garantiåtaganden om cirka 22,8 MSEK (16,8 MDKK), vilket motsvarar cirka 77 procent av emissionsvolymen. Cirka 23 procent av Företrädesemissionen täcks därmed inte av garantiåtaganden eller ett fast åtagande. Dock omfattas hela Företrädesemissionen om cirka 29,4 MSEK (21,7 MDKK) av tecknings- och garantiåtaganden. Tecknings- och garantiåtagandena är inte bekräftade eller säkerställda via tidigare transaktioner, bankgarantier eller liknande. Därmed finns det risk att en eller flera av dessa parter inte uppfyller sina respektive åtaganden och skyldigheter. Om ovannämnda teckningsåtaganden inte uppfylls kan detta påverka Initiators förmåga att framgångsrikt fullfölja Företrädesemissionen negativt, vilket i sin tur kan påverka Bolagets affärsverksamhet negativt med negativa effekter relaterade till reducerade ekonomiska resurser att driva affärsverksamheten med i framtiden. Det är Initiators bedömning att sannolikheten för att risken uppstår är låg. Om risken skulle uppstå anser Initiator att den potentiella negativa effekten är måttlig.

AVSNITT 4 – NYCKELINFORMATION OM ERBJUDANDET AV AKTIER TILL ALLMÄNHETEN

4.1	**Under vilka förutsättningar och vilken tidsplan kan jag investera i värdepappren?**	**Erbjudandet** Den 2 juli 2021 beslutade styrelsen för Initiator, med bemyndigande från den extra bolagsstämman den 11 maj 2021, att genomföra Företrädesemissionen. Erbjudandet genomförs med företrädesrätt för befintliga aktieägare. Bolagets aktiekapital kommer att öka med 835 655,94 DKK (1,1 MSEK) genom en nyemission av 7 958 628 nya aktier, var och en med ett nominellt värde på 0,105 DKK. Företrädesemissionen genomförs med företrädesrätt för befintliga aktieägare. Den totala emissionen uppgår till 29 446 923,60 SEK (21,7 MDKK). **Teckningskurs** Teckningskursen är 3,70 SEK per aktie för Euroclear-aktieägare och DKK 2.72 per aktie för VP Securities-aktieägare. Courtage kan förekomma. **Teckningsperiod** Teckningsperioden börjar den 12 juli 2021 och slutar den 26 juli 2021. **Värdering** Initiators värdering före Erbjudandet uppgår till 132,5 MSEK (97,8 MDKK). **Tilldelning** Om inte alla aktier i Företrädesemissionen tecknas med stöd av företrädesrätt, ska styrelsen besluta om tilldelning av aktier inom ramen för det beloppet för Företrädesemissionen till aktieägare eller andra investerare som har tecknat aktier utan stöd av företrädesrätt. För det första ska tilldelning av aktier som tecknas utan företrädesrätt ske till aktieägare eller andra investerare som också har tecknat aktier genom att utnyttja teckningsrätter, oavsett om tecknaren var registrerad

aktieägare på avstämningsdagen eller inte. Om tilldelning av aktier inte helt kan tillhandahållas i enlighet med teckningar utan teckningsrätter, ska tilldelning göras i förhållande (pro rata) till den kvantitet teckningsrätter som utnyttjas för teckning av aktier i nyemissionen, och i den utsträckning detta inte är möjligt genom lottning.

För det andra ska tilldelning av aktier som tecknas utan företrädesrätt ske till andra investerare än de ovan nämnda, som har tecknat aktier utan teckningsrätter. Om tilldelning av aktier inte helt kan tillhandahållas i enlighet med teckningar utan teckningsrätter, ska tilldelning göras i förhållande (pro rata) till det antal tecknade aktier utan teckningsrätter i nyemissionen, och i den utsträckning detta inte är möjligt, genom lottning.

För det tredje ska tilldelningen av aktier göras till emissionsgaranterna i förhållande till storleken på garantiåtagandena och i den utsträckning detta inte är möjligt genom lottning.

Utspädning
Genom Företrädesemissionen kommer Bolagets aktiekapital att öka med högst 835 655,94 DKK (1,1 MSEK), genom en emission av 7 958 628 aktier. Detta motsvarar 18,2 procent av röster och kapital i Bolaget.

Initiator har ett finansieringsavtal med MAC Clinical Research Ltd (MAC). Genom avtalet har MAC rätt att konvertera upplupen skuld på 23 miljoner SEK (16,9 miljoner DKK) till aktier i Initiator till en aktiekurs om 7,5 SEK. Förutsatt att den kommande Företrädesemissionen tecknas till fullo och att inga andra händelser inträffar som förändrar Bolagets aktiekapital kommer konverteringen av skulden att resultera i ytterligare en utspädning på 6,5 procent av rösterna och kapitalet i Bolaget.

Företrädesemissionens kostnad
Emissionskostnaden uppgår till cirka 3,0 MSEK (2,2 MDKK), motsvarande cirka 10 procent av Företrädesemissionen.

4.2	**Varför har detta EU-Tillväxtprospekt framställts?**	För att finansiera ytterligare operativa framsteg genomför Initiator nu en Företrädesemission som förser Initiator med cirka 29,4 MSEK (21,7 MDKK) (före emissionskostnader), förutsatt att emissionen fulltecknas. Intäkterna från Företrädesemissionen förväntas möjliggöra en expansion av Initiators kliniska pipeline. Nettofinansieringen på cirka 26,4 MSEK (19,4 MDKK) från Företrädesemissionen är avsedd att finansiera Bolagets verksamhet fram till 2023, vilket inkluderar följande nyckelaktiviteter rangordnade efter prioritet: • Proof-of-Principle klinisk prövning i Neuropatisk smärta med IPTN2021. Cirka 55 procent av emissionslikviden. • CMC-aktiviteter som stödjer ovanstående kliniska prövning. Cirka 15 procent av emissionslikviden. • MAD-klinisk fas 1-studie med IPTN2021 för att förbereda inför fas 2-programmet förutsatt framgångsrika resultat från Proof-of-Principle-studien. Cirka 30 procent av emissionslikviden. Styrelsen bedömer att nettointäkterna är tillräckliga för att utföra ovan nämnda aktiviteter. Bolaget har i april 2021 erhållit rättsligt bindande teckningsåtaganden på cirka 6,7 MSEK (4,9 MDKK), vilket motsvarar cirka 23 procent av emissionsvolymen, och garantiåtaganden om cirka 22,8 MSEK (16,8

MDKK), vilket motsvarar cirka 77 procent av emissionsvolymen. Cirka 23 procent av Företrädesemissionen täcks därmed inte av garantiåtaganden eller ett fast åtagande. Tecknings- och garantiåtaganden har inte säkerställts via förhandstransaktion, bankgaranti eller liknande.

Intressen och intressekonflikter

Shark Communication AB och Nordic Issuing tillhandahåller tjänster till Initiator i samband med Företrädesemissionen. Parterna ovan har i sitt löpande arbete tillhandahållit, och kan i framtiden tillhandahålla, olika bank-, finans-, investerings-, kommersiella och andra tjänster till Bolaget för vilket de har fått och ännu kan få ersättning.

Ingen styrelseledamot eller ledande befattningshavare har några privata intressen som kan strida mot Bolagets intressen. Vissa styrelseledamöter och ledande befattningshavare har dock ekonomiska intressen i Initiator som en följd av deras direkta eller indirekta aktieinnehav i Bolaget.

Några investerare är garantiåtagare i Företrädesemissionen. Förutom parternas intressen i en lyckad Företrädesemission och betalningen av den överenskomna ersättningen till garantiåtagarna finns det inga ekonomiska, eller andra, intressen eller intressekonflikter mellan parterna som enligt ovan har ekonomiska eller andra intressen i Företrädesemissionen.