2025

ANNUAL REPORT

Initiator Pharma

Initiator Pharma A/S CVR No. 37663808

Address: Ole Maaloes vej 3, 2200 Copenhagen, Denmark

Initiator Pharma developing innovative drugs that target key unmet medical needs within the central and peripheral nervous system

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Nasdaq

The Initiator Pharma shares are listed on Nasdaq First North Growth Market (INIT), and as of Dec 31, 2025 the company had approx. 3,700 shareholders.

Initiator Pharma A/S

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A introduction of Initiator Pharma

Initiator Pharma´s vision is to become a leading emerging pharma company developing novel therapeutics within the field of mono-amine reuptake transporters targeting CNS-disorders with significant unmet medical needs.

Our current development portfolio contains two clinical stage assets; Pudafensine and IP2018:

In addition to the two clinical stage assets, Initiator Pharma has one assets in preclinical development, targeting depression and pain (IP2016).

Initiator Pharma is a pharmaceutical company based in Copenhagen, Denmark. Our shares are listed on Nasdaq First North Growth Market (INIT), and as of Dec 31, 2025 we had approx 3,700 shareholders.

Pudafensine, our most advanced asset, is a monoamine reuptake inhibitor primarily targeting the dopamine system. Pudafensine is being developed for both treatment resistant organic Erectile Dysfunction (ED) and neuropathic pain. In the Fall 2023 we reported positive, statistically significant and clinically relevant efficacy results in a 130 patient Phase IIb trial with pudafensine in Erectile Dysfunction (ED) of organic origin. During 2022 we reported positive efficacy data from a clinical Phase 1 proof of principel study that assessed pain-reducing effects in healthy male subjects challenged with the pain-inducing ingredient (capsaicin).

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IP2018 is a monoamine reuptake inhibitor for the treatment of psychogenic ED (mainly caused by anxiety and depression) mainly targeting the serotonin instead of the dopamine system. IP2018 is differentiated from the company's frontrunner pudafensine for organic ED (mainly caused by diabetes and age) that is primarily targeting the dopamine system. IP2018 was in-lisenced in March 2020 from Saniona and in the Summer 2023 we reported positive, statistically significant, and dose-dependent clinical observations related to efficacy in psychogenic ED in a Phase IIa clinical trial in 24 patients with mild to moderate ED.

Read more on page 13

The year in brief

2025

JAN FEB **MAR**

- **In March** the Company announced that Dr. Göran Ando, former Chairman of Novo Nordisk A/S, will be proposed for election to the company's Board of Directors at the 2025 AGM. Dr. Ando is also appointed as a Senior advisor, supporting the Board and management team, effective immediately.

APR **MAY** JUN

- **In May** the Company announced that the board of directors of Initiator Pharma A/S had resolved on a rights issue amounting to SEK 56 million, if fully subscribed. In total 85% of the share issue was covered by presubscriptions and guarantees.
- **In May** the Company announced the expansion of the FSD program to target vulvodynia, and that the company had signed a financing agreement with MAC Clinical Research worth up to GBP 2.5 million for partial financing of a Phase IIa clinical trial in vulvodynia with Pudafensine.

JUL AUG **SEP**

- **In July** the Company announced the outcome of the Company's rights issue of up to 14,039,590 shares (the "Rights Issue"), for which the subscription period ended on 26 June 2025. In the Rights Issue, 6,133,159 shares, corresponding to around 43.7 percent of the Rights Issue were subscribed through subscription rights. Additionally, 277,458 shares, corresponding to around 2.0 percent of the Rights Issue were subscribed without subscription rights. 5,670,164 shares, corresponding to around 40.4 percent of the Rights Issue were subscribed through guarantee undertakings. The Rights Issue will provide the Company with proceeds of approximately SEK 48.3 million before deduction of costs related to the Rights Issue.
- **In September** the Company announced the submission of a clinical trial application (CTA) to the UK's Medicines and Healthcare products Regulatory Agency (MHRA), and local ethics committee in the UK for the approval to conduct a Phase IIa clinical proof-of-concept study in women suffering from vulvodynia, a severe chronic pain condition affecting approximately 10 percent of women worldwide. The study will be conducted together with MAC Clinical Research in the UK.

OCT **NOV** **DEC**

- **In November** the Company announced that its Clinical Trial Application (CTA) for a planned Phase IIa clinical proof-of-concept study in women with vulvodynia had been approved by the UK Medicines and Healthcare products Regulatory Agency (MHRA) and a local ethics committee.
- **In December** the Company initiated patient enrollment in its Phase IIa clinical proof-of-concept study evaluating pudafensine in women suffering from vulvodynia. Dosing of the first patients is expected to begin in January 2026, and completion of the study is projected by the end of 2026.

Significant events after the end of the period

- **In February** the Company was granted European patent for pudafensine in Female Sexual Dysfunction, including vulvodynia.
- **In April** the Company announced that the Company will focus fully on its most promising drug candidate, pudafensine, which is being developed for both vulvodynia and organic erectile dysfunction (ED). As part of this prioritization, the company will discontinue further development of IP2018.
- The Company has received the intention of grant from the EPO for the application for "Pudafensine for treatment of pain".

Milestones

Milestones achieved during 2025

- [x] Concluded a convertible financing agreement with MAC Clinical Research through which MAC finances up to GBP 2.5 mill of the costs of a Ph2a clinical trial in vulvodynia as a convertible note, convertible at a fixed share price of SEK 7.739 per share.
- [x] Raised SEKM 48.3 (before issue costs) in a rights issue.
- [x] Initiated a Ph2a clinical trial with pudafensine in vulvodynia.

Upcoming milestones

- [ ] Complete the ongoing Ph2a clinical trial with pudafensine in vulvodynia
- [ ] Continue ongoing business development processes

Financial highlights and milestones

Key Figures

Income Statement, KDDK	2025	2024	2023
Operating profit/loss	-17,781	-14,502	-27,029
Profit/loss before tax	-16,696	-14,836	-27,706
Profit/loss for the year	**-13,687**	**-12,932**	**-22,872**

Balance Sheet, KDDK	2025	2024	2023
Fixed assets	**17**	**17**	**17**
Current receivables	7,497	2,447	5,433
Cash and cash equivalents	26,245	13,371	24,336
Total assets	**33,759**	**15,835**	**29,786**
Equity	29,546	14,782	11,162
Long-term liabilities	2,149	0	15,437
Current liabilities	2,064	1,053	18,624
Total equity and liabilities	**33,759**	**15,835**	**29,786**

Cash flow, KDDK	2025	2024	2023
Cash flow from operating activities	-17,727	-12,079	-17,647
Cash flow for the year	**12,873**	**-10,964**	**-14,776**

Key figures, %	2025	2024	2023
Liquidity ratio	801%	1502%	160%
Equity ratio	88%	93%	37%

Share data, DKK	2025	2024	2023
Diluted earnings per share	-0.20	-0.23	-0.44
Equity per share	0.43	0.26	0.21
Dividend	0	0	0
Cash flow per share	0.19	-0.20	-0.28

Share data, #	2025	2024	2023
Shares outstanding	68,452,892	56,158,361	52,471,887
Diluted shares outstanding	68,452,892	56,815,861	57,250,894
Weighted average number of shares	62,296,720	55,624,734	52,419,179

Liquidity ratio: Current assets/Current liabilities
Equity ratio: Equity/Total assets

Letter from the CEO

I am pleased to reflect on our progress throughout 2025

- a year defined by strategic execution, important clinical and regulatory milestones, and a continued sharpening of our corporate focus around our most promising value drivers.

During the year, Initiator Pharma took decisive steps to expand and strengthen its Sexual Health Franchise and broader pain-focused pipeline. While erectile dysfunction, or ED, remains a core area of expertise and value creation for the company, 2025 marked a highly important transition as we advanced pudafensine into a new indication, vulvodynia, thereby broadening the development and commercial potential of our lead asset into women's health and neuropathic pain.

A particularly important milestone was reached in May 2025, when we announced the expansion of our Female Sexual Dysfunction, or FSD, program to include vulvodynia and entered into a financing agreement with MAC Clinical Research worth up to GBP 2.5 million. This agreement represented a strong external validation of both pudafensine and our strategy. It enabled us to move forward with a Phase 2a proof-of-concept study in vulvodynia in a highly capital-efficient manner, while also deepening our relationship with MAC as both a strategic clinical partner and shareholder.

The rights issue announced in May 2025 further strengthened our financial foundation and was an important part of ensuring that the company could continue to execute on its clinical and business development priorities. Together, the rights issue and the agreement with MAC created a robust platform for continued progress and positioned us to advance pudafensine in both women's health and sexual dysfunction indications.

In the second half of the year, our work to bring pudafensine into clinical development in vulvodynia progressed rapidly. In September, we announced the submission of the Clinical Trial Application in the UK, followed in November by regulatory and ethics approval from the MHRA and the local ethics committee to initiate the planned Phase 2a study. This was a major milestone for the company and confirmed our ability to execute efficiently on our stated strategy. Importantly, it also allowed us to move immediately into patient enrolment, which was initiated in December 2025. With this, Initiator Pharma moved from planning into active clinical execution in the severe female pain condition vulvodynia.

Vulvodynia is a chronic neuropathic pain condition that affects approximately 10 percent of women worldwide and remains severely underserved, with no approved therapies available today. Pudafensine is uniquely positioned in this indication. Through its differentiated dual mechanism of action, it has the potential to address both central pain regulation and sexual dysfunction, the two most burdensome aspects of the condition. In our view, this creates a compelling therapeutic and commercial opportunity, and we believe pudafensine may become a first-in-class treatment in this field if clinical proof-of-concept is established.

The progress in the vulvodynia program has continued into 2026. Following the initiation of patient enrolment in December, we have now moved into active execution of the ongoing Phase 2a study. We recently announced that patient enrolment is progressing well, with more than half of the planned patients either dosed or having successfully completed participation in the trial, and with additional potential patients lined up for screening. This progress is very encouraging and supports our expectation of completing the study and reporting data by the end of 2026.

Another important development after year-end was the European patent grant for pudafensine in Female Sexual Dysfunction, including vulvodynia. This further strengthens the long-term commercial foundation for the asset and aligns directly with our current clinical priorities. Strong intellectual property protection remains a key pillar in our strategy to maximize the value of pudafensine in future partnering and commercialization discussions.

Business development remained a key priority throughout the year and into early 2026. We continued discussions with potential partners and presented our strategy and programs to relevant stakeholders, including at the J.P. Morgan Healthcare Conference in San Francisco. These interactions have reinforced our view that pudafensine is our most attractive and differentiated asset.

This was also the basis for the strategic decision announced on April 17, 2026, to fully prioritize pudafensine going forward. Pudafensine today stands on a uniquely strong platform. It has already demonstrated positive Phase IIb proof-of-concept data in organic ED, shown effects in pain-related clinical testing, and is now being evaluated in vulvodynia in a Phase 2a clinical study. Pudafensine's dual mechanism of action targeting both pain and sexual dysfunction is a key differentiator, and it strengthens our Sexual Health Franchise to have this broader pain-focused pipeline. Erectile dysfunction, or ED, remains a core area of expertise and value creation for the company, and by advancing pudafensine into vulvodynia we have broadened the commercial potential of our lead asset into women's health and neuropathic pain. All in all, it makes us more interesting for our potential commercial partners.

It is always difficult to decide not to go further with a clinical project, but for a company like ours, with limited resources, the choice to discontinue further development of IP2018 was easy to make. While IP2018 has generated interesting clinical observations, the strongest partner interest, the clearest clinical path, and the most compelling commercial opportunity are all associated with pudafensine. By concentrating our resources on this asset, we are creating a more focused company with improved capital efficiency and a stronger basis for value creation.

Looking ahead, 2026 will be a highly important year for Initiator Pharma. Our top priority is the continued execution of the ongoing vulvodynia Phase 2a study, which is expected to be completed by the end of the year. At the same time, we will continue to advance business development efforts around pudafensine with the aim of maximizing the value of the asset and exploring opportunities for future partnerships.

In closing, I would like to express my sincere gratitude to all participating patients in our trials and health care professionals at our clinical centers, as well as our shareholders, partners, board members, and employees for their continued support and dedication. Together, we have transformed Initiator Pharma into a more focused and execution-driven company, and we enter the next phase with confidence in both our strategy and our lead asset.

> "I am pleased to reflect on our progress throughout 2025 - a year defined by strategic execution, important clinical and regulatory milestones, and a continued sharpening of our corporate focus around our most promising value drivers."

Claus Elsborg Olesen
Chief Executive Officer

Goals

Initiator Pharma's goal is to progress novel drug candidates toward the market in a cost and time effective way, for the benefit of both patients in need of improved medical therapies and for our shareholders.

Strategy

Our strategy is to identify promising drug candidates focused on CNS disorders with significant unmet medical needs that are in late preclinical and early clinical development, and rapidly progress these candidates through clinical Proof-of-Concept studies to the point where we expect to enter partnerships for late-stage clinical development.

Business model

The company aims to commercialize its research efforts through internal development of selected programs through the early phases of clinical drug development, before out-licensing to pharmaceutical companies who will take over the further development of Initiator Pharma's programs and typical with upfront and development milestone payments as well as royalty payments on product sales.

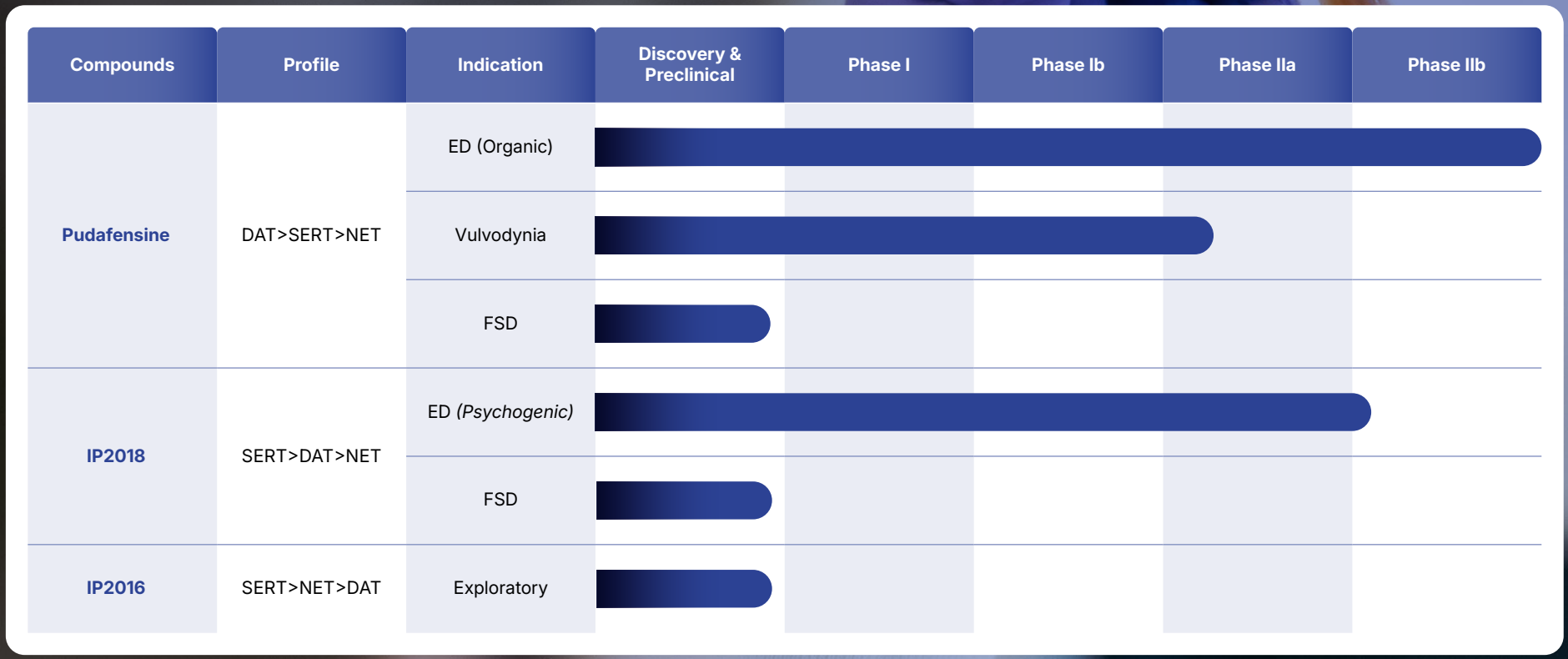
Initiator Pharma aims to progress our portfolio of drug candidates to key value inflection points, where we anticipate significant partnering interest from international pharma industry for the further development of our drug candidates.

Initiator Pharma is employing a virtual organization model in order to maximize speed and flexibility while minimizing development costs. The bulk of the drug development and the regulatory work will be outsourced via contracts with Contract Research Organizations (CROs).

Initiator Pharma is continuously seeking discussions with potential pharma partners with the aim of entering partnerships for the company´s development assets at the optimal timepoint, balancing development risks, costs and shareholder value.

Project portfolio

Initiator Pharma has three drug candidate assets, pudafensine (IP2015), IP2016, and IP2018, all belonging to the class known as monoamine reuptake inhibitors. Pudafensine is the company's most advanced asset and current development focus. The development status of all three candidates is outlined below:



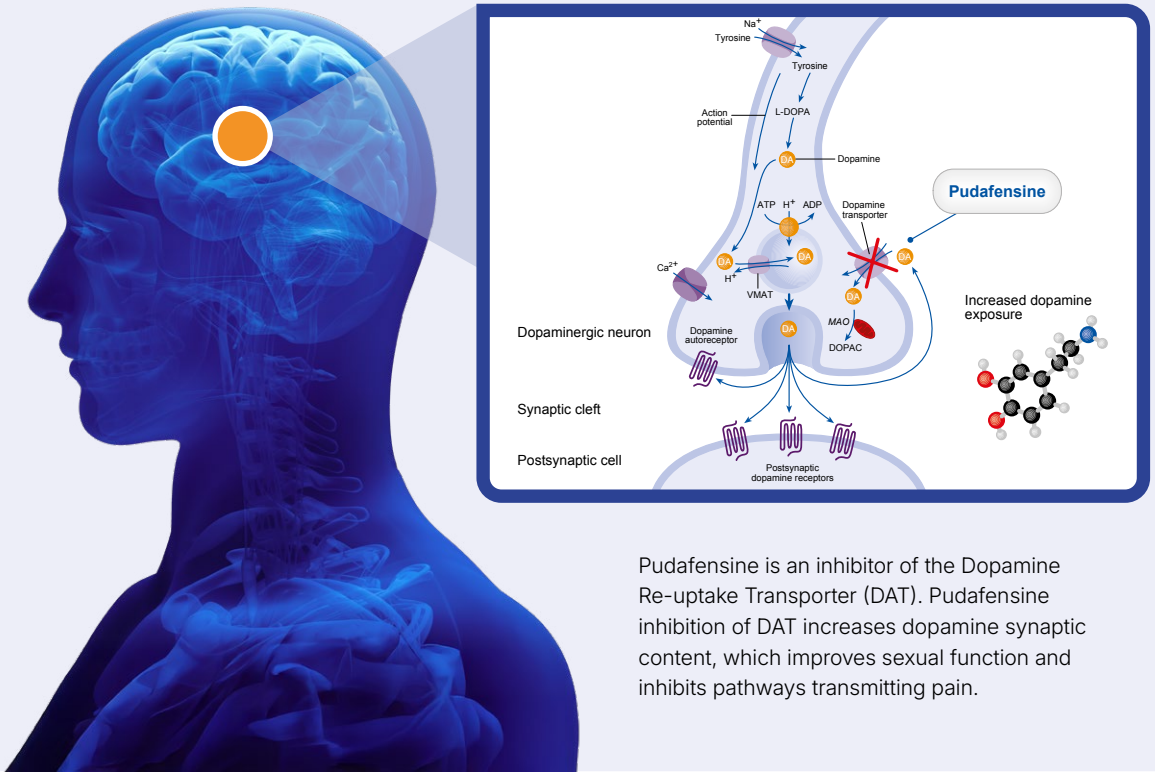
DAT: *Dopamin transporter*
SERT: *Serotonin transporter*
NET: *Norepinephrine transporter*

All three drug candidates belong to the drug class known as monoamine reuptake inhibitors (MRIs).

Molecules in this class act as a reuptake inhibitors of one or more of the three major monoamine neurotransmitters serotonin (SERT), norepinephrine (NET), and dopamine (DAT) by blocking the action of one or more of the respective monoamine transporters. This in turn results in an increase in the synaptic concentrations of one or more of these neurotransmitters and therefore an increase in monoaminergic neurotransmission.

The monoaminergic systems, i.e., the networks of neurons that use monoamine neurotransmitters, are involved in the regulation of processes such as emotion, arousal, and certain types of memory. The monoamines balance profile have very differentiated effects and physiological impact.

MOA of Pudafensine



Pudafensine is an inhibitor of the Dopamine Re-uptake Transporter (DAT). Pudafensine inhibition of DAT increases dopamine synaptic content, which improves sexual function and inhibits pathways transmitting pain.

Project - Pudafensine

Pudafensine, Initiator's most advanced asset, is a monoamine reuptake inhibitor primarily targeting the dopamine system. Pudafensine is being developed for both the Neuropathic pain condition Vulvodynia, treatment resistant organic Erectile Dysfunction (ED) as well as Female Sexual Dysfunction.

Pudafensine is currently being evaluated in a Phase IIa clinical trial for the treatment of vulvodynia, and the clinical trial is expected to be completed by year end. The development of pudafensine for the treatment of vulvodynia is backed by promising efficacy data already demonstrated in a healthy volunteer pain challenge study.

The randomized, placebo-controlled Phase IIa study will enroll 24 women with vulvodynia. Using a four-way crossover design, each participant will receive single oral doses of pudafensine and a placebo across different treatment periods, separated by washout intervals. The study will focus on the assessment of pain-relieving effects and the safety of pudafensine.

The crossover study design offers several advantages, including reduced variability by having each participant serve as her own control, and the ability to compare pudafensine against placebo in the same patient population directly. This approach allows for meaningful results from a smaller cohort, making it particularly well-suited for proof-of-concept studies in pain and sexual dysfunction.

Vulvodynia/Neuropathic pain

Vulvodynia is pain in the vulva without a clear identifiable cause that lasts longer than 3 months and is considered a long-lasting, chronic pain condition (Bornstein 2016). The pain of vulvodynia may be described as itching, burning, or stabbing and is often accompanied by dyspareunia (pain during intercourse) (Bornstein 2016).

Women living with vulvodynia experience excruciating pain during routine activities such as walking, sitting, or even wearing tight-fitting pants. Many are unable to use tampons or engage in sexual activities and intercourse, profoundly affecting their quality of life, intimacy, and relationships. Partners also tend to suffer from anxiety and depression symptoms as well as sexual dysfunction (Myrtveit Stensrud 2023).

The two most important factors leading to the profoundly impaired quality of life in vulvodynia patients are the chronic pain in the vulva and impaired sexual function (Bohm-Starke 2024).

Vulvodynia represents a significant unmet medical need, affecting approximately 10% of females, equivalent to at least 18.5 million women over 18 years in the EU alone (Eurostat 2023, Patla 2023). Despite its high prevalence, there are currently no approved medical therapies. The treatments used often carry unacceptable side effects and have poorly documented efficacy.

Women with vulvodynia endure severe physical pain, emotional distress, and societal stigma due to a lack of

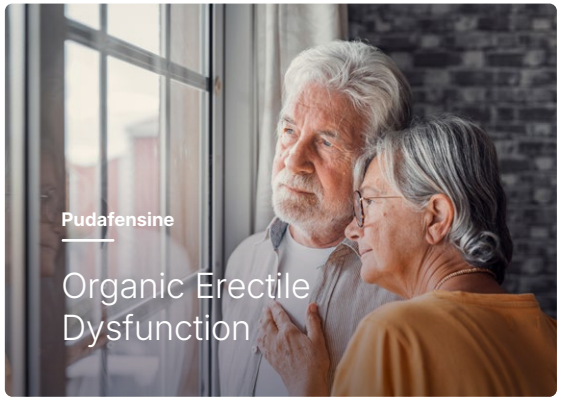
effective treatment options. Current therapies are mainly off-label, frequently inadequate, and often accompanied by undesirable side effects. As many as 73% of patients try multiple (off-label) therapies in their search for relief (Lamvy 2018). Despite multiple prescribed therapies, many patients (~70%) remain inadequately treated (Patla 2023). They are experiencing high pain scores, averaging 6.7 out of 10 (Schlaeger 2023), and as many as 64% report the worst quality of life score (Patla 2023). This chronic pain condition not only limits daily activities but also severely impairs sexual function, impacting the partners and incurring significant healthcare costs (Lua 2017, Xie 2012).

Clinicians confirm that existing treatments are mostly ineffective and often have significant side effects, creating a clear readiness to adopt innovative therapies like pudafensine. There is strong evidence of willingness to pay for a novel vulvodynia treatment, driven by a significant unmet medical need and the complete absence of approved or consistently effective therapies. A Commercial Assessment Report on pudafensine by Global Life Sciences highlights consistently positive feedback from prescribing clinicians, positioning pudafensine as a potential first-line therapy with blockbuster potential.

The economic burden of vulvodynia is significant, with direct annual healthcare costs exceeding $50 billion in the US alone. Informed by feedback from prospective prescribing clinicians, payer insights, and benchmarking against comparable conditions, we have modeled net annual pricing at approximately $4,000 to $4,500 in the U.S. and €900 to €1,000 in the EU4 and UK.

Even under conservative assumptions regarding pricing and market penetration, the base case scenario projects combined peak sales of $1.6 to $1.8 billion across US and EU4 + UK. In an upside scenario—with more effective market development and adoption—peak sales could exceed $2.4 to $3.5 billion.

Pudafensine's dual mechanism of action, targeting both central pain regulation and sexual function, makes it uniquely suited to fill this therapeutic gap and become the first truly effective treatment option.



Organic Erectile Dysfunction

Pudafensine is positioned as a novel drug candidate for the treatment of patients suffering from organic ED that do not respond to the currently marketed drugs in the PDE5i class (e.g. Viagra®, Cialis®, Levitra®). Pudafensine - by having a dual action, both a central effect initiating erection and a peripheral effect potentiating erection through smooth muscle relaxation - is unique and aimed for treatment of ED in patients suffering from ED due to metabolic syndrome and diabetes.

The clinical positioning of pudafensine is to improve the quality of life for a large number of patients (and their partners) who do not respond or cannot be treated with currently marketed drugs (PDE5 inhibitors) for ED. It is estimated that this represents 150 million men worldwide[1].

In October 2023, Initiator reported statistically significant and clinically relevant efficacy in ED-related endpoints and no observations of critical adverse events from its Phase IIb clinical trial with pudafensine for the treatment of ED. The positive results, both regarding efficacy and safety, support further development of pudafensine aiming at registration and launch in this patient group with significant unmet medical need.

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

The Phase IIb trial was a randomized, double-blind, placebo-controlled, parallel-dosing group trial studying the efficacy and safety of high and low doses of pudafensine and placebo in otherwise healthy patients suffering from moderate to severe ED. The study comprised 130 patients divided into 3 parallel arms receiving a higher and a lower dose of pudafensine and placebo, respectively, with treatment duration of 4 weeks with frequent assessments of ED, safety and pharmacokinetics. The study was conducted at the MAC clinical sites in the UK.

Erectile Dysfunction (ED) Market

The number of ED patients is estimated at more than 300 million men worldwide. About 30–40% of these patients do not respond to current PDE5 inhibitor treatment and represent a significant unmet medical need. This is Initiator Pharma's primary target group, clearly differentiating pudafensine from the PDE5 inhibitor drugs where patent expiry results in increasing price pressure from generics. Initiator Pharma strongly believes that targeting the PDE5 inhibitor non-responders will allow for premium pricing for pudafensine and thereby generate substantial commercial value.

Female sexual dysfunction

Female sexual dysfunction (FSD) includes a range of issues such as hypoactive desire disorder (low libido), difficulty achieving arousal, pain during intercourse, and inability to reach orgasm. Female hypo-sexual desire disorder (HSDD) in the US occurs in 10% of women, independent of age.

FSD can profoundly affect the individual's quality of life and relationships due to the distress, low self-esteem, and anxiety it causes. There are medical treatment options for young women with FSD, but despite the current options, a large unmet need is to restore the desire for an intimate relationship with the partner. Initiator will investigate the potential for its products with a priority on postmenopausal women with FSD, where there currently is no available treatment option.

Pudafensine and IP2018 offer the potential as first-line treatment options in postmenopausal generalized, acquired HSDD – where it would be positioned as the first approved therapy. Both products offer the potential of clear differentiation from current FSD drugs, with the key differentiators:

- Non-hormonal mechanism of action
- Clean safety/tolerability, no drug interaction or contraindication issues (as shown in completed trials in men with ED)
- Convenient, oral, on-demand dosing
- Potentially improved efficacy to Addyi and Vyleesi (currently only approved for use in HSDD in premenopausal women)

During the last two years, Initiator has internally investigated its phase II drug candidates, pudafensine and IP2018, currently developed in two types of male ED, in preclinical models for FSD. Significant efficacy has been shown for both pudafensine and IP2018 in the animal models tested for FSD. The tested models are highly relevant and offer a way to predict efficacy in the clinical setting.

The commercial potential within the FSD area is considered to be very attractive. An analysis of the commercial assessment has concluded that a product for underserved women suffering from FSD/HSDD should have potential to reach peak sales of at least USD 2 billion. Initiator Pharma is initially exploring the opportunity with a priority on postmenopausal women with FSD, where there currently is no available treatment option.

Project - IP2018

(In April 2026 the Company announced the decision to discontinue IP2018)

IP2018 is a monoamine reuptake inhibitor for the treatment of psychogenic ED (mainly caused by anxiety and depression) mainly targeting the serotonin instead of the dopamine system. IP2018 is differentiated from the company's frontrunner pudafensine for organic ED (mainly caused by diabetes and age) that is primarily targeting the dopamine system:

- IP2018 is positioned to 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 the company's extensive package of preclinical data.
- IP2018 is efficacious in animal models of depression (forced swim and tail suspension tests) and ED (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

IP2018 raises the serotonin levels in the brain, and in its preclinical trials, Initiator Pharma has shown that IP2018 has an effect on both depression and ED, which is a clear differentiation from other antidepressants on the market today. In June 2023 Initiator announced positive, statistically significant, and dose-dependent clinical observations related to efficacy in psychogenic ED and no observations of serious or critical adverse events in patients with mild to moderate ED.

The Phase IIa trial was a randomized, double-blind, placebo-controlled, 3-way crossover trial studying the efficacy and safety of a low and a high dose of IP2018 as well as a placebo in young, depressed patients who have ED. The primary objective of this study was to investigate the effects of IP2018 on penile rigidity and tumescence using a visual sexual stimulation test. Twenty-four patients with mild to moderate depression and ED completed the study. The high dose of IP2018 in single oral administration increased penile tumescence (p=0.04) and duration of rigidity (p=0.025) in a statistically significant way, sufficient for intercourse. The effect of IP2018 on ED was dose-dependent.

Depression Market

Psychogenic ED, which is the inability to achieve or maintain an erection during sexual intercourse due to psychological factors. Up to 68% of patients undergoing treatment for depressive disorder also suffer from sexual dysfunction. The patient segment thus represents a clear unmet medical need. IP2018 has the potential to help these patients and significantly increase their quality of life. In addition, IP2018 broadens the scope of Initiator Pharma pipeline, including treatments for psychogenic and organic ED, IP2018 and pudafensine, respectively.

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.[2] Between 14 and 35 percent of young men have experience with ED, which may be due to performance anxiety, depression, schizophrenia, or other mental disorders[3]. About 13 percent of all Americans take antidepressant drugs, which means over 23 million prescriptions per year.[4] The global Anxiety Disorder and Depression Treatment Market is forecasted to grow at an annual rate of 2.4 percent from USD 15.8 billion in 2019 to USD 19.2 billion in 2027.[5] The largest players are Pfizer, Eli Lilly, GlaxoSmithKline, AstraZeneca and H Lundbeck A/S, accounting for more than 60% of antidepressants sold. 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 ED to varying degrees, and this underlines the need to develop a better alternative.

2. 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.
3. 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
4. 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.
5. Reports and Data. "Anxiety Disorder and Depression Treatment Market By Therapies" (2020), https://www.reportsanddata.com/report-detail/anxiety-disorder-and-depression-treatment-market.

Patent protection

Pudafensine

Initiator Pharma's intellectual property for pudafensine (IP2015) comprises a layered portfolio of composition of matter, medical use, dosage regime and formulation patent families covering the compound, its clinical indications and its commercial product forms.

Composition of matter protection is in force in the United States until 2031. Outside the United States, pudafensine is protected primarily through medical use and formulation patent families in all major markets.

On 18 February 2026 the European Patent Office granted European Patent EP 4551221, covering the use of pudafensine for the treatment of Female Sexual Dysfunction (FSD), including vulvodynia, hypoactive sexual desire disorder, female sexual arousal disorder, orgasmic dysfunction and sexual pain disorder. The European patent has been validated in the Unitary Patent countries and, in addition, in the United Kingdom, Switzerland, Spain, Poland, Ireland and Norway. A corresponding patent has been granted in South Africa, and applications remain pending in other major jurisdictions. This patent family can be kept in force until 2043.

Further medical use protection covers a specified dosage regime of pudafensine for the treatment of pain, including vulvodynia, as well as for the treatment of erectile dysfunction. Applications are pending in major markets worldwide. When granted, these patent families can be kept in force until 2043 and 2044, respectively.

Initiator Pharma has also developed an extended release and an immediate release formulation of pudafensine, each protected by a dedicated patent family recently entered into the national phase in major markets worldwide. The European Patent Office has acknowledged the patentability of both families. When granted, these families provide formulation-based protection for pudafensine in clinically and commercially relevant product forms until 2044.

IP2018

Intellectual Assets of Initiator Pharma further include a patent confer-ring proprietary chemistry protection for IP2018 in the USA. Compositi-on of matter patents in other jurisdictions expired in Q3/2025.

In addition, the company holds granted patents and pending applica-tions protecting the medical use of IP2018 for the treatment of ED in depressive patients (psychogenic ED) in major markets worldwide.

This patent family can be kept in force until 2040. A further application directed to IP2018 for the treatment of Female Sexual Dysfunction (FSD) is also pending.

IP2016

The compound IP2016 is protected in its racemic and enantiomerically pure forms as composition of matter. The European Patent Office acting as International Searching Authority has acknowledged patentability for all pending claims. When granted, this patent can be kept in force until 2045.

Ongoing IP strategy

Initiator Pharma is actively pursuing a vigorous patent strategy to capture value of developments in its clinical and preclinical programs, by filing new patent applications when possible.

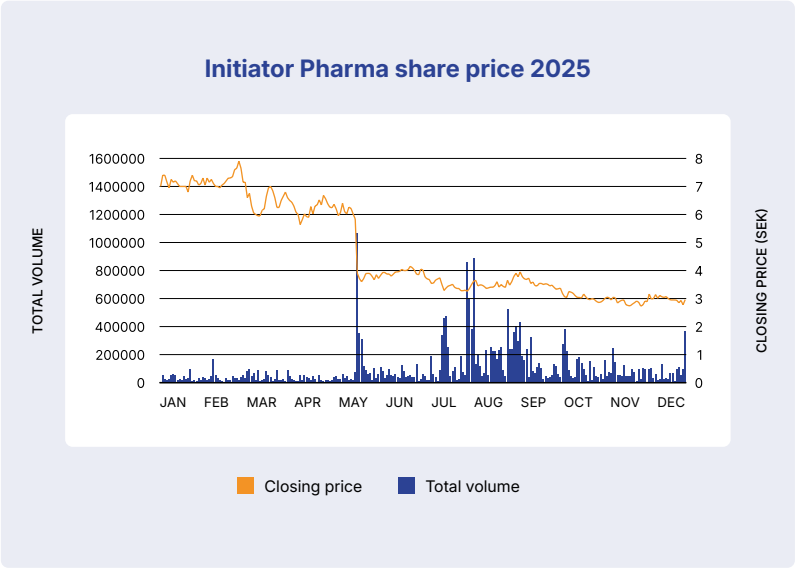
The Initiator Pharma share

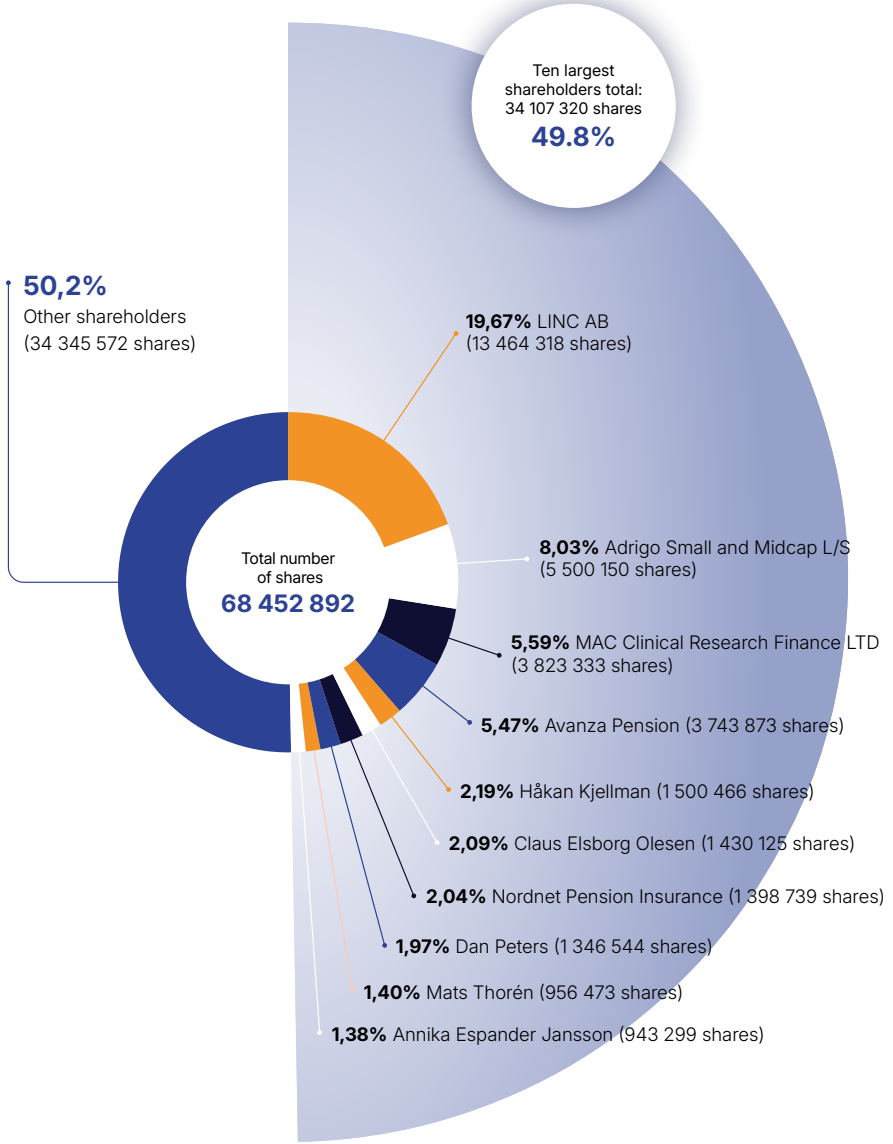
The share and ownership structure

Initiator Pharma is listed on Nasdaq First North Growth Market Stockholm in Sweden, under the ticker code INIT. As of December 31, 2025, the number of shares outstanding totalled to 68,452,892 shares. The company has as of December 31 no outstanding incentive warrants.

The closing share price on December 31 was SEK 2.96, down 66% for the year. The market capitalization of the company on December 31 was approx SEK 203 million. During 2025 the average daily trading volume was 96,550 shares, and for the full year the traded volume was 24.0 million shares or 35% of the issued shares at year-end.

At December 31, 2025 the company had around 3,700 shareholders, with the 10 largest shareholders holding 49.8% of all outstanding shares:





Report from the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer of Initiator Pharma (publ), corporate identity number 37663808, hereby present the Annual Report for the calendar year 2025.

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 system.

Initiator Pharma is a limited liability company registered and headquartered in Aarhus, Denmark. The address of the head office is Ole Maaloesvej 3, 2200 Copenhagen, Denmark. Initiator Pharma incorporated on May 2, 2016 and is listed on Nasdaq First North Growth Market Stockholm.

Financial development in 2025

Result

As a development Company Initiator Pharma generated no revenues in the financial year 2025, unchanged from 2024. The company recognized an operating loss of TDKK 17,781 for the full year 2025, compared to TDKK 14,502 for 2024.

The increase in operating costs for the full year compared to the same period last year reflects the start up of the Phase 2a trial with pudafensine in the neuropathic pain indication vulvodynia in the 2nd half of 2025.

External R&D costs in 2025 amounted to to TDKK 4,096 compared to 1,778 in 2024. The external R&D costs are primarily CRO costs related to the running of the clinical trial as well as related activities on CMC (drug substance and drug product) and regulatory.

Net financial income in 2025 were TDKK 1,085, compared to net financial expenses of TDKK 334 in the same period in 2024. The net financial income for 2025 is mainly related to high positive foreign currency effects in 2025.

Financial position

The equity as of December 31, was TDKK 29,546 compared to TDKK 14,782 at year-end 2024. Cash and cash equivalents amounted to TDKK 26,245 as of December 31 compared to TDKK 13,371 at year-end 2024, and total assets were TDKK 33,759 (15,835).

Cash flow

The operating cash flow for the financial year 2025 was TDKK 17,727 (-12,079), incl. a increase in working capital of TDKK 2,935 (2,078). Cash flow from investment activities was TDKK 0 (0) and cash flow from financing activities was TDKK 30,600 (1,115) for the full year.

Share capital

As of December 31, 2025, the number of shares outstanding totalled to 68,452,892 shares and that same number on a fully diluted basis.

On December 31, 2025 the LTI2023 incentive program expired with no vested Performance shares. Following this the company has no outstanding incentive warrant programs.

As of December 31 the company had around 3,700 shareholders. The 10 largest shareholders in the company on December 31 owned 49.8% of all outstanding shares.

On May 19 the company announced a planned rights issue totalling up to 14,039,590 shares (1:4 existing shares) at a subcription price of SEK 4,00 per share, in total up to SEKM 56. 85% or SEK 48 million were secured in the form of presubscriptions from leading shareholders as well as guarantee commitments. On July 1 the company announced the outcome of the rights issue, with a total of 12,080,781 shares being subscribed for (86%), raising SEK 48.3 million to the company before issuing costs. On July 15 the company announced the issuance of 213,750 shares to guarantors that elected to have their guarantee fee in whole or in part paid out in new shares.

Under the convertible credit agreement with MAC Clinical Research financing up to ca GBP 2.5 million of the clinical trial costs associated with the Phase IIa clinical trial in vulvodynia with Pudafensine, MAC can convert the amount into shares at a pre-agreed share price of SEK 7.739. As of December 31, 2025 the balance of the convertible debt is DKKM 2.1.

Own shares

The company made no acquisitions or divestments of own shares in 2025 and holds no own shares as year-end 2025.

Risks

Initiator Pharma is exposed to various kinds of risks that may impact the Company's results and financial position. The risks can be divided into operational risks and financial risks.

Operational risks

Financing needs and capital

Initiator Pharma´s research and development activities involve significant costs for the Company. Initiator Pharma is thus depending on that capital can be accessed to finance its planned activities. Any delays in product development could affect the cash flow negatively. There is a risk that the Company is unable to raise the additional capital needed. This may lead to the development being temporarily stopped or that Initiator Pharma is required to operate at a lower speed than wanted, which may affect the Company´s operations negatively. In case Initiator Pharma is unable to raise capital there is a risk that the Company cannot further develop its business. If the Company cannot finance the operations, there is a risk that Initiator Pharma´s drug development stops.

Suppliers

Initiator Pharma relies on a number of key suppliers to support its development activities. There is a risk that one or more of Initiator Pharma's suppliers choose to discontinue its cooperation with the Company, which could have a negative impact on the business. There is also a risk that Initiator Pharma's suppliers do not fully meet the quality standards set by the Company. There is also a risk that the establishment of new suppliers or replacement of existing suppliers becomes more costly and/or takes longer than the Company estimates, which may negatively affect the Company's results and financial position.

Key individuals and employees

Initiator Pharma's key individuals and employees have high competence and long experience in the Company's business. A loss of one or more key individuals or employees may have negative consequences for the Company's operations and results. It is not possible to fully protect against unauthorized disclosure of information, with the risk that competitors can gain access to and benefit from the know-how developed by Initiator Pharma, which could be detrimental to the Company. There is a risk that the loss of one or more key individuals, employees and consultants leads to delays in the Company's work to develop drugs. Any delays can cause increased costs for the Company. Thus, there is also a risk that delays could negatively affect the Company's results.

Competitors

Initiator Pharma is a research and development company engaged in pharmaceutical development of drugs to be used for erectile dysfunction, depression and pain. Initiator Pharma's research is focused in the area of monoamine reuptake inhibitors. The Company's drug research will be conducted primarily through its own pharmaceutical development in the early phase and through potential cooperations with other major pharmaceutical companies. Some of the Company's competitors are multinational companies with large financial resources. A comprehensive investment and product development from a competitor may result in less favorable market conditions for Initiator Pharma. Furthermore, companies with global operations, which in the current situation are working in related areas, can also establish themselves within the Company's business. Increased competition could lead to could lead to negative sales and earnings effects for the Company in the future.

Economic development and currency risk

External factors such as inflation, currency and interest rate fluctuations, supply and demand as well as economic recessions and booms may have an impact on operating costs, sales prices and share valuations. A significant share of Initiator Pharma's development costs is in international currencies. Exchange rates can change substantially. There is a risk that Initiator Pharma's future operating costs, revenue and share valuation may be negatively affected by these factors, which are beyond the control of the Company.

Political risk

The Company, through its pharmaceutical development operates in a number of different countries and can therefore be affected by political and economic uncertainties in these countries. There is a risk that Initiator Pharma is negatively affected by changes in laws, taxes, duties, exchange rates and terms for foreign companies. The Company may also be negatively affected by any domestic policy decisions. The above could have negative consequences for the Company's research in pharmaceutical development and can thus affect the Company's future results and financial position.

Patents and other intellectual property

Currently Initiator Pharma holds 14 different patent families. There is a risk that any future patent applications will not be approved and there is also a risk that an approved patent will not constitute a total commercial protection in the future. Patents have a limited life. If the Company is forced to defend future patent rights against a competitor, this will involve considerable costs, which may negatively affect the Company's research, results and financial position. Furthermore, in the industry Initiator Pharma operates there is always the risk that the Company may or is alleged to infringe patent held by third parties. Other

actors' patents may also limit the ability of one or more of the Company's future partners to freely use the product or production method concerned. The risk associated with patent protection implies that the outcome of such disputes is difficult to predict. Negative outcome of litigation relating to intellectual property rights may lead to loss of protection, prohibition to continue to use the right or obligation to pay damages. In addition, the costs of litigation, even in case of a favorable outcome for Initiator Pharma, may be substantial, which could negatively affect the Company's results and financial position. The above could imply difficulties or delays in the commercialization of future products and thus also difficulties in generating revenue.

Development expenditure

Initiator Pharma will continue to develop drug candidates in its operating area. Time and cost aspects of drug development can be difficult to determine in advance with accuracy. This creates the risk of a planned product development program becoming more costly than planned, which may affect the Company's future results and financial position.

Financial risks

Financial risks relate to a potential negative impact on the financial position resulting from changes in the financial risk factors. The Board of Directors is ultimately responsible for the exposure, management and monitoring of the Company's financial risks. The Board of Directors sets the framework that applies to the exposure, management and monitoring of the financial risks and this framework is evaluated and revised yearly. The Board of Directors can decide on temporary departures from its predetermined framework. Below is a brief description of the financial risk factors that are deemed the most significant for Initiator Pharma.

Currency risks is the risk that the fair value of future cash flows fluctuate because of changed exchange rates. Exposure to currency risk is primarily sourced from payment flows in foreign currency and from the translation of balance sheet items in foreign currency, as well as upon the translation of foreign subsidiaries' income statements and balance sheets to the Company's reporting currency, which is DKK.

Interest risk is the risk that fair value or future cash flows fluctuates as a result of changed market interest rates.

Liquidity risk is the risk that the Company encounters difficulties in satisfying commitments related to the Company's financial liabilities.

Credit risk is the risk that a counterparty in a transaction generates a loss for the Company by being unable to satisfy its contracted obligations. Credit risk may also arise if the Company's surplus liquidity is invested in various types of financial instrument.

Corporate governance

Initiator Pharma does not provide a Corporate Governance Report for 2025. The Board of Directors has adapted the following policies:

- Rules of Procedure for the Board of Directors
- Instructions for the CEO
- Information Policy
- Remuneration Policy

Organisation

As of December 31 2025, the number of employees was 1 of which 1 man and no women. Of these employees, 1 was part-time.

In addition to its employees Initiator Pharma has a number of consultants who work with the Company on an ongoing basis.

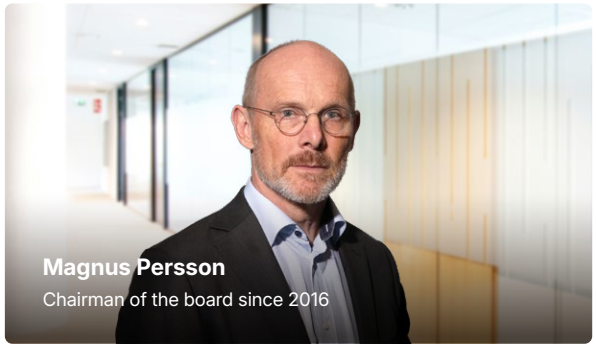
Remuneration

The AGM resolves on remuneration to the Chair of the Board and other Board members. The AGM in 2025 approved a policy for remunerating the CEO and other senior executives. For more information on remuneration in the year, see note 1.

Subsequent events

In April the company announced the decision to focus fully on Pudafensine, and following this portfolio prioritisation the company will discontinue further development of IP2018. The decision has no impact on the 2025 financial accounts.

The Board of directors and Auditor



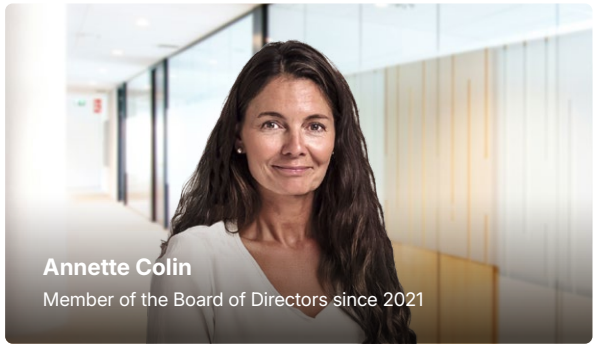
Magnus Persson
Chairman of the board since 2016

Born: 1960

Background: Magnus is medical doctor and PhD from the Karolinska Institute in Sweden and co-founder of the now publicly traded Aerocrine. He has been working as a clinical doctor and early in his career he was in charge of several clinical trial programs for Sanofi that resulted in blockbuster drugs. Magnus has a long history in the pharmaceutical industry and has built up investment funds both in Sweden and abroad with a focus on medical projects – particularly as Partner at HealthCap in Sweden from inception and later as Managing Partner in San Francisco based The Column Group. In these capacities Magnus helped found and develop many successful biotech companies.

Holdings in the company*: 308 401 shares

Warrants: 0



Annette Colin
Member of the Board of Directors since 2021

Born: 1965

Background: Annette has more than 30 years' experience from different functions within finance and management in executive positions as CEO, Group CFO, COO, Group Financial Controller and Tax Manager, including 20 years in Life Science. Annette has been part of fast-growing companies and organizations and has long experience in building strategic plans, building teams, streamlining infrastructure M&A, IPO and funding experience. She worked with both Venture Capital and Private Equity owners, however the majority in publicly listed companies. Most recent assignments include Boule Diagnostics AB (publ), Biotage AB (publ), Annexin Pharmaceuticals AB (publ) Observe Medical International (publ), Stille AB (publ), Lindab International AB (publ), Perbio Science AB (publ) and EY. Annette has her own consultant/advisory company since 2008. Besides from that she also has board assignment in Colinex Capital AB. Annette has education in Business Administration, from Lund University, Sweden.

Holdings in the company*: 37 654 shares

Warrants: 0

Göran Ando
Member of the Board of Directors since 2025

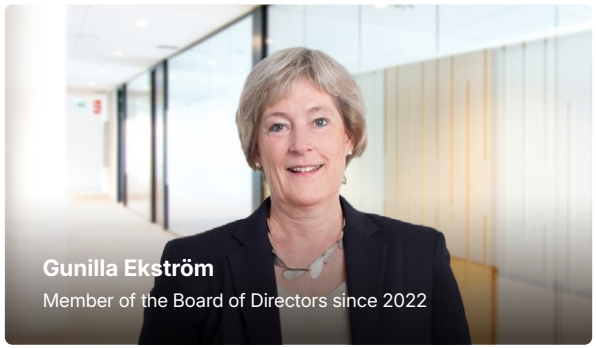
Born: 1949

Background: Göran Ando brings 45 years of experience as one of the most experienced and respected leaders in the global pharmaceutical industry. Dr. Ando is the retired Chair of the Board of Novo Nordisk A/S, a global pharmaceutical company and the current Chairman of EyePoint Pharmaceuticals (USA), Nouscom (Switzerland) and Nanexa AB (Sweden). His career began in the pharmaceutical industry in 1978 as Medical Director of Pfizer AB, progressing to Director, Clinical Research with Pfizer International in the US. He then became VP, Medical and Scientific Affairs at Bristol-Myers, returning to Sweden as President of the Astra Research Centre. Between 1989 and 1995, he held various senior appointments at Glaxo, including R&D Director for Glaxo Group Research. Göran joined Pharmacia AB in 1995 as EVP and Deputy CEO, moving to the U.S. in 1997 to lead R&D with additional responsibilities for manufacturing, information technology, business development and M&A. During his eight-year tenure as Head of R&D at Pharmacia/Pharmacia & Upjohn, 17 new drugs were approved by the U.S. Food & Drug Administration prior to Pharmacia's acquisition by Pfizer for $60 billion. He was then appointed CEO of Celltech Group PLC in the United Kingdom, one of the most successful European biotech companies, until it was acquired by UCB Pharma for $3 billion in 2005. Dr. Ando received his Bachelor of Arts degree from Uppsala University in Sweden and Doctor of Medicine degree from Linköping University in Sweden.

Holdings in the company*: 125 000 shares

Warrants: 0

*No. of shares held includes shared held privately and held through holding companies



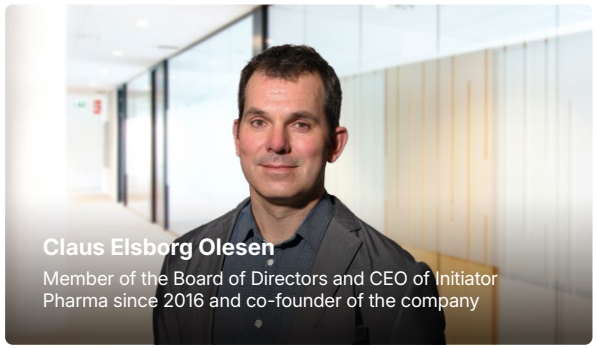
Gunilla Ekström
Member of the Board of Directors since 2022

Born: 1958

Background: Gunilla is medical doctor, PhD and associate professor from the Karolinska Institutet in Sweden and co-founder of Gesynta Pharma AB. Gunilla started her professional career in the pharma industry as scientist within drug metabolism. Later on, she moved on to project work and established cross functional, high-performance teams, responsible for a portfolio of projects for global development within analgesia, bringing compounds from discovery up to clinical phase 2. The role involved long term strategic plans, budgets, evaluation of in licensing opportunities and due diligence. As a member of an executive management team of a public company, she was involved in financing, prioritization of the portfolio, personnel and worked close to the board. Gunilla have experience from the entire R&D value chain (discovery to NDA) and from small, mid-sized and large pharma companies. She has held positions as CEO of virtual companies and is currently board member in Corline Biomedical AB, MyCural AB, Disruptive Pharma AB and Strike Pharma AB in addition to Initiator Pharma.

Holdings in the company*: 19 000 shares

Warrants: 0



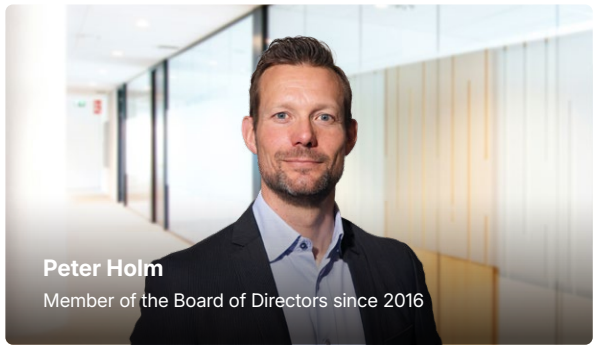
Claus Elsborg Olesen
Member of the Board of Directors and CEO of Initiator Pharma since 2016 and co-founder of the company

Born: 1974

Background: Claus earned his PhD in Physiology and Biophysics from Aarhus University in 2008 and has been engaged in both basic and applied research with an emphasis on structural biology and function of membrane proteins ever since. Furthermore, Dr. Olesen has been in involved in numerous drug development projects in both academic and industrial collaborations with both soluble and membrane protein targets. He is the author of a number of articles including two first authorship articles in Science and Nature. He is the co-founder of Pcovery ApS (2009) an antifungal Biotech situated in Copenhagen and NMD Pharma (2015) a biotech company focused on the development of new treatments for neuromuscular disorders. He is the coordinator of the Business Research Manager program at the faculty of Health at Aarhus University aimed at establishing more collaboration between the research at the university and pharmaceutical industry. He is former professional sailor having competed in the Americas Cup for Sweden in 2003 and participating in two Olympics representing Denmark (2004 & 2012)

Holdings in the company*: 1 430 125 shares

Warrants: 0



Peter Holm
Member of the Board of Directors since 2016

Born: 1974

Background: Peter holds a Master's degree in chemistry from Linköping University (1999) and a PhD in biochemistry from Karolinska Institutet in Stockholm (2005), followed by postdoctoral research in structural biology. He has worked with intellectual property in the life sciences since 2006, initially for close to two decades as partner and country manager Sweden at a leading Scandinavian IP law firm. He is today founding partner and CEO of Aesir Partners, an IP law firm advising life science companies on patent strategy and portfolio management. A European Patent Attorney by qualification, Peter combines scientific training with close to twenty years of patent prosecution and IP strategy experience, and works extensively with life science entrepreneurs and early-stage companies on building IP-based businesses. He serves on the boards of several life science companies.

Holdings in the company: 0 shares

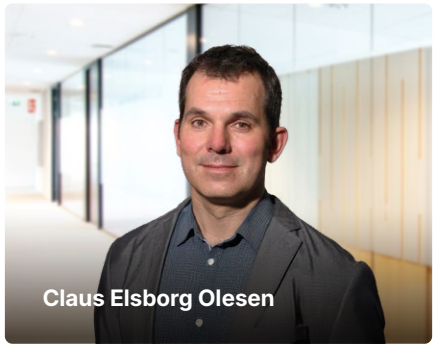
Warrants: 0

Auditor
Deloitte Statsautoriseret Revisionspartnerselskab

Auditor in charge: Claus Jorch Andersen
Address: Deloitte Statsautoriseret Revisionspartnerselskab, Weidekampsgade 6, 2300 Copenhagen S, Denmark

*No. of shares held includes shared held privately and held through holding companies

Management



Member of the Board of Directors and CEO since 2016. Co-founder of the company

Born: 1974

Education: Ph.D. in Physiology and Biophysics from Aarhus University

Holdings in the company*: 1 430 125 shares

Warrants: 0

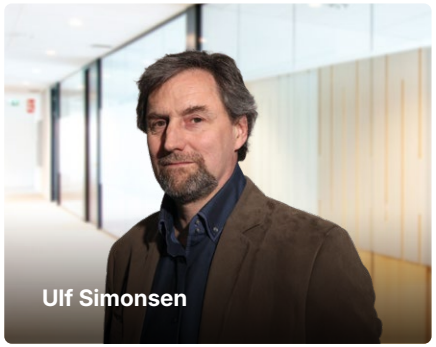
CFO of Initiator Pharma A/S since 2016 (consultant)

Born: 1964

Education: Ph.D. in business administration from UC Berkeley and master's degree from the Norwegian School of Economics.

Holdings in the company*: 467 895

Warrants: 0



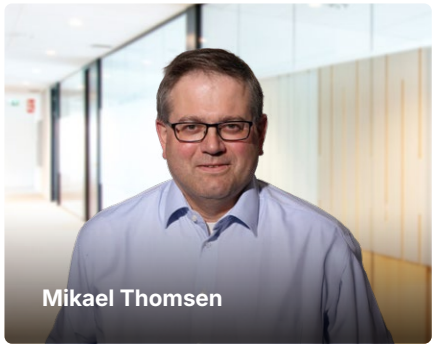
CMO of Initiator Pharma A/S since 2016 and co-founder of the company (consultant)

Born: 1963

Education: Medical doctor (Aarhus University) and Ph.D. in Physiology (Complutense University, Madrid). Currently Professor of Pharmacology and head of Department of Pharmacology at Aarhus University.

Holdings in the company*: 718 666

Warrants: 0



CDO of Initiator Pharma A/S since 2016 and co-founder of the company (consultant)

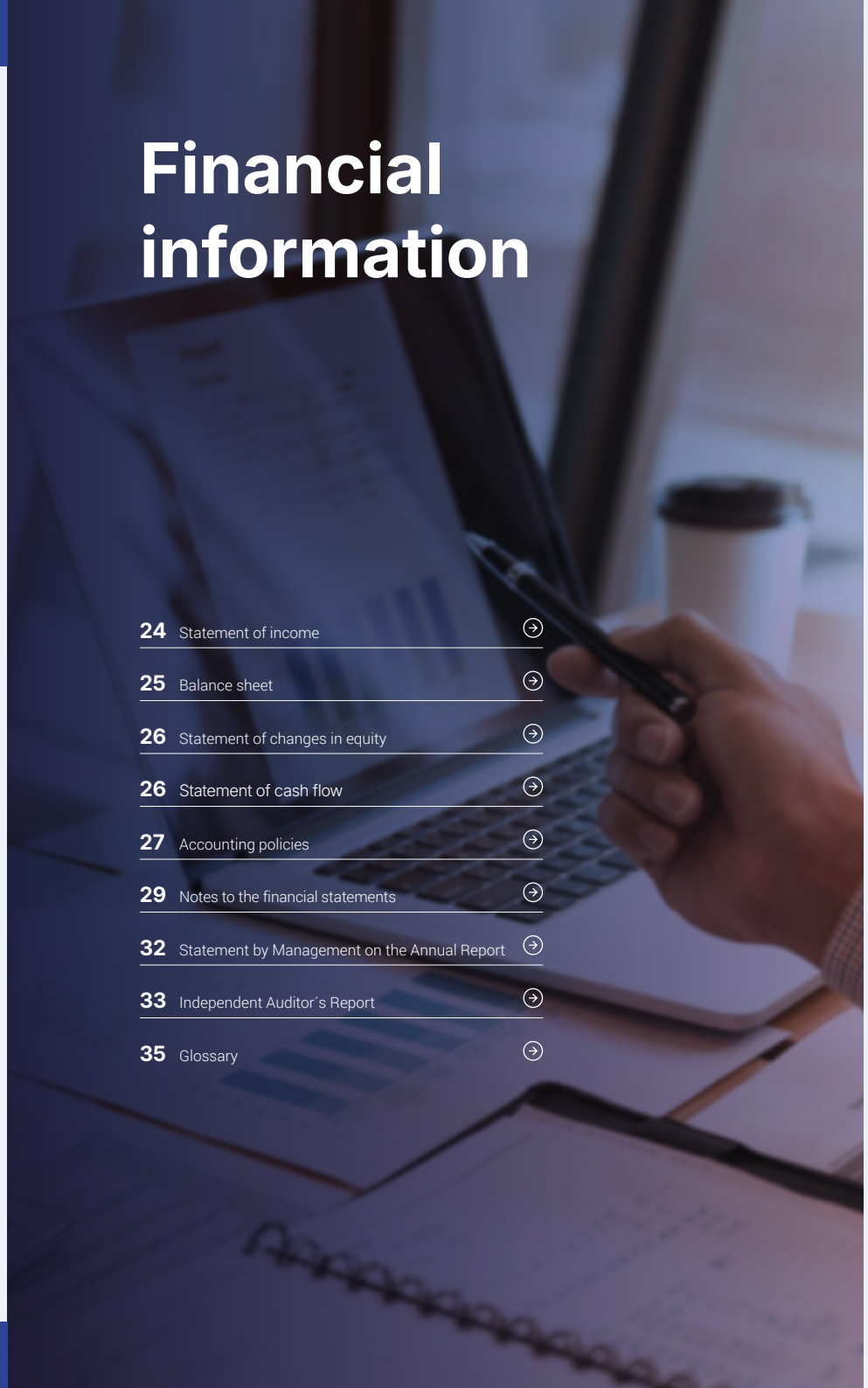
Born: 1968

Education: Ph.D. in Pharmacology and Toxicology (University of Copenhagen) and two M. Sc. degrees in Pharmacy and Human Biology (from University of Pharmaceutical Sciences, Copenhagen and University of Copenhagen, Medical Faculty).

Holdings in the company*: 865 967

Warrants: 0

*No. of shares held includes shared held privately and held through holding companies



Financial information

Financial reports

Statement of income

(TDKK)	Notes	2025	2024
Gross loss		-14,828	-11,073
Staff costs	1	-2,953	-3,429
Depreciation and write-downs		-	-
Operating profit/loss		**-17,781**	**-14,502**
Financial income		1,310	499
Financial expenses	2	-225	-832
Profit after financial items		**-16,696**	**-14,836**
Tax	3	3,009	1,904
Profit/loss for the year		**-13,687**	**-12,932**

Balance Sheet

ASSETS

(TDKK)	Notes	2025	2024
Patents, acquired rights		-	-
Intangible assets	**4**	**-**	**-**
Other fixtures and fittings, tools and equipment		17	17
Property, plant and equipment		**17**	**17**
Fixed assets		**17**	**17**
Other receivables		1,109	543
Income Tax receivable		3,008	1,904
Prepayments	5	3,380	-
Current receivables		**7,497**	**2,447**
Cash and cash equivalents	**6**	**26,245**	**13,371**
Current assets		**33,742**	**15,818**
Assets		**33,759**	**15,835**

EQUITY AND LIABILITIES

(TDKK)	Notes	2025	2024
Contributed capital	7	7,187	5,897
Retained earnings		22,359	8,885
Equity		**29,546**	**14,782**
Convertible credit agreement	8	2,149	0
Long-term liabilities		**2,149**	**0**
Trade payables		864	366
Other payables		194	202
Accrued expenses		1,006	485
Current liabilities other than provisions		**2,064**	**1,053**
Liabilities other than provisions		**4,213**	**1,053**
Equity and liabilities		**33,759**	**15,835**
Contingent asset	10	-	-

Statement of changes in equity

Statement of changes in equity for 2024

(TDKK)	Contributed capital	Retained earnings	Total
January 1, 2024	**5,510**	**5,652**	**11,162**
Increase of capital	387	17,083	17,470
Costs in connection with increase of capital	-	-241	-241
Purchase of treasury shares	-	-690	-690
Sale of treasury shares	-	13	13
Profit/loss for the year	-	-12,932	-12,932
December 31, 2024	**5,896**	**8,886**	**14,782**

Statement of changes in equity for 2025

(TDKK)	Contributed capital	Retained earnings	Total
January 1, 2025	**5,896**	**8,886**	**14,782**
Increase of capital	1,291	31,620	32,911
Costs in connection with increase of capital	-	-4,460	-4,460
Profit/loss for the year	-	-13,687	-13,687
December 31, 2025	**7,187**	**22,359**	**29,546**

Statement of cash flow

(TDKK)	Notes	2025	2024
Cash flow from operations			
Operating profit/loss		-17,781	-14,502
Corporate tax income received		1,904	4,834
Cash flow from operations before change in working capital		**-15,877**	**-9,668**
Interest received		1,310	499
Interest paid		-225	-832
Changes in working capital	9	-2,935	-2,078
Cash flow from operations		**-17,727**	**-12,079**
Investing activities		0	0
Cash flow from investing activities		**0**	**0**
Financing activities			
Purchase of treasury shares		0	-690
Sale of treasury shares		0	13
New share issue		28,451	1,792
Credit agreement with MAC		2,149	0
Cash flow from financing activities		**30,600**	**1,115**
Cash flow for the reporting period		**12,873**	**-10,964**
Cash and cash equivalents at the beginning of period		13,371	24,336
Cash and cash equivalents at the end of period		**26,245**	**13,371**

Accounting policies

Reporting class

This annual report has been presented 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.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency translations are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items dominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognized in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity sta.

Other financial income

Other financial income comprises interest income and exchange gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

According to the tax credit scheme the company has the opportunity to apply for a pay-out of an amount corresponding to the company tax (22 %) of the company's qualifying research and development costs, against a reduction of the remaining unused taxable losses.

Balance sheet

Intellectual property rights etc
Intellectual property rights etc comprise acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Corporate tax receivable recognized in the balance sheet relates to the application of the tax credit scheme under § 8X of the Tax Assessment Act, whereby the company can obtain the tax value of tax losses resulting from costs to Research and development.

Based on the examination of the criteria for the application of the scheme, management considers that the company is entitled to apply the scheme and the recognition has been based on this assessment. However, whether the criteria for applying the scheme are met are based on a discretionary assessment. As a result, there may be a risk that the tax authorities will judge that the criteria have not been met. If so, the receivable will have to be fully or partially reversed from the profit and loss account in subsequent financial years.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

Notes to the financial statements

NOTE 1 - Staff costs

	2025 (TDKK)	2024 (TDKK)
Wages and salaries	2,596	2,995
Pensions	350	420
Other social security costs	6	12
Other staff costs	-	2
Total staff	**2,952**	**3,429**
Average number of full-time employees	1	2

Remuneration of management	2025 (TDKK)	2024 (TDKK)
Total amount for management categories	1,866	1,745
	1,866	**1,745**

NOTE 2 - Other financial items

	2025 (TDKK)	2024 (TDKK)
Interest income	75	285
Currency gain	1,234	214
Other financial income	**1,310**	**499**
Interest expense	0	-2
Currency expense	-225	-830
Other financial expenses	**-225**	**-832**

NOTE 3 - Tax on profit/loss for the year

	2025 (TDKK)	2024 (TDKK)
Current tax	(3,009)	(1,904)
	(3,009)	**(1,904)**

NOTE 4 - Intangible assets

	Acquired rights (TDKK)
Cost beginning of the year	112
Cost end of year	**112**
Amortisation and impairment losses beginning of year	(112)
Amortisation for the year	0
Amortisation and impairment losses end of year	**(112)**
Carrying amount end of year	**0**

NOTE 5 - Prepayments

During 2025 the Company has initiated a Phase 2a clinical trial which are performed by external suppliers, or clinical trial organizations ("CRO"). The invoicing by the CRO for the clinical trial services follow the payment plan established by the service agreements for the clinical trial.

In order to account for the periodic costs of the clinical trials the company has developed a cost model that attempts to allocate the budgeted costs to the progress of the study.

Differences between invoiced costs from the CRO and the modelled costs is recognized as prepayments in the case where invoiced costs exceed the modelled costs, or as provisions in the case where invoiced costs are below modelled costs.

At year-end December 31, 2025 the recognized amount as prepayments was TDKK 3,380 (TDKK 0).

NOTE 6 - Cash

Total cash funds amounts to TDKK 26,236, of which TDKK 197 is pledged as security for the guarantee provided by the Company's bank.

NOTE 7 - Share capital

	Number	Nominal value (DKK)
Shares	68,452,892	7,187,553
Total	**68,452,892**	**7,187,553**

At December 31, 2025 the Company has no warrant programs in effect. The warrant program approved by the AGM in 2023 expired on December 31, 2025 with no shares issued under the program.

Year approved	Number of warrants	Subscription price	Pct of issued shares	Exercise price	Exercise deadline	Performance baseline[1]
AGM 2023	657 500	-	1.2%	DKK 0.105	Jan 31, 2026	SEK 7.28
Total	**657 500**		**1.2%**			

1. Performance baseline = volume weighted average share price in the 30 day period following the respective AGM date.

The AGM2023 Program ("LTI2023"):

Under this program the participants in the program have acquired 131,500 ordinary shares in the market at market price ("Investment Shares") in the period between May 26, 2023 and September 30, 2023, with each Investment Share carrying the right to subscribe for 1 new share at par value at the next AGM providing that the individual owning the Investment Share is still with the company at the time ("Matching Share"). Each Investment Share is also entitled to subscribe for between 0 and 5 new shares during 30 trading days after December 31, 2025, depending on the development of Initiator's share price ("Performance Target") in the period between May 26, 2023 and December 31, 2025. The maximum potential dilution under the program was 789,000 shares.

After the AGM 2024 held on May 24, 2024 the participants in LTI2023 exercised their rights to acquire 131,500 shares, the full number of Matching Shares.

On December 31, 2025 the LTI2023 program expired, with no vested Performance shares. The number of Performance shares was determined by the share price performance between 2023 and 2025, measured based on the volume weighted average share price 30 trading days immediately following the annual general meeting on 26 May 2023 (SEK 7.01) and 30 trading days immediately preceding 31 December 2025 (SEK 2.92). An increase in the share price with less than 20 per cent does not entitle to any vesting of any of the Performance Shares, an increase in the share price with 20 per cent entitles to vesting of 1 Performance Share per Investment Share and an increase in the share price with 100 per cent or more entitles to vesting of all the 5 Performance Shares per Investment Share. In the event of an increase in the share price of between 20 and 100 per cent, vesting of the Performance Shares will occur linearly between 1 and 5. Based on the Performance Target, a total of 0 Performance Shares vested on Dec 31, 2025 (0% of the maximum number).

As of December 31, 2025 there are no additional warrants remaining under the LTI2023 program.

NOTE 8 - Convertible and dividend-yielding debt instruments

In 2025 the Company entered a financing agreement with MAC Clinical Research through which MAC Clinical Research will cover up to GBP 2.5 mill of the clinical trial costs for a planned Phase 2a trial in vulvodynia with Pudafensine, the Company´s lead program, through a convertible credit agreement. The agreement gives MAC Clinical Research the right to convert the credit into Initiator Pharma shares up to approximately 2.5 MGBP at a share price of 7.739 SEK upon the full completion of a planned Phase 2a study.

If fully utilized the agreement gives MAC Clinical Research the right to convert the credit into shares at a share price of 7,739 SEK each of a nominal value of DKK 0.105. The corresponding number of shares and hence the dilution to current shareholders will depend on the currency exchange rate between GBP and SEK at the time of conversion. At the SEK/GBP = 12.38 exchange rate on December 31, 2025 the conversion of the full GBP 2.5 mill will result in the issue of 3,999,224 new shares, representing a potential dilution of 5.7%.

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

As of December 31, 2025 a total of TDKK 2,149 has been accrued under the convertible credit agreement, representing a potential dilution of approx. 0.4 million shares or 0.6% of number of issued shares on December 31, 2025, based n the SEK/GBP=12.38 exhange rate on December 31, 2025.

NOTE 9 - Change in working capital

	2025 (TDKK)	2024 (TDKK)
Increase/decrease in receivables	(3,946)	56
Increase/decrease in trade payables etc	(1,011)	2,134
	(2,935)	**2,078**

NOTE 10 - Contingent assets

The company possesses a tax asset valued at 16,4 million Danish Kroner (mDKK), which is related to tax loss carried forward. Due to recent assessments and projections, it has been determined that the company will not be able to utilise these tax losses in the foreseeable future. Consequently, the tax asset has been written down to reflect the reduced likelihood of its realization.

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Initiator Pharma A/S for the fiscal year 01/01/2025 - 12/31/2025.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 12/31/2025 and of the results of its operations and cash flows for the fiscal year 01/01/2025 -12/31/2025.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend that the Annual Report with its accompanying financial statements be adopted at the Annual General Meeting.

Copenhagen, 23.04.2026

Executive Board

Claus Elsborg Olesen

Board of Directors

Gunnar Magnus Severus Modee Persson
Chairman

Göran Ando

Annette Ingegerd Marie Colin

Peter Joakim Holm

Ylva Gunilla Ekström

Claus Elsborg Olesen

Independent auditor's report

To the shareholders of Initiator Pharma A/S

Opinion

We have audited the financial statements of Initiator Pharma A/S for the financial year 01.01.2025 - 31.12.2025, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2025 and of the results of its operations and cash flows for the financial year 01.01.2025 - 31.12.2025 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 23.04.2026

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Glossary

Business terms

CNS
The Central Nervous System, a part of the nervous system consisting of the brain and spinal cord.

CTA
Clinical Trial Application which a pharmaceutical company file to EMA in order to obtain permission to ship and test an experimental drug in Europe before a marketing application for the drug has been approved. The approved application is called an Investigational New Drug (IND) in the US.

EMA
European Medicines Agency

Erectile Dysfunction
Erectile dysfunction (ED) or impotence is sexual dysfunction characterized by the inability to develop or maintain an erection of the penis during sexual activity in humans.

FDA
US Food and Drug Administration

Female Sexual Dysfunction
Female sexual dysfunction (FSD) includes a range of issues such as hypoactive sexual desire disorder (low libido), difficulty achieving arousal, pain during intercourse, and inability to reach orgasm.

Hypoactive sexual desire disorder
Hypoactive Sexual Desire Disorder (HSDD) is the most common Female Sexual Dysfunction (FSD) affecting adult women of any age, including postmenopausal women. HSDD may have significant effects on the relationships and emotional balance of women and constitutes the most common form of FSD observed in clinical practice.

IND
Investigational New Drug is a program by which a pharmaceutical company obtains permission to ship and test an experimental drug in the US before a marketing application for the drug has been approved. In Europe, the application is called a Clinical Trial Application (CTA).

Monoamine re-uptake inhibitor
A monoamine reuptake inhibitor (MRI) is a drug that acts as a reuptake inhibitor of one or more of the three major monoamine neurotransmitters serotonin, norepinephrine, and dopamine by blocking the action of one or more of the respective monoamine transporters.

Neuropathic pain
Neuropathic pain is a complex, chronic pain state that usually is accompanied by tissue injury. With neuropathic pain, the nerve fibers themselves may be damaged, dysfunctional, or injured. These damaged nerve fibers send incorrect signals to other pain centers.

PDE5 inhibitor
A drug used to block the degradative action of the PDE5 enzyme in the smooth muscle cells lining the blood vessels supplying the corpus cavernosum of the penis. These drug, incl Viagra©, Cialis© and Levitra© are used in the treatment of erectile and were the first effective oral treatment available for the condition.

Pudafensine
Pudafensine, our most advanced drug candidate, is a novel drug candidate for the treatment of patients suffering from Erectile Dysfunction (ED) that do not respond to the currently marketed drugs in the PDE5i class (e.g. Viagra©, Cialis©, Levitra©)

Financial

Earnings per share
Profit/loss for the period divided by the average number of shares outstanding at the end of the period

EBIT
Earnings Before Interest and Taxes (Operating profit/loss)

Equity ratio
Shareholders' equity as a proportion of total assets

Diluted earnings per share
Profit/loss for the period divided by the average number of shares after dilution at the end of the period

Operating margin
EBIT as proportion of revenue

Initiator Pharma

2025

FINANCIAL CALENDAR

Interim Q1 2026 report	8 May 2026
Annual General Meeting 2026	29 May 2026
Interim Q2 2026 report	21 August 2026
Interim Q3 2026 report	20 November 2026
Year-end report 2026 (Q4)	26 February 2027

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CONTACT INFORMATION

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