

Q1

Initiator Pharma

2024

BUSINESS HIGHLIGHTS

Business highlights in Q1 2024

- In January the company announced that the company will expand to a broader Sexual Health Franchise including both male Erectile Dysfunction (ED) and Female Sexual Dysfunction (FSD) indications
- In January the company announced the decision to carry out a capital increase directed at members of executive management and key management under the long term incentive program for 2021 ("LTI2021-program") and to conduct a directed buyback of shares in order to sell shares to the board of directors under the LTI2021-program
- In February the company announced the decision to carry out a capital increase directed at MAC Clinical Research Finance Ltd ("MAC") in connection with MAC's conversion notice regarding conversion of outstanding receivable on February 20th

Business highlights after this reporting period

- Nothing to report.

Financial Highlights

Initiator Pharma A/S is a Danish registered company, and is reporting its financial situation in Danish kroner (DKK).

Financial review

KDKK	Q1-2024	Q1-2023	FY-2023
Net sales	-	-	-
Total operating expenses	-3 577	-8 677	-27 029
Operating profit/loss	-3 577	-8 677	-27 029
Net result	-4 123	-9 267	-27 706
Earnings per share before and after dilution (DKK)	-0.08	-0.18	-0.53
Cash flow from operating activities	-6 802	-5 393	-17 647

KDKK	31.03.2024	31.03.2023	31.12.2023
Cash and cash equivalents	18 760	33 719	24 336
Equity	23 702	24 757	11 162
Total equity and liabilities	24 354	39 557	29 786
Equity ratio, %	97%	63%	37%

<i>Number of shares outstanding</i>	52 471 887	52 361 887	52 471 887
<i>Number of shares, diluted</i>	57 250 894	56 947 554	57 250 894
<i>Average number of shares outstanding</i>	52 471 887	52 361 887	52 419 179

LETTER FROM THE CEO



I am delighted to provide an update on Initiator Pharma's progress and achievements during the start of 2024, building upon previous year's successes where we achieved multiple important milestones across our development pipeline. We have continued to advance our goal of progressing 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, while also strengthening our position in the market.

In 2023, we witnessed significant milestones across our development pipeline, with our programs making remarkable progress. Notably, the statistically significant and clinically relevant efficacy Phase IIb data presented in the fall for our leading drug candidate pudafensine in organic erectile dysfunction (ED) marked a pivotal achievement, highlighting its potential to address a significant unmet medical need. The clear efficacy results in moderate and severe ED support for pudafensine's further development towards market authorization. The further clinical development program also includes an optimized solid oral dosage form, for which we obtained positive data in 2023 demonstrating that the oral solid dosing formulations provide relevant drug bioavailability and pharmacokinetic drug release profiles.

These clinical achievements were further reinforced by the recent publication of our preclinical pharmacology results in the prestigious British Journal of Pharmacology, validating the mechanism of action and strengthening our belief in pudafensine as a novel treatment for patients who do not respond to or tolerate the currently marketed drugs.

Initiator's other clinical asset, IP2018 is being developed for psychogenic ED. In the summer of 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.

Our commitment to advancing sexual health extends beyond ED, as evidenced by our strategic decision to expand our focus to include Female Sexual Dysfunction (FSD). Based on promising preclinical data, we have conducted a comprehensive review, and at the beginning of the quarter, we announced our decision to build upon the success of our ED programs to establish a broader Sexual Health Franchise encompassing both ED and FSD indications. FSD includes a range of issues, such as hypoactive sexual desire disorder (HSDD, low libido), difficulty achieving arousal, pain during intercourse, and inability to reach orgasm.

This strategic move reflects our commitment to addressing unmet medical needs and presents significant revenue and earnings potential. An analysis of the commercial assessment has concluded that a product for underserved women suffering from FSD/HSDD should have the potential to reach peak sales of at least USD 2 billion. We are initially exploring the opportunity with a priority on postmenopausal women with FSD, where there currently is no available treatment option. Both Pudafensine and IP2018 could offer the potential to be a first-line treatment options in the targeted market segments.

In addition to our clinical advancements, I am pleased to announce that we welcomed MAC Clinical Research as a new shareholder in February 2024.

LETTER FROM THE CEO

The background is the convertible loan agreement that was an important part of the financing of the pudafensine Phase IIb study, which was carried out by MAC. The agreement gave MAC the right to convert the credit into Initiator shares up to approximately 23 MSEK at a share price of 7.5 SEK, equivalent to a premium of more than 70 percent, upon the full completion of the study. MAC's support further validates the potential of our programs and reinforces our confidence in the promising future ahead.

Looking ahead, we remain committed to optimizing shareholder value and pursuing strategic partnerships to further accelerate our growth trajectory. Continued discussions and negotiations with potential partners are of highest priority during 2024. With sufficient funding secured well into 2025, we are well-positioned to execute on our strategic priorities and drive value creation for our shareholders.

I would like to express my gratitude to our shareholders, partners, employees, and the broader Initiator Pharma community for their continued support and dedication. Together, we are making meaningful strides towards advancing healthcare and improving patient outcomes.

Copenhagen, May 10, 2024

Claus Elsborg Olesen
CEO

ABOUT INITIATOR PHARMA

Initiator Pharma is a Danish clinical stage emerging pharma company developing innovative drugs that target key unmet medical needs within the central and peripheral nervous system. Initiator Pharma's pipeline consists of two clinical stage assets – pudafensine (IP2015) and IP2018 – and two preclinical assets. The company recently 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, and has previously completed a Phase I proof of principle trial in neuropathic pain. With IP2018 the company has reported positive, statistically significant, and dose-dependent clinical observations related to efficacy in psychogenic ED in a Phase IIa clinical trial in patients with mild to moderate ED. Both pudafensine and IP2018 are currently being investigated as potential treatments of Female sexual dysfunction.

Vision

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.

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 its portfolio of drug candidates to key value inflection points, where the company anticipate significant partnering interest from international pharma industry for the further development of the company's drug candidates.



PUDAFENSINE (IP2015)

Pudafensine: Pudafensine, Initiator's 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.

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 worldwide¹.

At the beginning of June 2019, Initiator announced that the company had successfully completed a Phase I study regarding safety and tolerability with pudafensine, and in March 2020, Initiator achieved successful Phase IIa results for pudafensine. The Phase IIa study was designed as an exploratory study and included twelve patients who had severe ED with scores below 12 on the IIEF-5 scale, which meant that it was not possible to treat the condition with currently available treatment. Results from the study support the goal of further developing an oral formulation of pudafensine for the treatment of moderate and severe ED in patients who do not respond to current therapies.

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 2b 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.

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 Market

The current number of ED patients is estimated to about 150 million men worldwide and a number that is estimated to increase to more than 300 million by 2025. About 30-40% of these patients will not respond to the current treatment and represent a significant unmet medical need. This is exactly Initiator's primary target group and will clearly distinguish us from the PDE5i drugs, where patent expiry results in increasing price pressure from generics. In 2015 the ED market generated about 4 USD billion in sales and Initiator Pharma strongly believes that targeting the PDE5i non-responders will allow us to receive premium pricing for pudafensine and thereby generate substantial commercial value for Initiator Pharma.

PUDAFENSINE (IP2015)

Neuropathic pain/Trigeminal Neuralgia

In Q3 2022 Initiator announced the final data from a clinical Phase I study to assess pain-reducing effects, comprising 24 healthy male subjects challenged with the pain-inducing ingredient (capsaicin). The study was a randomized, double-blind, placebo-controlled study in 24 healthy male subjects, investigating the effects on pain measures (hyperalgesia, allodynia, and subjects' pain rating) of single doses of pudafensine, pregabalin as active control, and placebo. Pudafensine demonstrated a statistically significant effect on allodynia ($p=0.049$) and showed a dose-dependent effect on the measured pain parameters. Pregabalin ($p=0.083$) and pudafensine ($p=0.051$) tended to reduce hyperalgesia, although the effects on hyperalgesia were not statistically significant compared to placebo-treated subjects. In addition, there were no observations of unexpected adverse events.

Following a thorough review of the final dataset, the company initiated an open-labeled randomized Phase I drug formulation and pharmacokinetics (PK) study in 12 healthy subjects evaluating optimized oral solid dosage forms of pudafensine. The study was started in the beginning of 2023 and in Q3 2023 Initiator reported positive results, enabling a smooth and efficient bridging between previous data sets into new future clinical studies for pudafensine.

The pudafensine development plan aims for orphan drug designation for trigeminal neuralgia and the future ambition is to seek a fast track designation at the FDA and EMA to obtain regulatory support from the authorities and significantly reduce the lead time to product registration.

Neuropathic pain/Trigeminal Neuralgia Market

Trigeminal neuralgia is a chronic neuropathic pain condition that affects the trigeminal nerve. The trigeminal nerve carries sensation from the face to the brain. In patients with trigeminal neuralgia, even mild stimulation of the face, such as brushing your teeth or putting on makeup, may trigger a jolt of excruciating pain. The disease is seriously invalidating. US-based studies estimate that there are between 51,500 and 133,000 cases of Trigeminal Neuralgia in the US. Anecdotally, healthcare providers and health insurance plans in the US claim that 140,000 people suffer with Trigeminal Neuralgia in the US (Nguyen, 2010; Aetna, 2021).

Trigeminal neuralgia affects women more often than men, and it's more likely to occur in people who are older than 50. The causes of the disease include pressure on the nerve, aging, brain disease or is idiopathic. The treatment involves medications and surgery. Clinical guidelines recommend carbamazepine (the only drug FDA-approved for TN) and oxcarbazepine as first-line therapies, however the current medication is often found ineffective and with serious adverse events ^{2,3}.

The neuropathic pain market is estimated to reach USD 9.8 billion annually by 2027 according to Garner market analysis, with an annual growth rate of 6.4% ⁴. On average annual healthcare cost for painful neuropathic disorder is US 17,355 per patient. With a solid efficacy and safety data on pudafensine in neuropathic pain Initiator Pharma expect to target a commercial opportunity with the potential to reach high hundreds of USD million in annual sales.

IP2018

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 the Phase IIa clinical trial of IP2018 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. The study demonstrated promising, clinically relevant efficacy data related to ED, supporting a new treatment paradigm for this patient segment. In addition, no safety observations of concern have been reported. Headache and gastrointestinal adverse events of mild character were the most common.

Depression Market

Psychogenic ED 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.

IP2018

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 ⁵. 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 ⁶. About 13 percent of all Americans take antidepressant drugs, which means over 23 million prescriptions per year ⁷.

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 ⁸. 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.

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.

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

³ Jones, M.R., Urits, I., Ehrhardt, K.P., Cefalu, J.N., Kendrick, J.B., Park, D.J., Cornett, E.M., Kaye, A.D. and Viswanath, O., 2019. A comprehensive review of trigeminal neuralgia. *Current pain and headache reports*, 23(10), pp.1-7.

⁴ Coherent Market Insights "Neuropathic Pain Market Analysis" (2020), <https://www.coherentmarketinsights.com/market-insight/neuropathic-pain-market-3656>.

⁵ 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.

⁶ 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

⁷ 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*.

⁸ Reports and Data. "Anxiety Disorder and Depression Treatment Market By Therapies" (2020), <https://www.reportsanddata.com/report-detail/anxiety-disorder-and-depression-treatment-market>.

FEMALE SEXUAL DYSFUNCTION (FSD)

Female sexual dysfunction Program (pudafensine and IP2018):

Female sexual dysfunction (FSD) includes a range of issues such as hypo-sexual 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.

PATENT PROTECTION

Pudafensine (IP2015)

Intellectual Assets of Initiator Pharma includes patents conferring proprietary chemistry protection for pudafensine (IP2015) in the USA until 2031.

In addition to the pudafensine (IP2015) composition of matter patent outlined above, protection for the use of pudafensine for the treatment of Female Sexual Dysfunction (FSD) is pending as a PCT application and was published on 11 January 2024 as WO 2024/008808. The European Patent Office (EPO) acting as International Searching Authority has acknowledged patentability of these claims. The PCT application will enter national phase in relevant major markets in Q1/2025. An analogous national patent application is also pending in non-PCT country Taiwan.

Further protection for use of pudafensine is conferred by a specified dosage regime of pudafensine, for the treatment of all types of pain, via a pending PCT application published on 02 May 2024 as WO 2024/089247. The European Patent Office acting as International Searching Authority has acknowledged patentability of the claims. The PCT application will enter national phase in relevant major markets in Q2/2025.

IP2018

Intellectual Assets of Initiator Pharma further includes patents conferring proprietary chemistry protection for IP2018 in the USA, Israel, Japan, the United Kingdom, Germany, France, and Switzerland. These IP2018 patents expire in 2025, (2026 in the US due to patent term adjustment). Subject to Market Authorization prior to expiry of the

patents, extensions by up to five years are available in key territories. In addition to the composition of matter patent outlined above, patent protection for the use of IP2018 for the treatment of ED in depressive patients (psychogenic ED) is pending in Australia, Brazil, Canada, China, Europe (divisional), Japan, Mexico, South Korea and the USA; and has been granted in Europe (parent), Hong Kong (based on European grant), Israel, Singapore and South Africa. The patent family can be kept in force until 2040.

The preclinical program IP2016 previously known as IPDP2015 is protected by granted composition of matter claims in the USA until 2030, and in the United Kingdom, Germany, and France until 2029.

The preclinical program IP2017 previously known as IPNP2015 is protected by granted composition of matter claims in the USA, United Kingdom, Germany, France and Switzerland until 2030.

As outlined above, Initiator Pharma is actively pursuing an aggressive patent strategy to capture value of developments in its clinical and preclinical programs, by filing new patent applications when possible.

FINANCIAL REVIEW

Revenue

Initiator Pharma generated no revenues for the first quarter of 2024 (-).

Earnings

The company recognized an operating loss of KDKK 3,577 for the first quarter of 2024 (-8,677). The decrease in operating costs for the period compared to last year reflects the completion multiple clinical trials during 2023 and limited new development activities so far in 2024.

External R&D costs in the first quarter amounted to KDKK 1,041, compared to KDKK 5,848 in the same period in 2023 and is mainly related to the finalisation of the Phase IIb trial with pudafensine during the quarter.

Net financial expenses in the first quarter amounted to KDKK 546, compared to net financial expenses of KDKK 590 in the same period in 2023. The net financial expenses in the first quarter is related to currency fluctuations during the quarter, impacting the conversion of funds held in SEK into DKK at the close of the quarter.

The net loss after tax for the first quarter was KDKK 4,123 (-9,267) and earnings per share DKK -0.08 (-0.18).

Financial position

The equity as of March 31, was KDKK 23,702 compared to KDKK 11,162 at year-end 2023, reflecting the conversion of the receivable held by MAC Clinical Research which co-financed the Phase IIb clinical trial with pudafensine. Cash and cash equivalents amounted to KDKK 18,760 as of March 31 compared to KDKK 24,336 at

year-end 2023, and total assets were KDKK 24,354 (29,786 at year-end 2023).

Cash flow

In the first quarter the cash flow from operating activities was KDKK -6,802 (-2,290), including an increase in working capital of KDKK 2,679 (+3,725). The increase in working capital is mainly related to payment of accrued expenses during the period.

The company had no cash flow from investment activities in the first quarter of the year.

The cash flow from financing activities in the first quarter was KDKK 1,226 (-). During the period the MAC receivable of DKK 17.4 million was converted into 3,058,667 shares in Initiator Pharma. During the the period the company also issued 519,307 new shares to management and key employees under the LTI2021 incentive program as well as acquired 98,915 own shares at a price of SEK 8.94 per share which were sold to board members at a price of DKK 0.105 under the LTI2021 incentive program.

Cash flow for the first quarter totalled KDKK -5,576 (-5,393).

The share, share capital and ownership structure

At March 31, 2024, the number of shares outstanding totalled to 56,049,861 shares and on a fully diluted basis 57,250,894, incl warrants under the LTI2022 and LTI2023 incentive programs.

On January 23rd the company issued 519,307 shares to management and key employees under the LTI2021 program at a price per share of DKK 0.105. Under the LTI2021 program management

and key employees were entitled to subscribe for up to a maximum of 630,000 at a share price of DKK 0.105 per share, with the actual number depending on the performance of the Initiator Pharma share price between June 2021 and December 2023 ("Performance Shares"). Based on the actual share price performance in this period the number of Performance Shares to management and employees was calculated to 519,307 shares (82% of the maximum number), which were fully subscribed for.

On February 21st the company issued 3,058,667 shares to MAC Clinical Research through the conversion of the MAC receivable of KDKK 17,404. The conversion was conducted at the pre-agreed share price of SEK 7.50 per share.

As of March 31 the company had around 4,000 shareholders. The 10 largest shareholders in the company on March 31 owned approx 46.8% of all outstanding shares.

The shares in Initiator Pharma are traded on Nasdaq First North Growth Market in Stockholm.

Personnel

As of March 31, the number of employees was 3 (3), of which 1 (1) were women. Initiator Pharma follows a strategy of using an extensive network of consultants to support the development activities in the company. Such a strategy is well established in drug development and ensures the company the optimal balance of access to leading edge expertise, costs and flexibility. ance of access to leading edge expertise, costs and flexibility.

Top 10 shareholders as of March 31, 2024

Owners	Number of shares	Shares %
LINC AB	10 091 219	18,00%
Adrigo Small and Midcap L/S	3 827 062	6,83%
Avanza Pension	3 250 620	5,80%
MAC Clinical Research Finance LTD	3 058 667	5,46%
Claus Elsborg Olesen	1 337 625	2,39%
Dan Peters	1 202 794	2,15%
Annika Espander Jansson	943 299	1,68%
Nordnet Pension Insurance	934 322	1,67%
Mikael Thomsen	836 467	1,49%
Mats Thóren	758 895	1,35%
Ten largest shareholders	26 240 970	46,82%
Other shareholders	29 808 891	53,18%
Total	56 049 861	100,00%

Operational risks and uncertainties

All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be specific to a certain company.

The main risks and uncertainties which Initiator Pharma is exposed to are related to drug development, the company's collaboration agreements, competition, technology development, patent, regulatory requirements, capital requirements and currencies.

No new risks have arisen during the quarter. A more detailed description of the company's risk exposure and risk management is included in the Annual Report for 2023.

Financial calendar

Annual General Meeting 2024	24 May 2024
Interim Q2 2024 report	23 August 2024
Interim Q3 2024 report	15 November 2024
Year-end report 2024 (Q4)	28 February 2025

The financial reports will be disclosed on www.initiatorpharma.com

The Board of Directors and the CEO certify that this interim report provides a true and fair view of the operations, financial position and earnings of the Company and describes the material risks and uncertainties faced by the Company.

Copenhagen, May 10, 2024

Magnus Persson
Chairman

Annette Colin
Board member

Henrik Moltke
Board member

Gunilla Ekström
Board member

Peter Holm
Board member

Claus Olesen
Board member and CEO

Audit review

This Interim Report has not been subject to review by the company's auditor.

FINANCIAL STATEMENTS

Statement of income

KDKK	Q1-2024	Q1-2023	FY-2023
Gross loss	-2 901	-8 033	-23 412
Staff costs	-676	-644	-3 617
Operating profit/loss	-3 577	-8 677	-27 029
Net financial items	-546	-590	-677
Profit/loss before tax	-4 123	-9 267	-27 706
Tax	-	-	-
Net profit/loss for the period	-4 123	-9 267	-27 706

Statement of financial position

KDKK	March 31, 2024	Dec 31, 2023
ASSETS		
Total non-current assets	17	17
Other receivables	743	599
Income tax receivables	4 834	4 834
Cash and cash equivalents	18 760	24 336
Total current assets	24 337	29 769
Total assets	24 354	29 786
EQUITY AND LIABILITIES		
Contributed capital	5 886	5 510
Retained earnings	17 816	5 652
Total equity	23 702	11 162
Convertible credit agreement	-	15 437
Total non-current liabilities	-	15 437
Trade payables	392	407
Other current liabilities	92	246
Accrued expenses	168	2 534
Total current liabilities	652	3 187
Total equity and liabilities	24 354	29 786

Statement of changes in shareholder equity

KDKK	Contributed capital	Retained earnings	Total
January 1, 2023	5 498	28 525	34 023
Share issue	11	-	11
Profit/loss for the period	-	-22 872	-22 872
December 31, 2023	5 509	5 653	11 162
January 1, 2023	4 596	30 398	34 994
Share issue	-	-430	-430
Profit/loss for the period	-	-15 152	-15 152
March 31, 2023	4 596	14 816	19 412
January 1, 2024	5 509	5 653	11 162
Share issue	376	16 857	17 233
Purchase of treasury shares	-	-580	-580
Sale of treasury shares	-	10	10
Profit/loss for the period	-	-4 123	-4 123
March 31, 2024	5 885	17 817	23 702

Statement of cash flow

KDKK	Q1-2024	Q1-2023	FY-2023
Profit/loss before tax	-4 123	-9 267	-27 706
Adjustments for non-cash transactions	-	149	-
Profit/loss before tax, adj for non-cash transactions	-4 123	-9 118	-27 706
Tax credit	-	-	5 500
Cash flow before change in working capital	-4 123	-9 118	-22 206
Changes in working capital	-2 679	3 725	4 559
Cash flow from operating activities	-6 802	-5 393	-17 647
Investing activities	-	-	-
Cash flow from investing activities	-	-	-
Financing activities			
Purchase of treasury shares	-580		
Sale of treasury shares	10		
New share issue	17 233	-	11
Credit agreement with MAC	-15 437	-	2 860
Cash flow from financing activities	1 226	-	2 871
Cash flow for the reporting period	-5 576	-5 393	-14 776
Cash and cash equivalents at the beginning of period	24 336	39 112	39 112
Cash and cash equivalents at the end of period	18 760	33 719	24 336

Business terms - glossary

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

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).

PUDAFENSINE IP2015

Pudafensine, Initiators's 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®)

IP2018

IP2018, currently in a on-going Phase IIa trial for psychogenic ED.

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 ED and were the first effective oral treatment available for the condition.

Financial Glossary

Earnings per share

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

Operating profit/loss, 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

Q1

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