

Initiator Pharma A/S announces start of subscription period in the rights issue

Today, on March 15th, 2018, the subscription period in Initiator Pharma A/S's ("Initiator Pharma") rights issue of units, starts. The rights issue is also open to the public. The subscription period ends on March 29th, 2018. A fully subscribed initial issue provides Initiator Pharma with approximately SEK 19.1 million before issuing costs. In addition, the company can be provided with a further approximately SEK 12,7 million in case the initial issue is fully subscribed and all of the attached free-of-charge warrants of series TO 1 are exercised. In total, the offer thereby comprises a maximum of approximately SEK 31.8 million before issuing costs. Initiator Pharma agreed in writing prior to the rights issue on subscription commitments for a total of around SEK 8 million and guarantee subscription totalling approximately SEK 5.5 million. Hence, around SEK 13.5 million, corresponding to 70 percent of the initial issue amount, has been agreed in advance in writing. Prospectus, teaser and subscription form without preferential rights are available on the websites of the company (www.initiatorpharma.com), AktieTorget (www.aktietorget.se) and Sedermera Fondkommission (www.sedermera.se). Subscription through Bank-ID is also available at Sedermera Fondkommission's website.

Motive for the rights issue

The funds from the initial issue and the attached warrants are intended to finance the following, arranged by priority:

- Completion of documentation from the preclinical development and Clinical Trial Application – approximately 10 percent.
- Conduction of clinical phase I study – approximately 30-35 percent.
- Conduction of clinical phase IIa-Proof of Concept study – approximately 30-35 percent.
- Day-to-day operations of the company – approximately 20-25 percent.

Summary of the offering

- **Subscription period:** 15th of March until the 29th of March 2018.
- **Record date and preferential rights:** The record date was on the 9th of March 2018. Shareholders in Initiator Pharma at the record date have preferential rights in the unit issue. Last day of trading in Initiator Pharma's share including the right to receive unit rights was on 7th of March 2018. First day of trading in Initiator Pharma's share excluding the right to receive unit rights was on 8th of March 2018. Each currently held share qualifies for one (1) unit right. Three (3) unit rights entitles the subscriber to subscribe for one (1) unit. One (1) unit consists of three (3) new shares and two (2) consideration free share options of series TO 1.
- **Issue price:** 6,60 SEK per unit, corresponding to 2,20 SEK per share. Share options of series TO 1 are received free of consideration.
- **Volume of issuance:** The offering consists of 8 683 941 shares at the most and a total of 5 789 294 share options of series TO 1 at the most, corresponding to approximately SEK 19.1 million and SEK 12.7 million respectively. If the unit issue are fully subscribed and all the share options of series TO 1 are executed, Initiator Pharma is provided with a total of approximately SEK 31.8 million before issuing costs.
- **Subscription commitments and guarantee commitments:** Initiator Pharma has prior to the unit issue in writing agreed on subscription commitments of approximately SEK 8 million and guarantee commitments of approximately SEK 5.5 million. Thus, in total the company has agreed on approximately SEK 13.5 million, corresponding to approximately 70 % of the issue volume, through subscription commitments and guarantee commitments.
- **Number of shares before the unit issue:** 8 683 943 shares.
- **Valuation (pre-money):** Approximately SEK 19.1 million.
- **Trading in unit rights:** Trading in unit rights will be made at AktieTorget during the time period 15th of March – 27th of March 2018.
- **Trading in BTU:** Trading in BTU (Paid Subscribed Unit) will take place on AktieTorget from 15th of March 2018 until Erhvervsstyrelsen has registered the unit issue. This registration is expected to take place in the middle of April 2018.
- **Marketplace:** The share of Initiator Pharma is listed at AktieTorget.

Summary of the terms for the share options

- The issued share options of series TO 1 are planned to be subject to trading on AktieTorget in end of April 2018.
- Possession of one (1) share option of series TO 1 entitle to subscription for one (1) new share for a price of 2,20 SEK. Subscription for shares on the basis of share options can be made from 11th of October 2018 until the 1st of November 2018.

Prospectus containing full terms and conditions and information about subscription commitments, teaser and subscription form without preferential rights is now available on Initiator Pharma's (www.initiatorpharma.com), AktieTorget's (www.aktietorget.se) and Sedermera Fondkommission's (www.sedermera.se) respective websites. Subscription through Bank-ID is also available at Sedermera Fondkommission's website.

Investor meetings

In connection with the rights issue, representatives for Initiator Pharma will participate at investor meetings to inform about the company and its future plans. Participation at the investor meetings is free and food and drinks will be offered. For more information about the investor meetings, please visit Sedermera Fondkommission's website (www.sedermera.se) or contact Sedermera Fondkommission on 040-615 14 10, or event@sedermera.se.

Financial advisor

Sedermera Fondkommission is the financial advisor to Initiator Pharma in connection with the rights issue of units.

For further information about the unit issue, please contact:

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

For further information about Initiator Pharma, please contact:

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

About Initiator Pharma

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

About erectile dysfunction

Erectile dysfunction is characterized by the inability to develop or maintain an erection of the penis during sexual activity. ED affects more than 150 million men worldwide and that number is expected to increase to more than 320 million by 2025, fuelled by aging demographics and increasing prevalence of life style diseases such as diabetes. The large diabetic ED patient segment is often responding poorly to the current medication and is therefore of particular interest for Initiator Pharma. ED patients have decreased quality of life due to various psychosocial factors such as low self-esteem, depression, sadness, anger, frustration, anxiety, relationship problems etc. (Althof, 2002; Shabsigh et al., 1998, Tsai, 2008; Litwin et al., 1998).

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