Initiator Pharma

Invitation to invest in Initiator Pharma A/S

Preferential Rights Issue 2022

The Danish Financial Supervisory Authority approved this prospectus on 13 June 2022. 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the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid and Initiator Pharma A/S will only supplement the prospectus when required according to rules on prospectus supplement in the prospectus regulation (EU)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.

NORDIC ISSUING

SEDERMERA corporate finance

SHARK communication

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, Sedermera Corporate Finance AB ("**Sedermera**") is the financial advisor to Initiator. Sedermera and Shark Communication AB ("**Shark Communication**") has assisted the Company in the preparation of this Prospectus. The Board of Directors of Initiator is responsible for the content, whereupon Sedermera and Shark Communication 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. Nordic Issuing AB ("**Nordic Issuing**") is the issuing agency in connection with the Rights Issue.

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.

Nasdaq First North Growth market

Nasdaq First North Growth Market is a growth market for small and medium-sized companies runed by various stock exchanges within the Nasdaq Group. Companies whose shares are traded on Nasdaq First North Growth Market are not subject to all the same rules as companies listed on a regulated market, but to less extensive rules and regulations adapted for smaller growth companies. An investment in a company on Nasdaq First North Growth Market may therefore incur more risk than an investment in a company listed on a regulated main market. All companies whose shares are traded on Nasdaq First North Growth Market have a Certified Adviser to monitor compliance with rules and regulations. Redeye AB is the Company's Certified Adviser. Redeye owns no shares in the Company.

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CERTAIN DEFINITIONS AND ABBREVIATIONS

"**BTA**" refers to Betald Tecknad Aktie, translates to Paid-in Subscribed-for Share
"**CAGR**" refers to compound annual growth rate
"**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
"**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
"**Euronext Securities**" refers to Euronext 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 into this 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. Non-incorporated parts of the below documents contain information presented elsewhere in this Prospectus or deemed not relevant to investors.

INTERIM REPORT JANUARY-MARCH 2022	PAGE NUMBER
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Link to document: https://initiatorpharma.com/investors/financial-reports/

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

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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. BTA (temporary ISIN): SE0018041808. Subscription rights : SE0018041790.
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 13 June 2022.
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	7,114,114	15.32
Avanza Pension	2,978,130	6.41

Adrigo Asset Management AB	2,573,536	5.54
Others (approx. 4,000 shareholders)	*33,773,348*	*72.73*
Total	**46,439,128**	**100.00**

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 2021, 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 2022 to 31 March 2022. 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 2021 31 Dec 2021**	**1 Jan 2020 31 Dec 2020**	**1 Jan 2022 31 Mar 2022**	**1 Jan 2021 31 Mar 2021**
	Audited	Audited	Unaudited	Unaudited
Income statement				
Net revenues	0	0	0	0
Operating loss, EBIT	-23,072 (32,070)	-10,531 (14,638)	-15,075 (20,954)	-1,792 (2,490)
Balance sheet				
Total assets	53,701 (74,644)	15,603 (21,688)	37,275 (51,812)	13,029 (18,110)
Total equity	34,994 (48,641)	14,409 (20,028)	19,412 (26,982)	12,603 (17,518)
Cash flow statement				
Cash flows from:				
Operating activities	-34,097 (47,394)	-8,064 (11,208)	-7,994 (11,111)	-2,217 (3,081)
Investing activities	0	0	0	0
Financing activities	54,938 (76,363)	14,007 (19,469)	0	0
Key figures				
Earnings per share	–0.44	–0.32	-0.31	–0.06
Cash and bank	34,346 (47,741)	13,504 (18,770)	26,352 (36,629)	11,287 (15,689)
Solidity (%)	65%	92%	52%	97%

Definitions
Operating earnings (EBIT): Earnings Before Interest and Taxes (Operating profit/loss)
Earnings per share: Profit/loss for the period calculated on number of shares at year-end, fully diluted.
Solidity: Equity divided by assets.

2.3 What are the key risks that are specific to the issuer?

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 or the results of the clinical trials are negative. Hence, no future revenues may be generated and furthermore it may be challenging to attract financing to continue operations in the

Company. 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.

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 high. If the risk would materialise, Initiator considers the potential negative impact to be medium.

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 Nasdaq First North Growth 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 4,876,108.44 divided among 46,439,128 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 warrants, convertible bonds and shares by cash contribution. All shares have equal rights in the event of insolvency, liquidation or winding up.

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. The new shares will, when fully paid up and registered with the Danish Business Authority, have the same rights as the existing shares, including with respect to eligibility for any dividends paid to holders of shares. Consequently, the new shares are eligible for dividends as of the date of registration with the Danish Business Authority, which is expected to take place on 18 July 2022 and in any event before listing of the new shares. Any dividends will be paid in DKK to the shareholder's account with Euroclear. No restrictions on dividends or special procedures apply to holders of shares who are not residing in Denmark. Dividend withholding tax may be withheld by the Company in accordance with applicable Danish law. Dividends which have not been claimed by shareholders within three (3) years from the time they are payable will in accordance with applicable Danish law be forfeited and will accrue to the Company.

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 subscription 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.

		In case of the dissolution or winding-up of the Company, the shares will be entitled to a proportionate part of the Company's assets after payment of the Company's creditors. **Transferability of the securities** In accordance with the terms of the directed share issue, that was resolved by the Board of Directors based on authorization from the Extraordinary General Meeting on 18 May 2022, Linc AB and Adrigo Asset Management AB have committed to not sell any of the shares that was directed to them for a period of 90 days following the issuing of the shares, which took place on 1 June 2022. Except from the above, there are no restrictions in the transferability of the shares.
3.2	**Where will the securities be traded?**	Initiator's shares are traded on Nasdaq First North Growth Market and the new shares in the Rights Issue will be admitted to trading on Nasdaq First North Growth Market. Securities listed on Nasdaq First North Growth 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?**	**The shares are subordinated to most of the Company's liabilities** The new shares as well as the existing shares represent subordinated debt obligations of the Company. This means that if Initiator is subject to any liquidation or bankruptcy, the shareholders normally receive payment after all other creditors have been paid in full. As the shareholder will only have an unsecured claim against the Company, the shareholders may not recover any or all of their investment. Any potential investor should therefore be aware of that an investment in the Company's shares entails a risk that the investor loses all or part of its investment if the Company becomes liquidated, bankrupt, insolvent, carries out a restructuring, or is wound-up. It is Initiator's assessment that the probability of the risk occurring is medium. If the risk would materialise, Initiator considers the potential negative impact to be high.

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 31 May 2022, the Board of Directors of Initiator decided, with authorization from the Extraordinary General Meeting on 18 May 2022, 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 25 July 2022. The Rights Issue will be conducted in both Euroclear and Euronext Securities. A total of 46,439,128 shares are registered in Euronext Securities and a total of 46,360,097 of the shares are mirrored and registered in Euroclear. The number of shares issued will be 5,463,426. One (1) existing share in the Company entitles the owner to one (1) subscription right and seventeen (17) subscription rights give the owner the right to subscribe for two (2) new shares. The subscription price per share is SEK 7.50 for Euroclear shareholders (shareholders holding shares in both Euronext Securities and Euroclear) and DKK 5.39 per share for Euronext Securities shareholders (shareholders holding shares in only Euronext Securities). **Subscription price** The subscription price is SEK 7.50 per share for Euroclear shareholders and DKK 5.39 per share for Euronext Securities shareholders. Brokerage fee may occur. There are no costs imposed on investors by the Company. However, investors shall bear customary transaction and handling fees required by their account-holding banks.

Subscription period
The subscription period starts on 16 June 2022 and ends on 30 June 2022.

Valuation
Initiator's pre-money valuation in the Offer amounts to SEK 348,293,460.00.

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 a maximum of DKK 573,659.73, through the issuing of a maximum of 5,463,426 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 approx. 10.5 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 16.4 million) into Initiator shares at a share price of SEK 7.5 per share. Provided that the 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 5.9 percent of the votes and capital in the Company.

Costs for the Right Issue
The issue cost amount to approx. SEK 8 million (DKK 5.7 million), approx. 13 percent, of the Rights Issue.

4.2	**Why is this EU Growth prospectus being produced?**	**Background and reasons** To advance its clinical programs the Board of Directors proposed a preferential right issue. The proceeds will secure long-term financing until early 2024, allowing Initiator to advance all its clinical programs according to set plans and priorities. The issue proceeds will also cover other operating expenses into 2024. The proceeds will also support Initiator's business strategy of identifying attractive but undervalued clinical-stage assets and advancing these through cost-efficient clinical trials to deliver key-value inflection points in indications with significant unmet medical needs in areas of expertise within the management team. The Rights Issue was resolved by the Board of Directors on 31 May 2022, with authorisation from the Extraordinary General Meeting

on 18 May 2022. The Rights Issue is fully (100 percent) guaranteed through subscription and underwriting commitments. The subscription and underwriting commitments are not confirmed or secured via prior transactions, bank guarantees or similar.

Use of proceeds
With the net proceeds of approximately SEK 33 million (DKK 23.7 million), the Company has the opportunity to finance the following activities:

- Phase 1 MAD study as well as a bioavailability study of optimized drug product formulation for IP2015 – approx. 45 percent
- Preparations for Phase 2 for IPTN2021 in neuropathic pain (Trigeminal neuralgia) – approx. 10 percent
- Preparations for Phase 2b for IP2018 in psychogenic erectile dysfunction, including costs for drug product optimization – approx. 10 percent
- Operating expenses through H1 2024 – approx. 30 percent
- Preparations for Phase 2b/3 for the option deal asset in the pain field pending the ongoing evaluation, including commercial evaluations and work-up of a regulatory and clinical development plan – approx. 5 percent

Parties with interests
Sedermera provides financial advice and other services to Initiator in connection with the Rights Issue. Sedermera (and its affiliates) has in the ordinary course of business provided, and may in the future provide, various 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.

Two investors have entered into subscription- and 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.

4.3	**Who is the offeror and/or the person asking for admission to trading?**	The offeror is Initiator Pharma A/S with corporate registration number 37663808.

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), Claus Elsborg Olesen (board member) and Gunilla Ekström (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, 13 June 2022

Initiator Pharma A/S

The CEO and Board of Directors

Magnus Persson, chairman
Managing Partner Eir Ventures

Annette Colin, board member
Professional board member and CFO

Henrik Moltke, board member
CFO of Fluoguide A/S

Peter Holm, board member
Partner Høiberg European Patent Attorneys

Claus Elsborg Olesen, board member and CEO
Senior Researcher Department of Biomedicine at Aarhus University and CEO STipe Therapeutics

Gunilla Ekström, board member
VP Project Management at Gesynta Pharma

INFORMATION FROM THIRD PARTIES

The Board of Directors confirms that information obtained from third parties in this Prospectus have been accurately reproduced and that, as far as the Board of Directors is aware and able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate 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 annual reports for the financial years 2021 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.

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BACKGROUND AND REASONS

Initiator Pharma A/S is a Danish clinical stage life science company developing innovative drugs that target key unmet medical needs within the central and peripheral nervous systems. The Company's pipeline consists of three ongoing clinical programs: *IPED2015 (Clinical Program)* and *IP2018 (Clinical Program)* for treatment of erectile dysfunction (ED) of psychogenic and organic origin, respectively, and the orphan drug candidate *IPTN2021 (Clinical Program)* developed for Trigeminal Neuralgia, a severe neuropathic pain condition. In addition, Initiator has entered an option agreement regarding a late-stage clinical asset targeting a pain indication. All of Initiator's clinical programs are progressing as expected. 2021 was a successfull year for Initiator and the Company is now on the trajectory to deliver multiple clinical data points in the upcoming years. During 2022 and early 2023, Initiator expects to receive data from all three ongoing clinical programs.

IPED2015 Clinical Program
In Initiator's most advanced ED program IPED2015, the compound IP2015 is being evaluated in an ongoing Phase 2b trial in erectile dysfunction patients, conducted in the UK in collaboration with MAC Clinical Research. The patient recruitment rate is progressing well, and Initiator anticipates that inclusion and dosing of the planned 120 patients should be completed in the second half of 2022. Initiator believes that the compound IP2015 has the potential to become a new valuable treatment option for the large group of patients that do not respond to the currently marketed drugs in the PDE5i class, such as Viagra and Cialis.

IP2018 Clinical Program
In Initiator's second clinical program IP2018, the compound IP2018 is currently undergoing a Phase 2a clinical trial with the primary objective of investigating the effects of IP2018 on penile rigidity and tumescence using visual sexual stimulation test. IP2018 is differentiated from IP2015 by primarily targeting the dopamine system. At the date of the prospectus, the patient recruitment in the Phase 2a is ongoing and expected to be completed soon. If the outcome of the Phase 2a clinical trial is positive, Initiator will evaluate the results and the need for additional drug product optimization and the potential need for completing a Phase 1 MAD study first, before initiating a Phase 2b study.

IPTN2021 Clinical Program
The Company's third clinical program IPTN2021 targets trigeminal neuralgia with the compound IP2015 which has already been documented to be safe and tolerable in clinical trials and demonstrated efficacy for erectile dysfunction. In preclinical studies, IP2015 is effective and markedly inhibits neuralgic pain. The Phase 1 pain challenge study data in healthy volunteers are supportive of this and the Company intends to expand the safety data package for IP2015 with Phase 1 MAD study before initiating a Phase 2a study in trigeminal neuralgia. Trigeminal neuralgia is a rare but devastating disease for those affected by it. Today's treatment options for trigeminal neuralgia involves medications and surgery. However, the current medications are often found ineffective and have multiple adverse effects, limiting their use. Therefore, Initiator sees a significant need for new and more effective treatment options. Initiator expects to be able to start such a study during H1 2023.

Option agreement for late-stage drug candidate
In addition to the three clinical programs, Initiator has signed an option agreement regarding a Phase 2b/3 drug asset for an undisclosed pain indication. The drug asset targets a significant clinical unmet need within the pain area and provides a possibility for Initiator to expand its pipeline with a late-stage clinical asset. Initiator Pharma intends to continue the evaluation of the drug candidate during the second half of 2022 and to disclose more information after the end of the option period, ending 31 December 2022. A key task in the evaluation process is to design a regulatory and clinical development plan that fulfils the target product profile and can be completed in a time and cost-efficient manner.

To advance its clinical programs the Board of Directors proposed a preferential right issue. The proceeds will secure long-term financing until early 2024, allowing Initiator to advance all its clinical programs according to set plans and priorities. The issue proceeds will also cover other operating expenses into 2024. The proceeds will also support Initiator's business strategy of identifying attractive but undervalued clinical-stage assets and advancing these through cost-efficient clinical trials to deliver key-value inflection points in

indications with significant unmet medical needs in areas of expertise within the management team. The Rights Issue was resolved by the Board of Directors on 31 May 2022, with authorisation from the Extraordinary General Meeting on 18 May 2022.

The Rights Issue is fully (100 percent) guaranteed through subscription and underwriting commitments. The subscription commitments correspond to approximately SEK 8.55 million (20.86 percent of the total issue proceeds) and the underwriting commitments correspond to approximately SEK 32.45 million (79.14 percent of the total issue proceeds).

Use of proceeds
The Rights Issue will provide the Company with a maximum of approximately SEK 41 million (DKK 29.5 million) before deduction of transaction related costs and compensation to guarantors. Estimated transaction related costs attributable to the Rights Issue amount to approximately SEK 8 million (DKK 5.7 million), corresponding to approximately 13 percent of the Rights Issue. Cash premium compensation of 14 percent is paid for the underwriting commitments. With the net proceeds of approximately SEK 33 million (DKK 23.7 million), the Company has the opportunity to finance the following activities:

- Phase 1 MAD study as well as a bioavailability study of optimized drug product formulation for IP2015 – approx. 45 percent
- Preparations for Phase 2 for IPTN2021 in neuropathic pain (Trigeminal neuralgia) – approx. 10 percent
- Preparations for Phase 2b for IP2018 in psychogenic erectile dysfunction, including costs for drug product optimization – approx. 10 percent
- Operating expenses through H1 2024 – approx. 30 percent
- Preparations for Phase 2b/3 for the option deal asset in the pain field pending the ongoing evaluation, including commercial evaluations and work-up of a regulatory and clinical development plan – approx. 5 percent

ADVISORS
Sedermera and Shark Communication have assisted the Company in the preparation of this Prospectus. The Board of Directors of Initiator is responsible for the content, whereupon Sedermera and Shark Communication 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. Nordic Issuing is the issuing agency in connection with the Rights Issue.

PARTIES WITH INTERESTS
Sedermera provides financial advice and other services to Initiator in connection with the Rights Issue. Sedermera (and its affiliates) has in the ordinary course of business provided, and may in the future provide, various 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, see section "*Board of Directors and executive management*" in this Prospectus.

Two investors have entered into subscription- and 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.

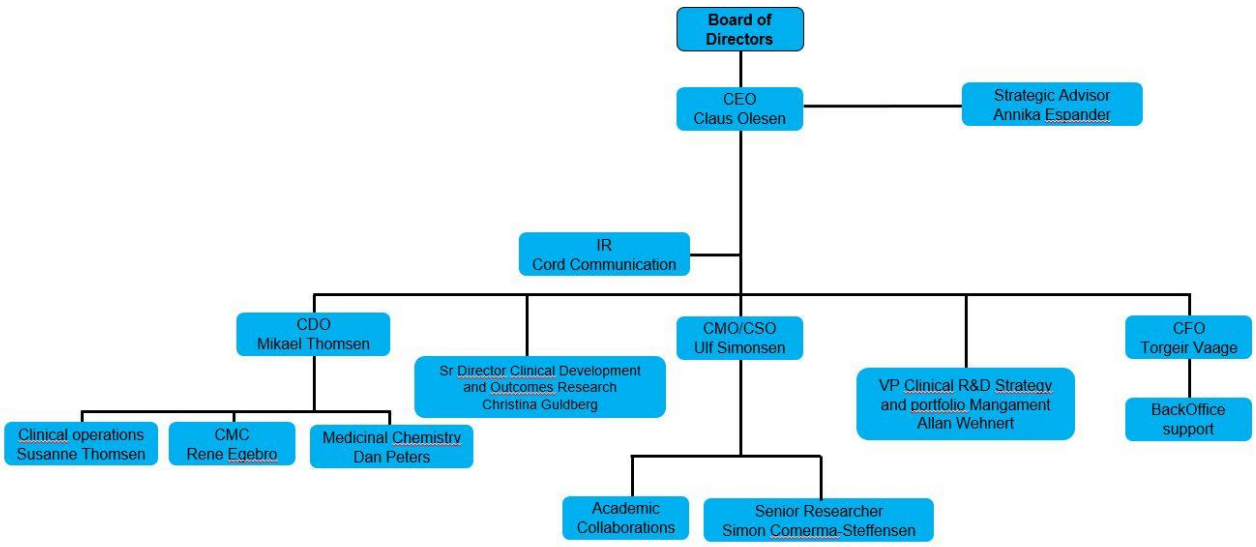
BUSINESS AND MARKET OVERVIEW

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 Pharma A/S was incorporated in Denmark and is a Danish public limited liability company governed by Danish law and the Danish Companies Act (DK. Selskabsloven). Initiator Pharma is a Danish life science/medical technology company which develop 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 on 2 May 2016 and is not part of any group and has no holdings in other operations. The Company currently has a board of six (6) 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 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 Pharma´s vision is to develop therapeutics to provide relief and improve the quality of life for patients suffering from diseases and medical conditions related to the Central Nervous System (CNS). The CNS is the part of the nervous system consisting primarily of the brain and spinal cord.

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. Initiator aims to rapidly progress these candidates through value creating clinical Proof-of-Concept studies to the point where the Company expects to enter partnerships for late-stage clinical development or in some cases e.g. assets with orphan drug designation all the way to generating registration data in Phase 3 trials. A specific challenge for Initiator is to ensure that the Company can in-source selected programs and assets requiring modest clinical trial designs and generate 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:

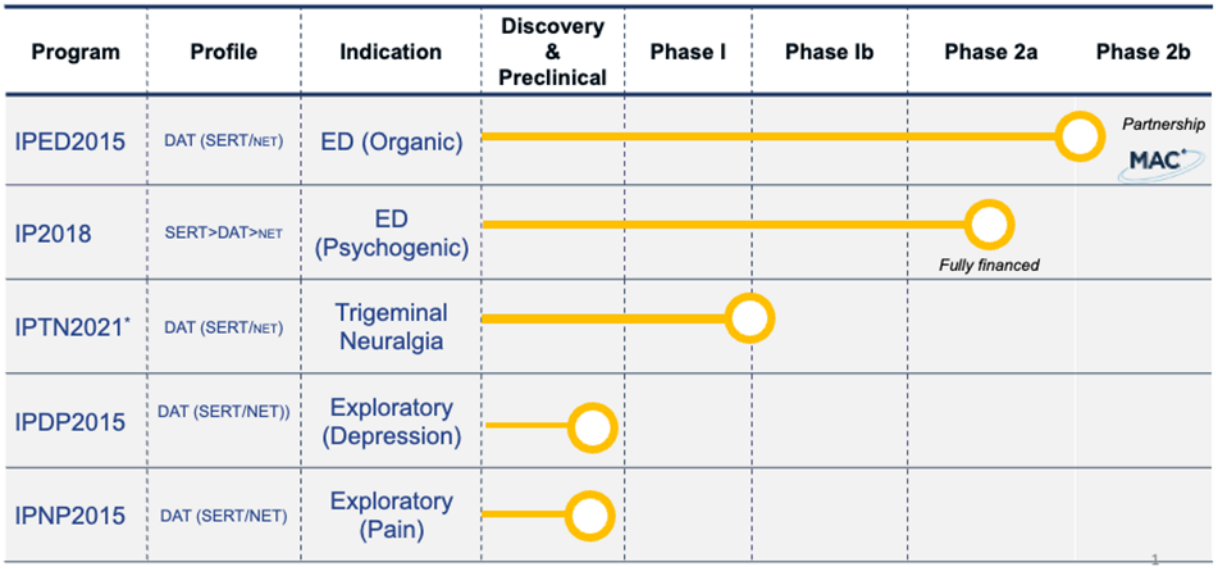
- By internal development of selected programs through clinical Proof of Concept before out-licensing to pharmaceutical companies who will take over the later-stage clinical development of Initiator's programs and typical with upfront, milestone and royalty payments on product sales to Initiator

- 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

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 toxicology 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 program 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®). IP2015 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. IP2015 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 is 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

Datamonitor Healthcare forecasts that by 2028 there will be 450 million prevalent cases of erectile dysfunction in males aged 20 years and older worldwide. In comparison, the estimated number of cases in 2019 were 401 million[1]. At the beginning of June 2019, Initiator announced that the Company had successfully completed a Phase 1 study regarding safety and tolerability with IP2015, and in March 2020, Initiator achieved successful Phase 2a results in the IPED2015 program. 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 IP2015 for the treatment of moderate and severe erectile dysfunction in patients who do not respond to current therapies.

The scientific basis for IP2015, 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] https://pharmastore.informa.com/product/market-spotlight-erectile-dysfunction/

- 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 IP2015, all preclinical development of the drug candidate to enable an application for clinical trials (CTA) has been carried out by auspices of the Company. IP2015 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 IP2015 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 IPED2015 clinical Phase 2b intercourse study 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 is a randomized, double-blind, parallel-group, repeat single oral dose study of IP2015 or placebo in otherwise healthy organic erectile dysfunction patients. The plan is to include 120 patients in the study divided into three parallel arms receiving a higher (also used in the first Phase 2a study) and a lower dose of IP2015 and placebo, respectively. The treatment consists of four dosings over four weeks with frequent assessments of erectile dysfunction, safety, and pharmacokinetics.

The Phase 2b trial received CTA approval from the MHRA in UK and the Ethics Committee in June 2021, and the first patient was dosed in September 2021. Inclusion and dosing of patients should be completed in H2 2022, pending the development of the Covid-19 pandemic.

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. Early US-based studies suggest that there are between 51,500 and 133,000 cases of trigeminal neuralgia in the US. Anecdotally, healthcare providers and health insurance plans in the US claim that 140,000 people suffer from trigeminal neuralgia in the US[2]. 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 FDA-approved drug for TN) and oxcarbazepine as first-line therapies, however the current medication is often found ineffective and with serious adverse events.[3] Therefore there is an unmet need, which Initiator will address in the IPTN2021 program.

In the IPTN2021 program the Active Pharmaceutical Ingredient (API) is 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.

[2] Nguyen, 2010; Aetna, 2021.

[3] 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.

In preclinical studies, IP2015 is effective and markedly inhibits neuralgic pain. As at the date of this Prospectus, Initiator is currently conducting a Proof-of-Principle study (Phase 1), in which the Company examine the effect of IPED2015 in subjects exposed to the sensory nerve stimulant capsaicin. In November 2021 the Company announced that Medicines & Healthcare products Regulatory Agency, MHRA, UK had approved the planned Phase I study in the IPTN2021 program with the drug substance IP2015 in healthy subjects challenged with pain inducing ingredient (capsaicin), and on 21 March 2022 Initiator announced that the Company had completed the patient inclusion into the study. On 22 May Initiator reported positive efficacy data outcome of the IPTN2021 program Phase I study to assess pain-reducing effects in healthy subjects dosed with the drug substance IP2015, and challenged with a pain-inducing ingredient (capsaicin).

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 IP2015 used for organic erectile dysfunction (mainly caused by diabetes and age), primarily targeting the dopamine system.

Psychogenic Erectile dysfunction is best characterized by:

- Persistent inability to achieve/maintain erection predominantly due to psychological factors
- Psychological factors (stress, anxiety, depression etc.) are responsible for about 20% of all cases of 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 Initiator's 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

Initiator is as of the date of this Prospectus conducting a Phase 2a clinical trial with its candidate drug IP2018. The Phase 2a trial is a randomised, double-blind, placebo-controlled, 3-way crossover trial (placebo, high dose IP2018 and low dose IP2018) studying the efficacy and safety of IP2018 in 24 depressed, erectile dysfunction patients. The primary objective of the study is to investigate the effects of IP2018 on penile rigidity and tumescence using visual sexual stimulation test. The study is conducted at the MAC unit in Manchester, UK. The Phase 2a clinical trial was approved by the Medicines and Healthcare products Regulatory Agency ("MHRA"), and the Ethical Committee (EC) the UK in June 2020 and the first patient was dosed in December 2020.

The recruitment into the study during H1 2021 was previously slower than anticipated due to the impact of Covid-19, but the patient recruitment rate has increased significantly since Initiator in July 2021 obtained approval from the regulatory authorities to modify certain inclusion criteria. However, recruitment rate is still impacted by the Covid-19 pandemic, especially the patient segment targeted in this trial seems to be significantly impacted. The patient recruitment is expected to be completed soon.

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.[4] It is a multifactorial disease where recommended first-line treatments include selected antidepressants (i.e., tricyclic antidepressants and dual serotonin and norepinephrine 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.[5] 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 program completed 2019
Phase 2a IPED2015 program completed 2020
Phase 2a IP2018 program for ED of psychogenic origin ongoing 2020-22
Phase 1 IPTN2021 program Proof-of-Principle study ongoing 2022

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] Coherent Market Insights "Neuropathic Pain Market Analysis" (2020), https://www.coherentmarketinsights.com/market-insight/neuropathic-pain-market-3656.
[5] 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.

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

2022

1H	Conduct Proof-of-Principle Pain study in healthy subjects IPTN2021 Program
2H	Complete Proof-of-Concept in Phase 2 study that IP2018 has effect on ED in patients with ED of psychogenic origin
2H	Complete IPED2015 Phase 2b sexual intercourse study to examine the therapeutic effect of IP2015 in patients suffering from erectile dysfunction of organic origin
2H	Complete drug product development of IP2015
2H	Start Phase 1 Multiple Ascending Dose (MAD) Clinical study for IP2015
2H	Complete option agreement evaluation for the Phase 2/3 drug asset.

2023

H1	Complete drug product development of IP2018
H1/H2	Initiate Phase 2 study IPTN2021 program to examine the effect on trigeminal neuralgia
H1/H2	Based on the readout of IP2018 Phase 2a trial design and initiate Phase 2 b study to examine the effect of IP2018 on ED in patients with ED of psychogenic origin
H1	Continued clinical development of IP2015 based on results from the IPED2015 Phase 2b trial

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 18 May 2022 resolved on a directed share issue to Linc AB and Adrigo Asset Management AB, without preferential rights for existing shareholders. A total of 2,666,666 shares were issued and resulted in an increase of Initiator's share capital by DKK 279,999.93. The subscription price per share was SEK 7.50. The total issue proceeds amounted to SEK 20 million (DKK 14.3 million).

As at the date of this Prospectus, and apart from the directed 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 Rights Issue described in this Prospectus, there are no investments which are in progress and/or for which firm commitments have already been made.

MARKET OVERVIEW

Erectile dysfunction

As the world's population has 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. Datamonitor Healthcare forecasts that by 2028 there will be 450.2 million cases of erectile dysfunction in males aged 20 years and older worldwide. In comparison, the estimated number of cases in 2019 were 401.4 million[6].

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® and 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.[7] 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.[8] [9] 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. Early US-based studies suggest that there are between 51,500 and 133,000 cases of trigeminal neuralgia in the US. Anecdotally, healthcare providers and health insurance plans in the US claim that 140,000 people suffer with trigeminal neuralgia in the US[10]. 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 need for new therapies, which Initiator will address in the IPTN2021 program.[11] 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.

The neuropathic Pain Market according to Garner has a value of MUS$ 9,862.3 by 2027, at CAGR of 6.4 percent by the end of 2027.[12] 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

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[6] https://pharmastore.informa.com/product/market-spotlight-erectile-dysfunction/

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

[8] 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

[9] 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

[10] Nguyen, 2010; Aetna, 2021.

[11] 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.

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

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.[13] 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.[14] About 13 percent of all Americans take antidepressant drugs, which means over 23 million prescriptions per year.[15] The global Anxiety Disorder and Depression Treatment Market is forecasted to grow at a rate of 2.4 percent per year from USD 15.85 billion in 2019 to USD 19.21 billion in 2027.[16] 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.

The current treatment for sexual dysfunction in patients with depression is to use one of the atypical antidepressant drugs (e.g. brupropion), 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 of depression and erectile dysfunction with

[13] 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.
[14] 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
[15] 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.
[16] Reports and Data. "Anxiety Disorder and Depression Treatment Market By Therapies" (2020), https://www.reportsanddata.com/report-detail/anxiety-disorder-and-depression-treatment-market.

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 assesses that IP2018 is a first-in-class drug candidate with a very favourable product profile.

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). IP2018 offers clear differentiation to current market antidepressive products, e.g.Trintellix, by providing 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.

TRENDS

Initiator Pharma has so far only undertaken development activities and no activity related to production, stock or sales have been conducted historically, nor are they expected to occur during 2022. Hence, as far as the Board of Directors is aware, there are no significant known trends, uncertainties, potential claims or other requirements, commitments or events related to production, sales, inventory, costs and selling prices from 31 March 2022 until the date of this Prospectus, that can be expected to have a significant impact on the Company's prospects. Further, the Company is not aware of any specific governmental tendencies, economic tendencies, etc., which may affect the Company's operations in the foreseeable future.

WORKING CAPITAL

Working capital refers to Initiator's possibilities to get access to cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment. In May 2022, Initiator received net proceeds of approximately SEK 20 million (DKK 14.3 million) following a directed share issue of a total of 2,666,666 shares, that was resolved by the Board of Directors, with support by an authorization from the Extraordinary General Meeting on 18 May 2022. Thus, the Board of Directors of Initiator assesses that the Company's existing working capital is sufficient for Initiator's current operations during the forthcoming twelve-month period following the date of publication of the Prospectus.

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 Initiator listed as high, moderate or low.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S OPERATIONS

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 or the results of the clinical trials are negative. Hence, no future revenues may be generated and furthermore it may be challenging to attract financing to continue operations in the Company.

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.

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 high. If the risk would materialise, Initiator considers the potential negative impact to be medium.

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 medium. If the risk would materialise, Initiator considers the potential negative impact to be high.

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 medium. If the risk would materialise, Initiator considers the potential negative impact to be high.

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 four clinical trials in 2022 and 2023. 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 medium. If the risk would materialise, Initiator considers the potential negative impact to be medium.

Development costs
Initiator will continue to develop and further develop products within its area of business. Development of new therapeutic drugs is inherently risky, where a number of factors may impact the development costs of the Company´s programs, such as (1) regulatory requirements may add additional studies to the development program, which may impact costs and development timelines, and (2) the recruitment of patients into the ongoing or planned clinical trials may take longer time than anticipated, impacting the costs of completing the clinical trials.

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 impact the Company´s ability to finance its operations and also reduced potential future revenues and operating profit for the Company.

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

Suppliers
Initiator Pharma is relying on a number of external suppliers, such as contract manufacturing organizations, clinical research organizations and regulatory advisors, in order to conduct its development program in a time and cost efficient way. The cost and time of Initiator´s development programs may be negatively impacted by the inability of its suppliers to deliver products and services of sufficiently high quality, within planned timelines and at agreed costs.

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

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. Initiator's lead program IPED2015 is uniquely positioned to treat patients that are not helped by PDE5 inhibitors and therefore the Company does not expect that the reduced pricing for the generics will affect the anticipated premium pricing for the Company's 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 focusing specifically on the PDE5i non responders patient segment. The 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 medium. If the risk would materialise, Initiator considers the potential negative impact to be medium.

Effects of COVID-19
The 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. COVID-19 has also affected Initiator, and its partners, such as hospitals and other research institutions and, consequently, also the ongoing clinical trials, e.g. with a slower pace of inclusion of patients in Initiator's clinical program IP2018. As at the date of this Prospectus, Initiator is currently not effected by the pandemic. However, the further consequences of COVID-19 are uncertain. There is a risk that COVID-19 will continue to have a negative impact on Initiator and its partners and/or delay ongoing as well as future clinical trials. 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 medium. If the risk would materialise, Initiator considers the potential negative impact to be medium.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S SHARES AND THE OFFER

The shares are subordinated to most of the Company's liabilities
The new shares as well as the existing shares represent subordinated debt obligations of the Company. This means that if Initiator is subject to any liquidation or bankruptcy, the shareholders normally receive payment after all other creditors have been paid in full. As the shareholder will only have an unsecured claim against the Company, the shareholders may not recover any or all of their investment. Any potential investor should therefore be aware of that an investment in the Company's shares entails a risk that the investor loses all or part of its investment if the Company becomes liquidated, bankrupt, insolvent, carries out a restructuring, or is wound-up.

It is Initiator's assessment that the probability of the risk occurring is medium. 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 8.55 million (DKK 6.15 million) of the Rights Issue amount, corresponding to approximately 21 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 41 million (DKK 29.5 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 high.

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
On 31 May 2022 the Board of Directors resolved, pursuant to the authorisation in article 4bb in the Company's Articles of Association, to increase the share capital by minimum nominally DKK 0.105 and maximum nominally DKK 573,659.73 to carry out the Offer.

Apart from the authorisation in article 4bb used in connection with the completion of the Rights Issue above, the following authorisations have been adopted by the general meeting and included in the Company's articles of association:

Article 4.a (carve-out):
The Board of Directors is authorised until the period ending 24 May 2023, at one or more times, by resolution of the Board of Directors to increase the share capital with up to nominal DKK 1,838,443.4 with pre-emptive subscription rights for the Company's shareholders. Capital increases may be carried out by way of cash contribution, contribution in kind or debt conversion. The Board of Directors determines the subscription price that may be set at market value or at a price below market value.

Article 4.b (carve-out):
The Board of Directors is authorised until the period ending 24 May 2023, at one or more times, by resolution of the Board of Directors to increase the share capital with up to nominal DKK 689,416.276 without pre-emptive subscription rights for the Company's shareholders. Capital increases may be carried out at market value by way of cash contribution, contribution in kind or debt conversion.

Article 4e (carve-out):
The Board of Directors is authorised until the period ending 30 June 2024 at one or more times, by resolution of the Board of Directors to increase the share capital with up to nominal DKK 138,600 without pre-emptive subscription rights for the Company's existing shareholders in connection with issuance of shares directed at the Company's Board of Directors, management and senior executives. New shares must be issued by way of cash contribution at a subscription rate that is determined by the Board of Directors and which can be below market value.

Article 4f (carve-out):
The Board of Directors is authorised until the period ending 28 February 2025, at one or more times, by resolution of the Board of Directors to increase the share capital with up to nominal DKK 69,300 without pre-emptive subscription rights for the Company's shareholders directed at the Company's management board and key employees. Capital increases may be carried out by way of cash contribution. The Board of Directors determines the subscription price that may be set at market value or at a price below market value.

Furthermore, the Company's articles of association includes an authorisation to issue warrants that has been used, please refer to article 4c (issuance of warrants, where the warrant terms have been included in annex 4c to the articles of association).

INFORMATION CONCERNING THE SHARES TO BE OFFERED
The Offer described in this Prospectus consists of a maximum of 5,463,426 new shares of nominally DKK 0.105 each. All shares belong to the same share class and carry the same rights. In order for shares to be traded on Nasdaq First North Growth Market the shares will have to be transferred by the shareholder into Euroclear's account with Euronext Securities. Shares that have not been transferred into Euroclear's account with Euronext Securities, and are therefore only registered with Euronext Securities, will not be traded on Nasdaq First North Growth Market.

With a subscription of the maximum number of new shares in the Offer, Initiator's share capital will increase with nominally 573,659.73 from nominally DKK 4,876,108.44 (SEK 6,777,790.73 million) to DKK 5,449,768.17 (SEK 7,575,177.52 million) and the number of shares will increase with 5,463,426 from 46,439,128 to 51,902,554. With a subscription of the maximum number of new shares in the Offer, the issue proceeds to be received (excluding any costs in relation the Offer) will amount to SEK 40,975,695.00 (DKK 29,478,917.3 million).

Initiator's shares are traded under the International Security Identification Number (ISIN) DK0060775872 on Nasdaq First North Growth 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 Nasdaq First North Growth Market, Initiator is bound to the obligations set out in the applicable Nasdaq First North Growth Market Rulebook. Such obligations include, but are not limited to, complying with disclosure and information requirements in the Swedish Securities market. Through its listing on Nasdaq First North Growth Market, the Company will also be subject to Swedish self-regulation, which includes application of the Swedish takeover rules and recommendations on directed cash issues, and the Swedish Securities Council may, on request, decide whether a measure by the Company or its shareholders is consistent with such practices and regulations, and the body of the Swedish self-regulating system may issuing rulings, render advice and provide information on good practice in the Swedish stock market.

The shares are registered with Euronext Securities, 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 46,439,128 shares are registered in Euronext Securities and a total of 46,360,097 shares are mirrored and registered in Euroclear. The shares are in book-entry form.

The new shares are issued in Swedish kronor (SEK).

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. Further, all shares have equal rights in the event of insolvency, liquidation or winding up. 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 shareholder 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.

The shareholders who own shares in Euroclear have the right to participate and vote at General Meetings. Those who choose not to reflect their shares and therefore only have them in Euronext (DK) do not have the right to participate and vote at General Meetings.

Rights to dividend

The new shares will, when fully paid up and registered with the Danish Business Authority, have the same rights as the existing shares, including with respect to eligibility for any dividends paid to holders of shares. Consequently, the new shares are eligible for dividends as of the date of registration with the Danish Business Authority, which is expected to take place around 18 July and in any event before listing of the new shares.

Any dividends will be paid in DKK to the shareholder's account with Euroclear. No restrictions on dividends or special procedures apply to holders of shares who are not residing in Denmark. Dividend withholding tax may be withheld by the Company in accordance with applicable Danish law.

Dividends which have not been claimed by shareholders within three (3) years from the time they are payable will in accordance with applicable Danish law be forfeited and will accrue to the Company.

The Company does not have a dividend policy in place and no dividends have been paid out for the last two financial years covered by the financial information included in this Prospectus.

Pre-emptive subscription rights
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 subscription 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.

Liquidation rights
In case of the dissolution or winding-up of the Company, the shares will be entitled to a proportionate part of the Company's assets after payment of the Company's creditors.

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 and the shares 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. No public takeover bids have been made by any third party in respect of the Company's existing shares during the past or the current financial years.

The new shares that are issued in the Rights Issue 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 Nasdaq First North Growth Market. This means that, in their entirety, the rules will apply not only in cases in which the shares are traded exclusively on Nasdaq First North Growth Market, but also in cases in which the shares are traded on both Nasdaq First North Growth 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 are not applicable to Initiator, as they only apply to target companies that are Swedish limited liability companies. Thus, the takeover rules that applies to Nasdaq First North Growth 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. Nasdaq First North Growth Market is not a regulated market and, thus, the Danish takeover rules are not applicable to Initiator.

THE SHARES' TRANSFERABILITY

In accordance with the terms of the directed share issue, that was resolved by the Board of Directors based on authorization from the Extraordinary General Meeting on 18 May 2022, Linc AB and Adrigo Asset Management AB have committed to not sell any of the shares that was directed to them for a period of 90 days following the issuing of the shares, which took place on 1 June 2022.

Except from the above, there are no restrictions in the transferability of the shares.

TAX CONSIDERATIONS

In this section, a description of the Danish tax consequences of investing in the shares expected to be issued in connection with the Rights Issue (the "Shares") is presented.

An investment in the Shares result in tax consequences for the investor. Initiator is a Danish registered company that has unlimited tax liability in Denmark and the investors will, therefore, from a tax perspective invest in a Danish company regardless that the Shares will be traded on Nasdaq First North Growth Market in Sweden. The tax legislation in the investor's home country and Denmark may have an effect on any income received from the Shares described in this Prospectus.

Taxation of any dividend, as well as capital gains tax and rules regarding capital losses on sale of Shares depends on the individual shareholders' specific situation. Shareholders are advised to consult their own tax adviser for an assessment of the tax consequences applicable to them, including applicability and effect of foreign tax rules and tax treaties when being a shareholder in the Company.

Danish taxation

The following is a brief summary of certain Danish tax considerations relevant to the acquisition, ownership and disposal of Shares by holders that are residents of Denmark for the purposes of Danish taxation ("Danish Shareholders") and holders that are not residents of Denmark for such purposes ("Non-Resident" or "Foreign Shareholders").

The summary is based on applicable Danish law, rules and regulations as at the date of this Prospectus. The law, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any jurisdiction other than Denmark.

The summary does not consider tax issues for the Company, and the summary focuses only on the shareholder categories explicitly mentioned below.

In addition to the above, it should be noted that according to Danish tax rules, Nasdaq First North Growth Market is considered a multilateral trading facility. Consequently, in a Danish tax context, the Shares are unlisted shares for individual shareholders but listed shares for corporate shareholders.

Danish shareholders

Corporate shareholders

According to Danish tax law, the Shares held by Danish corporate shareholders are for Danish tax purposes categorized based on three definitions. The categories are "subsidiary shares", "group shares" and "taxable portfolio shares".

Shares are categorized as" subsidiary shares" if the shareholder owns directly 10% or more of the nominal share capital of the Company.

Shares are categorized as "group shares" if the shareholder and the subsidiary (here: the Company) are subject to mandatory Danish tax consolidation or qualify for Danish optional international tax consolidation.

"Taxable portfolio shares" are shares that qualify neither as subsidiary shares nor as group shares.

Dividends
Dividends distributed from the Company to Danish corporate shareholders (companies with limited liability and similar entities) holding "taxable portfolio shares" is taxed as ordinary corporate income (22%), and the Company is obliged to withhold, notify and pay the withholding tax of 22% to the Danish tax authorities.

If, however, the Shares held by a Danish corporate shareholder are categorized as "subsidiary shares" or "group shares", the dividend is tax-exempt, and the Company is not to withhold tax at source on the dividend. The tax exemption presupposes that the Danish corporate shareholder is the beneficial owner of the dividend.

Capital gains
Capital gains on "subsidiary shares" and on "group shares" are tax-exempt for Danish corporate shareholders (companies with limited liability and similar entities), unless the shareholder's business activity is trading in shares.

Corporate shareholders are subject to Danish corporate tax on 22% on "taxable portfolio shares" based on a mark-to-market taxation. This provides that an annual gain/loss is calculated as the difference between the value of the share at the end of the income year and the beginning of the income year. In the year of disposal, the gain/loss is calculated as the difference between the selling price and the fair value of the share at the beginning of the year of sale. Thus, gains are taxable and losses deductible even though the share has not been disposed of and the gain or loss not realized.

Capital losses on the Shares can be set-off against taxable income.

Individual shareholders

Dividends
Dividends distributed from the Company to Danish individual shareholders are taxable as share income at a tax rate of 27%/42% in the same way as described above.

The Company is obliged to withhold, notify and pay a withholding tax of 27% to the Danish tax authorities.

Capital gains
Danish individual shareholders are taxed on realized capital gains as share income at a current tax rate of 27%/42%.

The gain is taxed at 27% of the first DKK 57,200 (2022 rate) (spouses share a threshold of DKK 114,400 if married at the end of the income year). The excess capital gain is taxed at 42%. Danish individual shareholders can set off realized capital losses against the income year's dividends and capital gains arising from other shares (both listed and unlisted shares). Excess capital losses on the Shares can be set-off in the individual shareholder's personal income tax.

Non-resident shareholders

Non-Resident corporate shareholders

Dividends
The main rule is that Non-Resident shareholders holding less than 10% of the Shares will be subject to Danish tax at a rate of 22% on dividend payments. However, the withholding rate is 27%, meaning that all foreign corporate shareholders receiving taxable dividends distributed from the Company will be able to ask for a refund of minimum 5% of the total dividend.

Shareholders owning less than 10% of the Shares, are in most circumstances entitled to submit a reclaim for a 15% withholding tax rate under the applicable double tax treaty, assuming that the shareholder is the beneficial owner of the payment.

For shareholders owning 10% or more of the Shares ("subsidiary or group shares") the Danish withholding tax on dividends will in most circumstances be 0% according to either domestic Danish legislation, the EU Parent/Subsidiary Directive (2011/96/EU) and/or the applicable double tax treaty.

Capital gains
Gains from realization of shares by Non-Resident shareholders (individual and corporate shareholders) are not taxable in Denmark unless the Shares are allocated to a Danish permanent establishment of the non-resident shareholder permanent establishment.

Non-Resident individual shareholders

Dividends
Dividends distributed from the Company to non-resident individual shareholders are always subject to Danish withholding tax of 27% regardless of their shareholding.

The non-resident individual shareholder is in most circumstances entitled to submit a reclaim for a 15% withholding tax rate under the applicable double tax treaty, or if he is resident in a state that is obligated to exchange information with Denmark under a tax treaty or an international agreement, convention or other administrative agreement on assistance in tax matters.

Capital gains
Gains from realization of shares by Non-Resident shareholders (individual and corporate shareholders) are not taxable in Denmark.

TERMS AND CONDITIONS OF THE OFFER

THE OFFER
On 31 May 2022, the Board of Directors of Initiator decided, with authorization from the Extraordinary General Meeting on 18 May 2022, 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 25 July 2022.

The Rights Issue will be conducted in both Euroclear and Euronext Securities. A total of 46,439,128 shares are registered in Euronext Securities and a total of 46,360,097 of the shares are mirrored and registered in Euroclear.

The number of shares issued will be 5,463,426. One (1) existing share in the Company entitles the owner to one (1) subscription right and seventeen (17) subscription rights give the owner the right to subscribe for two (2) new shares. The subscription price per share is SEK 7.50 for Euroclear shareholders (shareholders holding shares in both Euronext Securities and Euroclear) and DKK 5.39 per share for Euronext Securities shareholders (shareholders holding shares in only Euronext Securities).

DILUTION
Through the Rights Issue, the Company's share capital will increase with a maximum of DKK 573,659.73, through the issuing of a maximum of 5,463,426 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 approx. 10.5 percent.

PREFERENTIAL RIGHT FOR SUBSCRIPTION
Parties who on the record date on 10 June 2022 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. Seventeen (17) subscription rights entitle to subscribe for two (2) new shares.

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 Euronext Securities system.

SUBSCRIPTION PRICE AND VALUATION
The subscription price is SEK 7.50 per share for Euroclear shareholders and DKK 5.39 per share for Euronext Securities shareholders. Brokerage fee may occur.

There are no costs imposed on investors by the Company. However, investors shall bear customary transaction and handling fees required by their account-holding banks.

RECORD DATE
Record date in Euroclear and Euronext Securities for participation with preferential right was 10 June 2022. The last day of trading with shares in the Company including preferential right was 8 June 2022. The first day of trading with shares in the Company without preferential right was 9 June 2022.

SUBSCRIPTION PERIOD IN EUROCLEAR SWEDEN AB
The subscription period starts on 16 June 2022 and ends on 30 June 2022. 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 20 June 2022.

SUBSCRIPTION PERIOD IN EURONEXT SECURITIES

The subscription period starts 16 June 2022 and ends 30 June 2022. 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 Euronext 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 30 June 2022.

CROSS-BORDER TRANSFER OF SECURITIES

A cross-border transfer is not possible between 9 June 2022 until 10 June 2022, both days included, meaning that transfer of shares from Euronext Securities to Euroclear or from Euroclear to Euronext 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 Euronext Securities and Euroclear or from Euroclear to Euronext Securities.

TRADING WITH SUBSCRIPTION RIGHTS

Only subscription rights issued through the Euroclear system will be tradeable on Nasdaq First North Growth Market during the subscription period. Trading in subscription rights will take place on Nasdaq First North Growth Market from 16 June 2022 until 27 June 2022. 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 30 June 2022 or sold no later than 27 June 2022, in order to not become void or lose their value.

PRE-SUBSCRIPTION COMMITMENTS AND UNDERWRITING COMMITMENTS

The Company has, in April 2022 received legally binding pre-subscription commitments of approximately SEK 8.55 million (DKK 6.15 million), which corresponds to approximately 21 percent of the share issue volume, and underwriting commitments of approximately SEK 32.43 million (DKK 23.3 million), which corresponds to approximately 79 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 14 percent of each of the guarantors' underwriting commitment (which is both maximum and minimum compensation) 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.

Pre-subscriber	Org.no.	Address	Pre-subscription commitment (SEK)	Pre-subscription commitment (%)
Linc AB	556232-0811	Birger Jarlsgatan 36, 114 29, Stockholm, Sweden	6,277,155.00	15
Adrigo Asset Management AB	556988-2086	Kungsgatan 33, 111 93, Stockholm, Sverige	2,270,760.00	6
Total			**8,547,915.00**	**21**

Subscriber	Org.no.	Address	Underwriting commitments (SEK)	Underwriting commitments (%)
Linc AB	556232-0811	Birger Jarlsgatan 36, 114 29, Stockholm, Sweden	22,000,000.00	54
Adrigo Asset Management AB	556988-2086	Kungsgatan 33, 111 93, Stockholm, Sverige	10,427,780.00	25
Total			**32,427,780.00**	**79**

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 10 June 2022, were registered in the Euroclear system, receives a pre-printed paying slip (account statement). A teaser and the Prospectus can be found on the Company's website. 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 pre-printed paying slip. A teaser and the Prospectus can be found on the Company's website. 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 30 June 2022. 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 via e-mail no later than 30 June 2022 on the contact details stated below.

The subscription is binding.

Nordic Issuing reserves the right to disregard application slips received by post, as it cannot be guaranteed that they will be received before the last day of the subscription period if they are posted.

E-mail: info@nordic-issuing.se (scanned subscription form)
Subject: Initiator Pharma A/S

SUBSCRIPTION OF SHARES FOR SHAREHOLDERS IN EURONEXT SECURITIES

SUBSCRIPTION OF SHARES WITH PREFERENTIAL RIGHT THROUGH EURONEXT SECURITIES
Subscription and payment of shares with pre-emptive subscription rights for shareholders who, on the record date, were only registered in Euronext Securities, and thus not registered in Euroclear, shall be carried

out according to instructions from each account holding bank or broker registered in Euronext Securities no later than 30 June 2022. Payment shall be made in DKK. The subscription is binding.

NOMINEE-REGISTERED SHAREHOLDERS
Shareholders whose shares in the Company were nominee registered through a bank or broker will not receive preprinted paying slips. 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 30 June 2022. The subscription is binding. Nordic Issuing reserves the right to disregard application slips received by post, as it cannot be guaranteed that they will be received before the last day of the subscription period if they are posted.

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 five (5) 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, South Korea, Russia, Belarus 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, South Korea, Russia, Belarus 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 Euronext 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.

TRADING IN BTA
Only BTA's issued through the Euroclear system will be tradeable on Nasdaq First North Growth Market. Trading in BTA's will take place on Nasdaq First North Growth Market from 16 June 2022 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 in mid-July 2022.

DELIVERY OF SHARES
As soon as the Rights Issue has been registered with Erhvervsstyrelsen, which is expected to take place in mid-July 2022, 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 Euronext Securities system. In order to trade the shares on Nasdaq First North Growth 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 Euronext Securities. This means that Euroclear is registered as owner of the shares on behalf of underlying shareholders, in the shareholder register kept by Euronext Securities.

Shares which are subscribed for on basis of subscription rights, by exercising subscription rights issued in the Euronext Securities system, and which are paid for in DKK, will not be registered in Euroclear and will hence not be tradeable on Nasdaq First North Growth Market. In order for such shares to be tradeable on Nasdaq First North Growth 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 Nasdaq First North Growth Market.

As soon as the Rights Issue has been registered at the Danish Business Authority, as expected in mid-July 2022, BTA's are converted into shares without further notice from Euroclear and Euronext 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 the beginning of July 2022, 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 Nasdaq First North Growth 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 Euronext Securities system is managed by Euronext 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 Euronext Securities with visiting address Nicolai Eigtveds Gade 8, DK-1402 Copenhagen, 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 Nasdaq First North Growth 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 Nasdaq First North Growth 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 SE0018041790. ISIN-code for the BTA will be SE0018041808.

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 with the Rights Issue is Nordic Issuing AB. The issuing agent and settlement agent in Denmark in connection with the Rights Issue is Danske Bank and Nordic Issuing.

CONTACT INFORMATION EURONEXT SECURITIES AND EUROCLEAR SWEDEN AB

Euronext Securities, Nicolai Eigtveds Gade 8, 1402 Copenhagen, Denmark	Euroclear Sweden AB, 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 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 Nasdaq First North Growth 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 Nasdaq First North Growth 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 five (5) and no more than seven (7) members elected by the General Meeting. As at the date of this Prospectus, the Board of Directors consists of six (6) 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
Gunilla Ekström	1958	Member	2022	Yes	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: 244,186 shares (0.06 % of total amount of shares) and 120,788 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: 7,000 shares (0.0% of total amount of shares) and 42,000 warrants.

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: 113,106 shares (0.03 % of total amount of shares) and 68,052 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: 977,438 shares (2.2% of total amount of shares) and 442,497 warrants.

Gunilla Ekström, born 1958
Member of the Board of Directors since 2022
Education: *Medical doctor and PhD from the Karolinska Institute in Sweden.*
About: Gunilla is co-founder of Gesynta Pharma AB where she currently holds the position as VP project management and is member of the management team. Gunilla has extensive experience of managing advanced pre-clinical and clinical pharmaceutical development projects and organizations. Having worked some 30 years in the pharma industry, her background includes companies such as AstraZeneca, Orexo, Karolinska Development and Ultimovacs where she held executive positions such as Global Product Director, Head of Portfolio Management, VP Operations and CEO. Gunilla also has vast experience in leadership of global cross-functional development teams, building strategic plans and evaluating inlicensing opportunities mainly in the field of analgesia.
Other ongoing assignments: *Serves on the board of a number of companies in the pharmaceutical industry such as Emplicure AB (publ), Corline Biomedical AB (publ), Strike Pharma AB and Disruptive Pharma AB.*
Holdings in the Company: 0 shares (0 % of total amount of shares) and 42.000 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: 279,948 shares (0.07% of total amount of shares) and 223,813 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: 661,056 shares (0.2% of total amount of shares) and 223,813 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 for the Board of Directors are determined by the General Meeting. The Annual General Meeting held on 24 May 2022 resolved that an annual fee of DKK 220,000 shall be paid to the Chairman of the Board of Directors of the Company and an annual fee of DKK 90,000 shall be paid to each other board member. Remuneration to members of the executive management comprises a fixed monthly salary, warrant program, bonus, and other benefits.

The table below presents remuneration paid to members of the Board of Directors and executive management during the financial year 2021 ending 31 December 2021. Initiator Pharma has no reserved amounts for pension or similar benefits following the resignation of a Board member or a member of the executive management.

DKK	Remuneration/ Salary	Other remuneration	Pension	Total
Board of Directors				
Magnus Persson (chairman)	153,258	-	-	**153,258**
Annette Colin (member)	58,472	-	-	**58,472**
Henrik Moltke (member)	58,384	-	-	**58,384**
Peter Holm (member)	58,384	-	-	**58,384**
Claus Elsborg Olesen (member)	-	-	-	**-**
Executive management		-	-	
Claus Elsborg Olesen (CEO)	1,060,800	-	-	**1,060,800**
Torgeir Vaage (CFO)	800,157	-	-	**800,157**
Mikael Thomsen (CDO)	1,083,375	-	-	**1,083,375**

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 2021 and 2020, 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 2022 to 31 March 2022. 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 1/1-2022 to 31/3-2022

- Statement of income (page 14), Statement of financial position (page 15), and Statement of cash flow (17).
- Link to document: https://initiatorpharma.com/investors/financial-reports/

Annual report 2021

- Statement of income (page 20), Balance sheet on December 31, 2021 (page 21), Statement of changes in equity (page 22), Statement of cash flow (page 22), and Accounting policies and Notes to the financial statements (pages 23-27).
- Independent auditors report (pages 29-30)
- Link to document: https://initiatorpharma.com/investors/financial-reports/

Annual report 2020

- Profit & Loss Statement (page 18), Balance sheet (pages 19), Statement of changes in equity (page 20), Statement of cash flow (page 20), Accounting policies (21-22) and Notes (pages 23-24).
- Independent auditor's report (pages 26-27)
- Link to document: https://initiatorpharma.com/investors/financial-reports/

The annual reports for the financial years 2021 and 2020 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 2021 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 2021** **31 Dec 2021**	**1 Jan 2020** **31 Dec 2020**	**1 Jan 2022** **31 Mar 2022***	**1 Jan 2021** **31 Mar 2021***
Net revenues	0	0	0	0
Operating result, EBIT	-23 072 (32,070)	-10,531 (14,638)	-15,075 (20,954)	-1,792 (2,490)
Earnings per share	-0,44	-0,32	-0,31	-0,06
Cash and bank	34,346 (47,741)	13,504 (18,770)	26,352 (36,629)	11,287 (15,689)
Solidity (%)	65%	92%	52%	97%

* Unaudited figures

Definitions

Operating earnings (EBIT): Earnings Before Interest and Taxes (Operating profit/loss)
Earnings per share: Profit/loss for the period calculated on number of shares at year-end, fully diluted.
Solidity: Equity divided by assets.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

The Extraordinary General Meeting on 18 May 2022 resolved on a directed share issue to Linc AB and Adrigo Asset Management AB, without preferential rights for existing shareholders. A total of 2,666,666 shares were issued and resulted in an increase of Initiator's share capital by DKK 279,999.93. The subscription price per share was SEK 7.50. The total issue proceeds amounted to SEK 20 million (DKK 14.3 million).

Apart from above, no significant changes with respect to the Company's financial position has occurred since 31 March 2022.

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 2022 and 2023. 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 4,876,108.44 (SEK 6,777,790.73) divided among 46,439,128 shares, each with a quota value of approximately DKK 0.105. As of 31 March 2022 the Company's registered share capital amounted to DKK 4,596,108.51 divided among 43,772,462 shares. The number of outstanding shares at the beginning of the most recent financial year, 1 January 2021, was 27,705,728 and amounted to 43,772,462 shares at the end of the same financial year. 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 4,876,108.44 (SEK 6,777,790.73 million) to DKK 5,449,768.17 (SEK 7,575,177.76 million) and the number of shares increasing from 46,439,128 shares to 51,902,554 shares. The currency of the Rights Issue is SEK. The dilution after the Rights Issue (provided that it is fully subscribed) is 10.5 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 no, according to the Board of Directors knowledge, 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, there are no, according to the Company's knowledge, natural or legal persons owning more than five (5) percent of the votes and capital.

Shareholder	**Number of shares**	**Percentage of votes and capital (%)**
Linc AB	7,114,114	15.32
Avanza Pension	2,978,130	6.41
Adrigo Asset Management AB	2,573,536	5.54
Others (approx. 4,000 shareholders)	*33,773,348*	*72.73*
Total	**46,439,128**	**100.00**

LOCK-UP UNDERTAKINGS

In accordance with the terms of the directed share issue, that was resolved by the Board of Directors based on authorization from the Extraordinary General Meeting on 18 May 2022, Linc AB and Adrigo Asset Management AB have committed, via lock-up agreements, to not sell any of the shares that was directed to them for a period of 90 days following the issuing of the shares, which took place on 1 June 2022.

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

As at the date of this Prospectus, there are no outstanding convertible securities, exchangeable securities, or securities with warrants apart from those being described below.

Financing agreement with MAC Clinical Research Ltd

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 SEK 23 million (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 SEK 7.5 (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 one (1) percent annual interest and payable in full three (3) years after the completion of the study.

The AGM2020 Program

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

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 maximum potential dilution under the program is 434,196 shares, representing approx. 1.0 percent of currently issued number of shares.

The AGM2021 Program

The Annual General Meeting on 28 May 2021 resolved on a long-term incentive program to the members of the board, executive management and key individuals. The purpose of the warrant program is to align the long-term incentives of board members, management and key consultants with those of the Company's shareholders.

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 between 28 May 2021 and December 31, 2023. 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.

The AGM2022 Programs (LTI 2022)

The Annual General Meeting on 24 May 2022 resolved on two long-term incentive programs, one for the members of the board and one for the executive management and key individuals. The purpose of the incentive program is to align the long-term incentives of board members, management and key employees with those of the Company's shareholders.

The programs run until 31 December 2024 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 between 24 May 2022 and 31 December 2024. A maximum number of 660,000 new shares may be issued under the program to management and key employees if the price of the Company's share increases with at least 100 % between the date of the Annual General Meeting and 31 December 2024. The subscription price per share will be par value, currently DKK 0,105.

Further a maximum number of 186,000 existing shares may be bought under the program by the board members if the price of the Company's share increases with at least 100% between the date of the Annual General Meeting and 31 December 2024. The subscription price per share will be par value, currently DKK 0,105. The existing shares to be used for this program will be treasury shares bought in the market by the Company in accordance with authority given at the general meeting 24 May 2022.

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 twelve 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	**Värdepapperens namn och internationella standardnummer för värdepapper (ISIN)**	Erbjudandet består av aktier i Initiator Pharma A/S. Aktie: Kortnamn (ticker) INIT, ISIN-kod DK0060775872. BTA (tillfällig ISIN): SE0018041808 Teckningsrätter: SE0018041790.
1.2	**Namn på och kontaktuppgifter för emittenten**	Initiator Pharma A/S, org.nr 37663808 och LEI-kod 213800DFI4I1A5RVKB59. Representanter för Initiator kan nås på telefonnummer +45 6126 0035, och via e-post ceo@initiatorpharma.com. Bolagets besöksadress är Ole Maaløes Vej 3, 2200 København N, Denmark och hemsidan är www.initiatorpharma.com.
1.3	**Namn på och kontaktuppgifter för den behöriga myndighet som godkänt prospektet**	Danska Finansinspektionen (på danska: *Finanstilsynet*) ("**DFSA**") är den behöriga myndigheten som är ansvarig för godkännandet av detta prospekt. Besöksadressen till DFSA är Århusgade 110, 2100 Köpenhamn, Danmark, och hemsidan är www.dfsa.dk. DFSA kan även nås via telefonnummer +45 33 55 82 82 och e-post finanstilsynet@ftnet.dk.
1.4	**Datum för godkännande**	EU-tillväxtprospektet godkändes av den danska Finansinspektionen den 13 juni 2022.
1.5	**Varning**	Denna sammanfattning bör läsas som en introduktion till EU-tillväxtprospektet. Varje beslut om att investera i värdepapperen bör grundas på att investeraren studerar hela EU-tillväxtprospektet. Investeraren kan förlora hela eller delar av sitt investerade kapital. Om ett yrkande relaterat till information i EU-tillväxtprospektet görs i domstol kan den investerare som är kärande enligt nationell lagstiftning i medlemsstaterna bli tvungen att betala kostnaden för att översätta EU-tillväxtprospektet t innan de rättsliga förfarandena inleds. Civilrättsligt ansvar omfattar enbart de personer som har 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 den tillsammans med andra delar av EU-tillväxtprospektet inte ger den nyckelinformation som investerare behöver vid beslut om huruvida de ska investera i de berörda värdepapperen.

AVSNITT 2 – NYCKELINFORMATION OM EMITTENTEN

2.1 Information om emittenten av värdepapperet

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, inriktade på viktiga och ännu obemötta 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 Bolaget inte i någon koncern och har inte heller några innehav i andra bolag.

Följande tabell visar alla aktieägare som innehar mer än fem procent av aktierna och rösterna i Bolaget. Såvitt styrelsen känner till finns det inga aktieägaravtal eller andra avtal mellan Bolagets aktieägare som syftar till gemensamt inflytande över Bolaget. Bolaget kontrolleras inte direkt eller indirekt av någon aktieägare.

Aktieägare	Antal aktier	Procent av röster och kapital (%)
Linc AB	7 114 114	15,32

Avanza Pension	2 978 130	6,41
Adrigo Asset Management AB	2 573 536	5,54
Övriga (cirka 4 000 aktieägare)	*33 773 348*	*72,73*
Totalt	**46 439 128**	**100,00**

2.2 Finansiell nyckelinformation om emittenten

Den finansiella informationen som har blivit införlivad i detta prospekt via hänvisning inkluderar årsredovisningarna för räkenskapsåren 2020 och 2021, som har upprättats i enlighet med den danska årsredovisningslagen (Eng. Danish Financial Statements Act) för företag i rapporteringsklass B med tillägg av vissa bestämmelser för redovisningsklass C, och delårsräkenskaper för perioden 1 januari 2022 till 31 mars 2022. Årsredovisningarna har granskats av Bolagets oberoende revisor i enlighet med inkluderad revisionsberättelse. Delårsrapporten har inte granskats.

DKK '000 (SEK '000)	**1 jan 2021 31 dec 2021**	**1 jan 2020 31 dec 2020**	**1 jan 2022 31 mar 2022**	**1 jan 2021 31 mar 2021**
	Reviderad	Reviderad	Ej reviderad	Ej reviderad
Resultaträkning				
Nettointäkter	0	0	0	0
Rörelseförlust, EBIT	-23 072 (32 070)	-10 531 (14 638)	-15 075 (20 954)	-1 792 (2 490)
Balansräkning				
Totala tillgångar	53 701 (74 644)	15 603 (21 688)	37 275 (51 812)	13 029 (18 110)
Totalt eget kapital	34 994 (48 641)	14 409 (20 028)	19 412 (26 982)	12 603 (17 518)
Kassaflödesanalys				
Kassaflöden från:				
Löpande verksamhet	-34 097 (47 394)	-8 064 (11 208)	-7 994 (11 111)	-2 217 (3 081)
Investeringsverksamhet	0	0	0	0
Finansieringsverksamhet	54 938 (76 363)	14 007 (19 469)	0	0
Nyckeltal				
Vinst per aktie	–0,44	–0,32	-0,31	–0,06
Kassa och bank	34 346 (47 741)	13 504 (18 770)	26 352 (36 629)	11 287 (15 689)
Soliditet (%)	65%	92%	52%	97%

Definitioner
Rörelseresultat (EBIT): Resultat före räntor och skatter (rörelseresultat).
Vinst per aktie: Periodens resultat beräknat på antal aktier vid årets slut, efter full utspädning.
Soliditet: Eget kapital dividerat med tillgångar.

2.3 Huvudsakliga risker som är specifika för emittenten

För närvarande i en utvecklingsfas
Initiator bildades 2016. Bolaget har ännu inte lanserat några produkter på marknaden och har därmed ännu inte genererat några intäkter. Bolaget behöver genomföra ytterligare tester innan försäljningen av den första produkten kan påbörjas. Det finns en risk att Bolaget inte lyckas med de pågående försöken och att Bolaget inte kan attrahera partners eller kunder för sina eventuella produkter och det kan därför vara svårt att utvärdera Bolagets försäljningspotential. Det finns en risk att Bolaget påverkas väsentligt negativt om till exempel dess pågående försök inte avslutas som planerat eller om resultaten av de kliniska prövningarna är negativa. Följaktligen kan inga framtida intäkter garanteras och dessutom kan det vara utmanande att attrahera finansiering för

att fortsätta verksamheten i Bolaget. Det är Initiators bedömning att sannolikheten för att risken inträffar är hög. Om risken skulle förverkligas anser Initiator att den potentiella negativa effekten är hög.

Nyckelpersoner och anställda
Initiators nyckelpersoner har omfattande och bred kompetens och erfarenhet inom Bolagets affärsområde. Initiators organisation är dock liten och i händelse av att en eller flera nyckelpersoner väljer att lämna sin anställning i Bolaget finns det en risk att en sådan förlust kan få negativa konsekvenser för Initiators affärsverksamhet och dess potentiella intäkter. Det finns en risk att Initiator kommer att behöva rekrytera och anställa personal för att ersätta nyckelpersoner, vilket kan vara en mycket tidskrävande och kostsam process. Det finns en risk att Bolaget kommer att få ökade kostnader till följd av detta. Om Initiator skulle förlora en eller flera av sina nyckelpersoner finns det också en risk att Bolaget inte kan hitta en lämplig ersättare. Initiator bedömer att sannolikheten för att risken inträffar är hög. Om risken skulle förverkligas anser Initiator att den potentiella negativa effekten är medelhög.

AVSNITT 3 – NYCKELINFORMATION OM VÄRDEPAPPREN

3.1 Värdepapperens huvuddrag

Typ, kategori och ISIN
Initiators aktier med ISIN-kod DK0060775872 handlas på Nasdaq First North Growth Market. Aktiens kortnamn (ticker) är INIT. De nya aktierna som emitteras i samband med företrädesemissionen kommer att handlas med samma ISIN-kod som de aktier som redan är upptagna till handel. Det finns bara ett aktieslag i Bolaget.

Valuta, nominellt värde och antal aktier
Aktierna är denominerade i DKK. Per dagen för detta prospekt uppgår Bolagets registrerade aktiekapital till 4 876 108,44 DKK fördelat på 46 439 128 aktier. Det nominella värdet på varje aktie är 0,105 DKK och aktierna är fullt inbetalda. Valutan i företrädesemissionen är SEK.

Rättigheter kopplade till värdepapperen
De nya aktierna kommer att ha samma rättigheter som de befintliga aktierna. Dessa inkluderar rösträtt, rätt till vinstutdelning, rätt att få ta del av överskott i händelse av avveckling eller likvidation av Bolaget och företrädesrätt i samband med utfärdande av nya teckningsoptioner, konvertibla obligationer och aktier genom kontantinsats. Alla aktier har samma rättigheter i händelse av insolvens, likvidation eller avveckling.

Initiator är ett tillväxtbolag och har sedan bildandet inte lämnat någon utdelning till aktieägarna. Bolaget har inte heller någon utdelningspolicy. Styrelsen har för avsikt att finansiera utveckling, verksamhetsdrift och tillväxt med en kombination av eventuell vinst och framtida aktieemissioner. De nya aktierna kommer, när de är fullt betalda och registrerade hos det danska bolagsverket, att ha samma rättigheter som de befintliga aktierna, även när det gäller rätten till eventuella utdelningar som betalas ut till aktieägarna. Följaktligen är de nya aktierna berättigade till utdelning från och med datumet för registrering hos danska bolagsverket, vilket förväntas ske den 18 juli 2022 och i annat fall innan de nya aktierna tas upp till handel. Eventuell utdelning kommer att betalas i DKK till aktieägarens konto hos Euroclear. Det föreligger inga befintliga restriktioner för utdelning eller särskilda förfaranden för aktieägare som inte är bosatta i Danmark. Skatt på utdelning kan hållas av Bolaget i enlighet med tillämplig dansk lag. Utdelning som inte har krävts av aktieägaren inom tre (3) år från utdelningstidpunkten, kommer i enlighet med tillämplig dansk lag att förverkas och tillfalla Bolaget.

Enligt dansk lag har aktieägarna i allmänhet företrädesrätt till teckningrätter om bolagsstämman beslutar att öka aktiekapitalet genom kontant betalning. Aktieägarnas företrädesrätt kan dock frångås av en majoritet bestående av minst 2/3 av de avgivna rösterna och det representerade aktiekapitalet vid bolagsstämman om ökningen av aktiekapitalet sker till marknadspris.

I händelse av Bolagets upplösning eller likvidation kommer aktierna att ge rätt till en proportionell del av Bolagets tillgångar efter betalning av Bolagets borgenärer.

Aktiernas överlåtbarhet

		I enlighet med villkoren för den riktade emissionen som beslutades av styrelsen baserat på bemyndigande från extra bolagsstämman den 18 maj 2022, har Linc AB och Adrigo Asset Management AB åtagit sig att inte sälja några av de aktier som tilldelades dem under en period om 90 dagar efter emissionen av aktierna, som ägde rum den 1 juni 2022. Med undantag för ovanstående finns det inga begränsningar i aktiernas överlåtbarhet.
3.2	**Plats för handel med värdepapperen**	Initiators aktier handlas på Nasdaq First North Growth Market och de nya aktierna i företrädesemissionen kommer att tas upp till handel på Nasdaq First North Growth Market. Värdepapper som är noterade på Nasdaq First North Growth Market omfattas inte av lika omfattande regelverk som de värdepapper som är upptagna till handel på reglerade marknader.
3.3	**Garantier som värdepapperen omfattas av**	Värdepapperen omfattas inte av garantier.
3.4	**Huvudsakliga risker som är specifika för värdepapperen**	**Aktierna är underordnade de flesta av Bolagets skulder** De nya aktierna såväl som de befintliga aktierna utgör efterställda skuldförbindelser i Bolaget. Detta innebär att om Initiator blir föremål för likvidation eller konkurs får aktieägarna normalt betalt efter att alla andra fordringsägare har betalats fullt ut. Eftersom aktieägaren endast har en fordran utan säkerhet gentemot Bolaget kan aktieägaren riskera att inte återfå delar eller hela sin investering. Varje potentiell investerare bör därför vara medveten om att en investering i Bolagets aktier innebär en risk för att investeraren förlorar hela eller delar av sin investering om Bolaget likvideras, går i konkurs, är insolvent, genomför en omstrukturering eller avvecklas. Det är Initiators bedömning att sannolikheten för att risken ska inträffa är medel. Om risken skulle förverkligas anser Initiator att den potentiella negativa effekten är hög.

AVSNITT 4 – NYCKELINFORMATION OM ERBJUDANDET AV VÄRDEPAPPER TILL ALLMÄNHETEN

4.1	**Villkor och tidsplan för att investera i värdepapperet**	**Erbjudandet** Styrelsen i Initiator Pharma beslutade den 31 maj 2022, med stöd av bemyndigande från extra bolagsstämma den 18 maj 2022, att genomföra företrädesemissionen. Erbjudandet genomförs med företrädesrätt för befintliga aktieägare. De nya aktierna förväntas emitteras den 25 juli 2022. Inga andra beslut, bemyndiganden eller godkännanden har gjorts i Initiator för att emittera nya aktier eller teckningsoptioner. Företrädesemissionen kommer att genomföras i både Euroclear och Euronext Securities. Totalt 46 439 128 aktier är registrerade i Euronext Securities och totalt 46 360 097 av aktierna är speglade och registrerade i Euroclear. Antalet emitterade aktier kommer att vara 5 463 426. En (1) befintlig aktie i Bolaget ger ägaren rätt till en (1) teckningsrätt och sjutton (17) teckningsrätter ger ägaren rätt att teckna två (2) nya aktier. Teckningskursen per aktie är 7,50 SEK för aktieägare i Euroclear (aktieägare som innehar aktier i både Euronext Securities och Euroclear) och 5,39 DKK per aktie för aktieägare i Euronext Securities (aktieägare som endast innehar aktier i Euronext Securities). **Teckningskurs** Teckningskursen är 7.50 SEK per aktie för aktieägare i Euroclear och 5.39 DKK per aktie för aktieägare i Euronext Securities. Courtage kan tillkomma. Det finns inga kostnader som av Bolaget åläggs investerare. Investerare ska dock bära sedvanliga transaktions- och hanteringsavgifter som krävs av deras kontoförande banker. **Teckningsperiod** Teckningsperioden startar den 16 juni 2022 och avslutas den 30 juni 2022. **Värdering** Initiators pre money-värdering i Erbjudandet uppgår till SEK 348,293,460.00.

Tilldelning
Om inte alla aktier i företrädesemissionen tecknas med företrädesrätt ska styrelsen besluta om tilldelning av aktier inom ramen för företrädesemissionens belopp till aktieägare eller andra investerare som har tecknat aktier utan företrädesrätt.

I första hand ska tilldelning av aktier som tecknats utan företrädesrätt ske till aktieägare eller andra investerare som också har tecknat aktier genom nyttjande av teckningsrätter, oavsett om tecknaren var en registrerad aktieägare på avstämningsdagen eller inte. För det fall att tilldelning av aktier inte helt kan ske i enlighet med teckning utan stöd av teckningsrätt ska tilldelning ske i förhållande (pro rata) till antalet teckningsrätter som nyttjats för teckning av aktier i företrädesemissionen, och i den mån detta inte kan ske, genom lottning.

I andra hand ska tilldelning av aktier som tecknats utan företrädesrätt ske till andra investerare än de ovan nämnda, som tecknat aktier utan teckningsrätt. Om tilldelningen av aktier inte helt kan ske i enlighet med teckningar utan teckningsrätt, ska tilldelningen ske i förhållande (pro rata) till det antal aktier som tecknats utan teckningsrätt i företrädesemissionen, och i den mån detta inte kan ske, genom lottning.

I tredje hand ska tilldelningen av aktier ske till emissionsgaranterna i proportion till storleken på de garantiåtaganden som ingåtts, och i den mån detta inte kan ske, genom lottning.

Utspädning
Genom företrädesemissionen kommer Bolagets aktiekapital att öka med högst 573 659,73 DKK genom emission av högst 5 463 426 aktier om nominellt 0,105 DKK per styck. De befintliga aktierna, som har emitterats per dagen för detta prospekt, kommer att spädas ut genom emissionen av nya aktier. Efter genomförandet av företrädesemissionen, och om befintliga aktieägare beslutar att inte utöva sin företrädesrätt (dvs. beslutar att inte försvara sitt procentuella aktieinnehav i Bolaget) och under förutsättning att företrädesemissionen är fulltecknad, kommer dessa aktieägares proportionella ägande att spädas ut med cirka 10,5 procent.

Initiator har ett finansieringsavtal med MAC Clinical Research Ltd (MAC). Genom avtalet har MAC rätt att omvandla upplupna skulder på upp till 23 MSEK (16,4 MDKK) till aktier i Initiator till en aktiekurs om 7,5 SEK per aktie. Under förutsättning att företrädesemissionen fulltecknas och att inga andra händelser inträffar som förändrar Bolagets aktiekapital, kommer konverteringen av skulden att resultera i en ytterligare utspädning om 5,9 procent av rösterna och kapitalet i Bolaget.

Kostnader för företrädesemissionen
Emissionskostnaderna uppgår till cirka 8 MSEK (5,7 MDKK), vilket motsvarar cirka 13 procent av företrädesemissionen.

4.2 Motiv för EU-tillväxtprospektet

Bakgrund och motiv
För att gå vidare med de kliniska programmen har styrelsen föreslagit en företrädesrättsemission. Emissionslikviden kommer att säkra långsiktig finansiering fram till början av 2024, vilket gör det möjligt för Initiator att driva alla sina kliniska program i enlighet med fastställda planer och prioriteringar. Emissionslikviden kommer också att täcka andra driftskostnader fram till 2024. Likviden kommer också att stödja Initiators affärsstrategi som går ut på att identifiera attraktiva, men undervärderade tillgångar i klinisk fas och avancera dessa genom kostnadseffektiva kliniska försök för att leverera värdefulla resultat inom indikationer med betydande medicinska behov som ligger inom ledningens expertisområden. Företrädesemissionen beslutades av styrelsen den 31 maj 2022, med bemyndigande från den extra bolagsstämman den 18 maj 2022. Företrädesemissionen är helt (100 procent) garanterad genom tecknings- och garantiåtaganden. Tecknings- och garantiåtagandena är inte bekräftade eller säkerställda via förhandstransaktion, bankgarantier eller liknande.

Emissionslikvidens användande

		Med nettolikviden om cirka 33 MSEK (23,7 MDKK) har Bolaget möjlighet att finansiera följande aktiviteter: • Fas 1 MAD-studie samt en biotillgänglighetsstudie av optimerad läkemedelsprodukten formulering för IP2015 - cirka 45 procent • Förberedelser inför fas 2 för IPTN2021 för neuropatisk smärta (trigeminusneuralgi) - cirka 10 procent • Förberedelser inför fas 2b för IP2018 för psykogen erektil dysfunktion, inklusive kostnader för optimering av läkemedelsprodukten formulering - cirka 10 procent • Driftskostnader fram till H1 2024 - cirka 30 procent • Förberedelser inför fas 2b/3 för optionstillgången inom smärtområdet i avvaktan på pågående utvärdering, inklusive kommersiella utvärderingar och utarbetande av en regulatorisk och klinisk utvecklingsplan - cirka 5 procent **Parter med intressen** Sedermera tillhandahåller finansiell rådgivning och andra tjänster till Initiator i samband med företrädesemissionen. Sedermera (och dess närstående bolag) har tillhandahållit, och kan i framtiden komma att tillhandahålla, olika finansiella, investerings, kommersiella och andra tjänster till Bolaget för vilka de har fått och kan komma att få ersättning för. Ingen medlem av styrelsen eller de ledande befattningshavarna har några privata intressen som skulle kunna stå i konflikt med Bolagets intressen. Vissa styrelseledamöter och ledande befattningshavare har dock ekonomiska intressen i Initiator till följd av sina direkta eller indirekta aktieinnehav i Bolaget. Två investerare har ingått tecknings- och garantiåtaganden i företrädesemissionen. Utöver dessa parters intresse av att företrädesemissionen genomförs på ett framgångsrikt sätt och att den överenskomna ersättningen till garanterna betalas ut, finns det inga finansiella eller andra intressen, och inte heller intressekonflikter, mellan de parter som i enlighet med ovanstående har finansiella eller andra intressen i företrädesemissionen.
4.3	**Den person som erbjuder värdepapperen eller ansöker om upptagande till handel**	Erbjudaren är Initiator Pharma A/S med organisationsnummer 37663808.