InDex Pharmaceuticals Holding AB (publ)

Interim report January-September 2016

Initial public offering and listing on Nasdaq First North Stockholm

PERIOD JULY-SEPTEMBER 2016

- Revenues amounted to MSEK 0.0 (0.0)
- Operating result amounted to MSEK –6.6 (–7.5)
- Result after tax amounted to MSEK –7.4 (–7.2), corresponding to SEK –0.25 per share (–0.24) before and after dilution
- Cash flow from operating activities amounted to MSEK –7.5 (–8.0)

PERIOD JANUARY-SEPTEMBER 2016

- Revenues amounted to MSEK 0.1 (0.3)
- Operating result amounted to MSEK –23.2 (–23.0)
- Result after tax amounted to MSEK –24.9 (–23.4), corresponding to SEK –0.83 per share (–0.78) before and after dilution
- Cash flow from operating activities amounted to MSEK –3.3 (–29.7)
- Cash and cash equivalents at the end of the period amounted to MSEK 3.7 (14.2). The proceeds from the new share issue were received during October
- Number of shares at the end of the period was 30,067,234

All comparative amounts in brackets refer to the outcome of InDex Pharmaceuticals' overall activities during the corresponding period 2015.

SIGNIFICANT EVENTS DURING THE PERIOD JULY-SEPTEMBER

- Results from the COLLECT study were published in the peer-reviewed Journal of Crohn's and Colitis
- Subscription of shares corresponding to MSEK 250 in a new issue of shares was carried out prior to listing on Nasdaq First North Stockholm

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- Trading in InDex's shares started on Nasdaq First North Stockholm on October 11, 2016
- Results from the COLLECT study were presented at the United European Gastroenterology Week 2016 (UEGW)
- New patent for cobitolimod was granted in the US
- Proceeds from the IPO were received in October 2016 (net about 200 million after deduction for IPO expenses and offsetting of the bridge loan inclusive of interest)

"The money from the initial public offering in connection with the listing will mainly be used to make cobitolimod ready for phase III and thus become an attractive asset for international pharmaceutical companies."

Peter Zerhouni, CEO

INDEX IN BRIEF

InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The company's foremost asset is the drug candidate cobitolimod, which is in late stage clinical development for the treatment of moderate to severe active ulcerative colitis – a debilitating, chronic inflammation of the large intestine. InDex has also developed a platform of patent protected discovery stage substances, so called DNA based ImmunoModulatory Sequences (DIMS), with the potential to be used in treatment of various immunological diseases. InDex is based in Stockholm, Sweden. The company's shares are traded on Nasdaq First North Stockholm. Redeye AB is the company's Certified Adviser.

CEO STATEMENT

Welcome old and new shareholders of InDex. With this first interim report as a public company, a new chapter in our history begins. After intensive preparations, the trading in InDex's shares started on Nasdaq First North Stockholm on October 11, 2016. This was after we completed a successful initial public offering of MSEK 250 in September. The money will mainly be used to make our lead drug candidate cobitolimod ready for phase III clinical trials in ulcerative colitis and thus become an attractive asset for international pharmaceutical companies.

Now that the financing is in place, it feels great to realise the clinical phase IIb study CONDUCT – our important dose optimisation study with cobitolimod – and the study preparations are in full swing. The first patient is expected to be included during the first half of 2017, and we anticipate to have the main results from the study during 2018.

Inflammatory bowel disease is a hot therapeutic area. An example of the high demand for pharmaceutical projects in the area was reported a few weeks ago when AstraZeneca licensed the rights to a project in phase IIb to Allergan for as much as $250 million in cash, plus over a billion dollars in potential milestone payments and royalties on future sales. This strengthens my belief that we are doing research in an area with high potential.

During the last weeks, we have reported two good news of our own that will strengthen the company and our potential to create long-term value with cobitolimod. First, new analyses of data from the COLLECT study, our previous clinical study with cobitolimod, were presented at the UEGW, which is the largest scientific meeting for gastroenterologists in Europe. The subgroup analyses suggest that cobitolimod can help both patients with moderate and patients with severe disease activity, as well as patients who have previously tried biological therapy and patients who have never tried such therapies.

In addition, InDex was also granted a new US patent for cobitolimod that strengthens and extends our patent protection. It gives an exclusivity period until November 2032, with the possibility of 5 years extension after market approval.

With these achievements – and our strong financial position – we drive our exciting projects forward. We are active in a therapeutic area with a high unmet medical need worldwide, and we are confident that we have a treatment that will be able to help patients with moderate to severe ulcerative colitis back to a better life.

Peter Zerhouni, CEO

BUSINESS OVERVIEW

InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The company's foremost asset is the drug candidate cobitolimod, which is in late stage clinical development for the treatment of moderate to severe ulcerative colitis – a debilitating, chronic inflammation of the large intestine. In addition, InDex has a broad portfolio of other DNA based ImmunoModulatory Sequences (DIMS) in discovery stage, with the potential to be used in the treatment of various immunological diseases.

Ulcerative colitis is a chronic disease caused by inflammation of the large intestine. The symptoms are characterised by blood- and mucus-mixed diarrhea, frequent stools, abdominal pain, fever, weight loss and anemia. Despite the currently available drugs on the market, many patients with ulcerative colitis still suffer from severe symptoms. InDex's clinical studies indicate that cobitolimod has a higher efficacy and a more favourable safety profile than what has been reported for the approved biological drugs in corresponding patient populations.

Cobitolimod has a new type of mechanism of action. It is a so-called Toll-like receptor 9 (TLR9) agonist that can provide an anti-inflammatory effect locally in the large intestine, which may induce mucosal healing and relief of the clinical symptoms in ulcerative colitis. Cobitolimod has achieved clinical proof-of-concept in moderate to severe active ulcerative colitis, with a very favorable safety profile. Data from four placebo-controlled clinical trials show that cobitolimod has statistically significant effects on those endpoints that are most relevant in this disease, both from a regulatory and clinical perspective. These endpoints include the key clinical symptoms such as blood in stool, number of stools, and mucosal healing, respectively.

Based on the encouraging results from earlier studies InDex is planning a phase IIb study to evaluate other doses and dose frequencies than investigated in previous studies with cobitolimod. The goal of the study is to optimise the treatment and achieve substantially higher efficacy, while maintaining the compound's excellent safety profile. Cobitolimod is also known as Kappaproct® and DIMS0150.

SIGNIFICANT EVENTS DURING THE PERIOD JANUARY-SEPTEMBER

- In February, the World Health Organization (WHO) recommended cobitolimod as the International Nonproprietary Name (INN) for InDex's lead drug candidate formerly known as Kappaproct®. The name cobitolimod was selected and passed the review of the Expert Advisory Panel on the International Pharmacopoeia and Pharmaceutical Preparations and is now included in the list of recommended INN that is published by the WHO.
- The U.S. Food and Drug Administration (FDA) cleared InDex's Investigational New Drug (IND) application to initiate a phase IIb study with cobitolimod, CONDUCT, in patients with moderate to severe ulcerative colitis. The phase IIb study will evaluate other doses and dose frequencies than previous studies with cobitolimod, with the goal to optimize the treatment and achieve substantially higher efficacy, while maintaining the compound's excellent safety profile.
- In May, Sweden's innovation agency VINNOVA granted InDex over MSEK 1.8 for pre-clinical development of DIMS compounds in inflammation. Of 535 applications and 84 funded projects, InDex received one of the largest grants. An interim payment of 0.3 million for the project was received in late September, 2016.
- The Annual General Meeting in InDex Pharmaceuticals AB was held on June 13, 2016. The board members Uli Hacksell, Lennart Hansson, Stig Løkke Pedersen and Wenche Rolfsen (also Board chairman) were re-elected and Andreas Pennervall was elected as board member. Pennervall was previously deputy member.
- Results from the COLLECT study, a randomised, placebo controlled clinical study with cobitolimod, were published in the peer-reviewed Journal of Crohns and Colitis (JCC) in July. The paper supports the potential of cobitolimod as a novel treatment for moderate to severe active ulcerative colitis.
- The board of directors of InDex Pharmaceuticals Holding AB (publ) decided in September to broaden the shareholder base and to raise capital for the development of the drug candidate cobitolimod through a new issue of shares in connection with listing on Nasdaq First North Stockholm. On account of the initial public offering, a prospectus was prepared, which was published on September 13, 2016.
- The outcome of the initial public offering was announced on September 30, 2016. This comprised of 29,761,905 new shares at a subscription price of SEK 8.40 per share, resulting in issue proceeds of a maximum of MSEK 250 before transaction costs. Subscription commitments and guarantee commitments had been provided equivalent to the entire issue and the results show that an equivalent of MSEK 95.3 was subscribed for by the general public and institutional investors, MSEK 111 (including a part which was offset against bridge loans including interest) was subscribed for in accordance with subscription commitments and the remaining MSEK 43.7 was subscribed for in accordance with guarantee commitments. As a result of the initial public offering, approximately 5,000 investors were allotted shares in the company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- The trading in InDex Pharmaceutical's shares started on October 11 on Nasdaq First North Stockholm. The share is traded under the ticker INDEX and with the ISIN code SE0008966295.
- Additional analyses of data from COLLECT, a clinical study of cobitolimod for the treatment of moderate to severe active ulcerative colitis, was presented orally and as a poster and met with great interest at the United European Gastroenterology Week (UEGW) in October 2016 in Vienna. UEGW is the largest scientific meeting for gastroenterologists in Europe. The presentations were given by Professor Raja Atreya at the University of Erlangen-Nürnberg who was one of the study investigators.
- The United States Patent and Trademark Office (USPTO) granted a new method of use patent for cobitolimod in November. The patent gives additional protection for the use of certain dosage regimens of cobitolimod for treating chronic active ulcerative colitis in patients that are not responding or are intolerant to anti-inflammatory therapy. The patent gives an exclusivity period until November 2032, with the possibility of up to 5 years extension after market approval.

NEW CORPORATE STRUCTURE

InDex Pharmaceuticals Holding AB was founded on December 14, 2015 and was registered with the Swedish Companies Registration Office on June 27, 2016. At an Extra General Meeting held on August 25, 2016 it was resolved, and on September 7, 2016 an issue for non-cash consideration was registered at the Swedish Companies Registration Office, whereby the shareholders of InDex Pharmaceuticals AB transferred 99.76% of the shares in the company in exchange for new shares in the new parent company, InDex Pharmaceuticals Holding AB. The intention is that also the remaining shares in InDex Pharmaceuticals AB will be exchanged for shares in the parent company.

With the support of valuations provided by two independent external parties, the Board attributed the shares in InDex Pharmaceuticals AB a total value of MSEK 247.0, out of which the shares held by the parent company were reported in the balance sheet at the same value, as the remaining shares will be transferred alternatively compulsory acquired. A debt of MSEK 0.6 to the minority shareholders (the few shareholders that at the time of the issue had not signed the share exchange agreement, representing 0.24% of total shares) have therefore been reported as of September 30, 2016. After registration of the various decisions taken as part of the formation of the new group, the share capital in InDex Pharmaceuticals Holding AB amounted to SEK 601,344.68, divided into 30,067,234 shares (after simultaneous withdrawal and consolidation of shares).

At a board meeting of InDex Pharmaceuticals Holding AB on September 13, 2016 it was resolved to issue a maximum of 29,761,905 new shares at a subscription price of 8.40 SEK per share in order to raise working capital and to broaden the shareholder base prior to a listing of the shares, as well as a directed issue of a maximum of 2,634,279 new shares at a subscription price equivalent to the quotient (par) value per share. The latter issue was directed to the existing owner of preference shares (NeoMed Management/N5) in order to allow only one class of shares in the future. The new share issues were fully subscribed (however, when submitting this report 124,265 shares remain to be registered with regard to the first issue). After the registration of these remaining shares there will in InDex Pharmaceuticals Holding AB be a registered capital of SEK 1,249,268.36 divided into a total of 62,463,418 shares.

As InDex Pharmaceuticals Holding AB was registered at the Swedish Companies Registration Office on June 27, 2016, there are no comparative periods in the financial statements of the legal parent.

The board has concluded that the restructuring described above has not in itself changed the business or the shareholder structure, why the consolidated financial statements have been prepared in accordance with the guidelines for acquisition under common control. In short this means that the consolidated financial statements are prepared as if InDex Pharmaceuticals AB is the acquiring company in the consolidated financial statements and, therefore, the assets and liabilities are reported at historical values. This further means that the comparative periods for the Group can be presented in the financial report for the Group where InDex Pharmaceuticals AB was the legal parent.

FINANCIAL SUMMARY FOR THE REPORTING PERIOD

Operating costs during third quarter 2016 amounted to MSEK 6.7, which is a decrease of 12 % compared to the third quarter 2015. The relatively strong decline is mainly attributable to that the third quarter of 2015 included a comparatively large cost item for a clinical trial. Personnel costs declined by 2 %.

For the first nine months, the total operating costs were MSEK 23.3, i.e. unchanged compared to the previous year. Among these, personnel costs increased by 2 %.

The costs for new share issues incurred during the reporting period have been capitalized as of September 30, 2016 and transferred to equity in connection with the receipt of the proceeds. Recognized listing costs are taken as costs when occur.

Cash and cash equivalents as of September 30, 2016 amounted (before receipt of the issue proceeds) to MSEK 3.7. Activities during the reporting period were mainly funded by a bridge loan received in February of a total of MSEK 18.6 from six of the major shareholders. It was resolved by the board on January 21, 2016 and the loan, with an annual interest of 15 %, was offset against shares in the initial public offering, which was completed in October 2016.

FINANCIAL SUMMARY FOLLOWING THE REPORTING PERIOD

The subscription period for the initial public offering was between September 14 and September 27, 2016. Settlement day was set to October 5, 2016. The Offering comprised a maximum of 29,761,905 new shares at a subscription price of SEK 8.40 per share, resulting in issue proceeds of a maximum of MSEK 250 before transaction costs and offsets for the bridge loan, which are expected to amount to just over MSEK 30, excluding VAT and to MSEK 20.3 (including interest), respectively.

Cash and cash equivalents on October 31, 2016 amounted to MSEK 207. Parts of the IPO costs were at that time not yet paid.

FINANCIAL SUMMARY

MSEK	July-Sep 2016	July-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Revenues	0.0	0.0	0.1	0.3	0.4
Operating result	–6.6	–7.5	–23.2	–23.0	–29.5
Result after tax	–7.4	–7.2	–24.9	–23.4	–29.9
Result per share before and after dilution, SEK	–0.25	–0.24	–0.83	–0.78	–0.99
Cash flow from operating activities	–7.5	–8.0	–3.3	–29.7	–37.0
Cash and cash equivalents at the end of the period	3.7	14.2	3.7	14.2	7.0

Note: Result per share – Net result divided by average number of shares. The average number of shares does not include the part of the issue for non-cash consideration not yet implemented (total of 124,265 shares).

EMPLOYEES
The number of employees at the end of the period was 7 (8).

THE SHARE
The share is listed on Nasdaq First North Stockholm since October 11, 2016.

LARGEST SHAREHOLDERS PER OCTOBER 12, 2016:

	Number of shares	Percentage of capital and votes, %
SEB Venture Capital	14,657,241	23.5
Stiftelsen Industrifonden	12,900,272	20.7
NeoMed/N5	6,726,105	10.8
Staffan Rasjö	3,124,718	5.0
SEB Stiftelsen	1,785,714	2.9
Ponderus Invest AB	1,339,299	2.1
Rune Petterson	980,081	1.6
John Fällström	745,750	1.2
LMK Venture AB	745,750	1.2
Richard Kahm	518,774	0.8
Övriga	18,939,715	30.3
Total	**62,463,418**	**100.0**

Note: The total number of shares above include the part of the issue for non-cash consideration not yet implemented (total of 124,265 shares).

INCENTIVE PROGRAMMES
InDex Pharmaceuticals Holding AB currently has three incentive programs. The first two can be exercised between March 1 and April 30, 2017 and have an exercise price of SEK 14 per share. Together, the two programs comprise 3,216,477 warrants.

At the Extraordinary General Meeting held on September 12, 2016 it was resolved to issue an additional 3,250,000 warrants to transfer to employees and other key persons in the Group. The warrants have an exercise price of SEK 19 per share and can be exercised in September 2019. Within this program, 3,062,500 warrants have been subscribed for during October, 2016 and have been acquired on market conditions by employees and other key persons in the Group.

TRANSACTIONS WITH RELATED PARTIES
No significant changes have occurred in relations or transactions with related parties compared with those described in the annual report of InDex Pharmaceuticals AB for 2015.

PRINCIPLES FOR PREPARATION OF THE INTERIM REPORT
GENERAL INFORMATION
This interim report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). See also under "New Corporate Structure" for additional information about the completed legal restructuring as well as in Appendix 1.

REVIEW BY THE AUDITOR
This report has been reviewed by the company's auditor (see report below).

PROSPECTS, RISKS AND UNCERTAINTIES
There is no guarantee that InDex's research and development will result in commercial success. There is no guarantee that InDex will develop products that can be patented, that granted patents can be retained, that future inventions will lead to patents, or that granted patents will be sufficient protection for InDex's products.

There is no guarantee that InDex obtains necessary approvals to conduct the clinical trials that InDex would like to implement, or that the clinical trials conducted by InDex, independently or in collaboration with partners, will demonstrate sufficient safety and efficacy to obtain necessary regulatory approvals or that the trials will lead to drugs that will be sold on the market. It cannot be excluded that the regulatory approval process will require increased documentation and thereby increased costs and delays in projects or lead to projects being shut down. Increased development costs and longer development time may mean that the risks of a project increases and that the compound's potential to successfully reach the commercial stage decreases or that the time for patent protected sales is reduced.

InDex may also in the future need to raise additional capital. Both the size and timing of InDex's potential future capital requirements will depend on a number of factors, including opportunities to enter into collaboration or licensing agreements and the progress made in research and development projects. There is a risk that the required financing for the operations will not be available at the right time and at reasonable cost. For a more detailed description of the risk factors, please refer to InDex's prospectus for the initial public offering 2016, which is available on the Company's home page.

FINANCIAL CALENDER

Year end report 2016	February 27, 2017
Annual report 2016	April 27, 2017
Interim report Q I 2017	May 30, 2017
Annual General Meeting	May 30, 2017
Interim report Q II 2017	August 25, 2017

Stockholm, November 21, 2016
Peter Zerhouni, CEO

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The information in this interim report is information that InDex Pharmaceuticals Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 8:00 CET on November 22, 2016.

This is an English translation of the Swedish interim report. In case of discrepancies between the English translation and the Swedish report, the Swedish report shall prevail.

AUDITOR'S REVIEW OF INTERIM REPORT PREPARED IN ACCORDANCE WITH THE ANNUAL ACCOUNTS ACT CHAPTER 9 (1995:1554)

To The Board of Directors and the CEO of InDex Pharmaceuticals Holding AB (publ)

INTRODUCTION
We have reviewed the interim report for InDex Pharmaceuticals Holding AB (publ) for the period January 1 - September 30, 2016. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

SCOPE OF REVIEW
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION
Based on our review, nothing has come to our attention that causes us to believe that the attached interim report is not, in all material respects, prepared in accordance with the Annual Accounts Act.

ADDITIONAL DISCLOSURE
Without having any impact on our opinion above, we would like to highlight the information in the interim report on page 4. The presented information in the interim report on page 4 shows that InDex Pharmaceuticals Holding AB was registered at the Swedish Companies Registration office on 27th of June 2016. The 7th of September 2016, an issue for non-cash consideration was registered, whereby shareholders of InDex Pharmaceuticals AB transferred 99.76 % of the shares in the company, in exchange for new shares in InDex Pharmaceuticals Holding AB.

This transaction has resulted in preparation of the consolidated financial statement in accordance with the guidelines for companies under common control and therefore the assets and liabilities in the consolidated financial statements have been transferred based on historical values. Furthermore, the comparative figures for the group are presented based on the group where InDex Pharmaceuticals AB formerly where the legal parent.

Since InDex Pharmaceuticals Holding AB was registered on June 27, 2016, the parent figures are only presented from that date, and thus there are no comparative figures to present.

Stockholm, November 21, 2016
Deloitte AB

Therese Kjellberg
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

SEK 000's	Jul 1-Sep 30 2016	Jul 1-Sep 30 2015	Jan 1-Sep 30 2016	Jan 1-Sep 30 2015	Full year 2015
Operating income					
Net sales	30	47	132	312	376
Total income	**30**	**47**	**132**	**312**	**376**
Operating expenses					
Raw material and consumables	–762	–99	–1,409	–1,494	–1,422
Other external costs	–3,866	–5,398	–15,004	–15,615	–19,511
Personnel costs	–2,016	–2,059	–6,854	–6,160	–8,822
Depreciations	–14	–24	–42	–71	–95
Total expenses	**–6,658**	**–7,580**	**–23,309**	**–23,340**	**–29,850**
Operating loss	**–6,628**	**–7,533**	**–23,177**	**–23,028**	**–29,474**
Profit or loss from financial items					
Income interest and similar profit items	–	285	–	6	6
Interest expenses and similar loss items	–767	–	–1,769	–340	–413
Total	**–767**	**285**	**–1,769**	**–334**	**–407**
Loss for the period	**–7,395**	**–7,248**	**–24,946**	**–23,362**	**–29,881**
Taxes	–	–	–	–	–
Loss after taxes	**–7,395**	**–7,248**	**–24,946**	**–23,362**	**–29,881**
Loss per share, SEK, (before and after dilution)	–0.25	–0.24	–0.83	–0.78	–0.99
Average number of shares	30,067,234	30,067,234	30,067,234	30,067,234	30,067,234
Number of shares at the end of the period	30,067,234	30,067,234	30,067,234	30,067,234	30,067,234

Note: Loss per share: Loss after taxes divided by average number of shares. The average number of shares does not include the part of the issue for non-cash consideration not yet implemented (total of 124,265 shares).

CONSOLIDATED BALANCE SHEET

SEK 000's	Sep 30 2016	Sep 30 2015	Dec 31 2015
Assets			
Non-current assets			
Intangible non-current assets			
Patents, license and trademarks	–	–	–
Tangible assets			
Equipment, tools, fixtures and fittings	14	80	57
Totalt non-current assets	**14**	**80**	**57**
Current assets			
Current receivables			
Accounts receivables	26	27	54
Other receivables	34,284	665	535
Prepaid expenses and accrued income	761	867	749
Total current receivables	**35,071**	**1,559**	**1,338**
Cash and bank balances	**3,667**	**14,191**	**6,960**
Total current asset	**38,738**	**15,750**	**8,298**
TOTAL ASSETS	**38,752**	**15,830**	**8,355**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	601	6,028	6,028
Total restricted equity	**601**	**6,028**	**6,028**
Non-restricted equity			
Disposition of last year's profit and loss	–51	24,374	24,403
Loss for the period	–24,946	–23,362	–29,881
Total non-restricted equity	**–24,997**	**1,012**	**–5,478**
Total equity	**–24,396**	**7,040**	**550**
Current liabilities			
Account payables	4,205	1,592	885
Other liabilities	25,556	4,435	4,284
Accrued expenses and deferred income	33,387	2,763	2,636
Total current liabilities	**63,148**	**8,790**	**7,805**
TOTAL EQUITY AND LIABILITIES	**38,752**	**15,830**	**8,355**

CONSOLIDATED CASH FLOW ANALYSIS

SEK 000's	Jul 1-Sep 30 2016	Jul 1-Sep 30 2015	Jan 1-Sep 30 2016	Jan 1-Sep 30 2015	Full year 2015
Operating activities					
Loss after financial items	–7,395	–7,248	–24,946	–23,362	–29,881
Adjustments for non-cash items					
Depreciations	14	24	42	71	95
Income tax paid	–	–	–	–	–
Cash flow from operating activities before changes in working capital	**–7,381**	**–7,224**	**–24,904**	**–23,291**	**–29,786**
Changes in working capital					
Changes in current receivables	–33,273	112	–33,732	–21	198
Changes in current liabilities	33,138	–904	55,343	–6,389	–7,374
Cash flow from changes in working capital	**–135**	**–792**	**21,611**	**–6,410**	**–7,176**
Cash flow from operating activities	**–7,516**	**–8,016**	**–3,293**	**–29,701**	**–36,962**
Investing activities					
Acquisition of other shares	–	–	–	–	–
Acquisition of tangible assets	–	–	–	–	–
Cash flow from investing activities	**–**	**–**	**–**	**–**	**–**
Financing activities					
Employee benefit program	–	–	–	–	30
Cash flow from financing activities	**–**	**–**	**–**	**–**	**30**
Cash flow for the year	**–7,516**	**–8,016**	**–3,293**	**–29,701**	**–36,932**
Cash and cash equivalents at the beginning of the period	**11,183**	**22,207**	**6,960**	**43,892**	**43,892**
Cash and cash equivalents at the end of the period	**3,667**	**14,191**	**3,667**	**14,191**	**6,960**

CHANGE OF GROUP EQUITY

SEK 000's	Share capital	Retained earnings	Results for the period
Operating balance equity at January 1, 2015	**6,028**	**39,244**	**–14,870**
Disposition of last year's loss	–	–14,870	14,870
Loss for the period	–	–	–23,362
Closing balance equity at September 30, 2015	**6,028**	**24,374**	**–23,362**
Opening balance equity at Januari 1, 2015	**6,028**	**39,244**	**–14,870**
Disposition of last year's loss	–	–14,870	14,870
Employee benefit program	–	30	–
Loss for the year	–	–	–29,882
Closing balance equity December 31, 2015	**6,028**	**24,404**	**–29,882**
Opening balance equity at January 1, 2016	**6,028**	**24,404**	**–29,882**
Disposition of last year's loss	–	–29,882	29,882
Effects from transaction under the same confirmatory influence	–5,427	5,427	–
Loss for the period	–	–	–24,946
Closing balance equity at September 30, 2016	**601**	**–51**	**–24,946**

FINANCIAL STATEMENTS FOR THE PARENT COMPANY (INDEX PHARMACEUTICALS HOLDING AB)

INCOME STATEMENT FOR INDEX PHARMACEUTICALS HOLDING AB

SEK 000's	Jul 1-Sep 30 2016	Jun 27-Sep 30 2016
Operating income		
Net sales	–	–
Total income	**–**	**–**
Operating expenses		
Other external expenses	–529	–529
Total expenses	**–529**	**–529**
Operating loss	**–529**	**–529**
Operating loss before taxes	**–529**	**–529**
Taxes	–	–
Operating loss for the period	**–529**	**–529**
Average number of shares	30,067,234	30,067,234
Number of shares at the end of the period	30,067,234	30,067,234

BALANCE SHEET FOR THE PARENT COMPANY (INDEX PHARMACEUTICALS HOLDING AB)

SEK 000's	Sep 30 2016
ASSETS	
Non-current assets	
Financial assets	
Shares in subsidiaries	247,030
Total non-current assets	**247,030**
Current assets	
Current accounts receivables	
Other receivables	32,470
Total current receivables	**32,470**
Cash and bank balances	**496**
Total current assets	**32,966**
TOTAL ASSETS	**279,996**
EQUITY AND LIABILITIES	
Restricted equity	
Share capital	601
Total restricted equity	**601**
Non-restricted equity	
Share premium reserve	245,840
Loss for the period	–529
Total non-restricted equity	**245,311**
Total equity	**245,912**
Current liabilities	
Liabilities to group companies	30,791
Other liabilities	2,768
Accrued expenses and deferred income	525
Total current liabilities	**34,084**
TOTAL EQUITY AND LIABILITIES	**279,996**

CHANGES IN SHARE CAPITAL FOR INDEX PHARMACEUTICALS HOLDING AB

SEK Date	Transaction	Change in share capital	Total share capital	Total number of new shares	Total number of shares	Paid amount
2016-06-27	Registration of company	500,000	500,000	500,000	500,000	500,000
2016-09-07	Division of shares	0	500,000	45,500,000	50,000,000	0
2016-09-07	Issue for non-cash consideration	601,345	1,101,345	60,134,466	110,134,466	0
2016-09-07	Reduction of number of shares	–500,000	601,345	–50,000,000	60,134,466	0
2016-09-07	Share issue	0	601,345	2	60,134,468	0
2016-09-08	Reversed stock split	0	601,345	–30,067,234	30,067,234	0

Note: The summary above has taken into account the transition to a single share class although decided transactions were not completed on September 30, 2016.

CHANGES IN EQUITY FOR INDEX PHARMACEUTICALS HOLDING AB

SEK 000's	Share capital	Share premium reserve	Non-restricted equity	Profit or loss
Company registration by June 27, 2016	**500**	**–**	**–**	**–**
Issue for non-cash consideration/reduction of number of shares	101	245,840	–	–
Loss for the period	–	–	–	–529
Closing balance at September 30, 2016	**601**	**245,840**	**–**	**–529**

APPENDIX 1 – ACCOUNTING AND VALUATION PRINCIPLES

ACCOUTNING PRINCIPLES
The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's BFNAR 2012:1 Annual report and consolidated financial statements ("K3").

The Parent company's accounting principles are consistent with the Group's accounting principles, except in those cases listed below under "Accounting principles for the parent company".

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in Swedish kronor.

All amounts, unless otherwise indicated, are rounded to the nearest thousand. The following accounting policies have been applied consistently to all periods presented in the consolidated and parent company financial statements.

CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements cover the Parent company, InDex Pharmaceuticals Holding AB and the entities the Parent company directly or indirectly has control of (its subsidiaries). Control is the power to govern the operating policies of an entity so as to gain economic benefits from its activities. When assessing if a controlling interest exists, consideration should be made to financial instruments with a potential voting right and which without delay can be used or converted to equity instruments with voting right. Consideration should also be made if the company is able to govern the operations through an agent. Control is normally presumed to exist if the parent company owns, directly or indirectly, more than half of the voting power of an entity.

A subsidiary´s Net sales and expenses are included in the consolidated financial statements from the acquisition date and up to the date the parent company no longer has a controlling interest in the subsidiary.

The accounting principles applied by the subsidiary comply with the Group´s accounting principles. Intragroup transactions, intercompany receivables and payables and unrealised gains and losses related to group transactions, are eliminated in the preparation of the consolidated financial statements for the Group.

INDEX PHARMACEUTICALS HOLDING AB'S ACQUISITION OF INDEX PHARMACEUTICALS AB
The Board has concluded that InDex Pharmaceuticals Holding AB's acquisition of InDex Pharmaceuticals AB has not changed the business or the shareholder structure, why the consolidated financial statements have been prepared in accordance with the guidelines for acquisition under common control.

In short, this means that the consolidated financial statements are prepared as if InDex Pharmaceuticals AB is the acquiring company in the consolidated financial statements and therefore assets and liabilities are reported at historical values. This means that the comparative periods for the Group can be presented in the financial report for the Group where InDex Pharmaceuticals AB is the legal parent.

INCOME
Income is recognized at fair value of the consideration received or will be received, less VAT, discounts, returns and similar deductions.

RENDERING OF SERVICES
Incomes from rendering research services are recognized in the accounting period when the services are rendered.

INTEREST INCOME
Interest income is recognized over the term using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments during the fixed interest term equal to the carrying value of the receivable.

LEASE AGREEMENT
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Other lease agreements are classified as operational leases.

THE GROUP AS HOLDER OF LEASE AGREEMENTS
The Group does not hold any lease agreements that constitute finance leases. Lease payments under operating leases are expensed on a straight-line basis over the lease term unless another systematic approach better reflects the user's economic benefit over time. Consolidated operating leases comprise rental of premises.

FOREIGN CURRENCY
The parent company's reporting currency is Swedish Kronor (SEK).

TRANSLATION OF FOREIGN CURRENCY ITEMS
At each balance sheet date, monetary items in foreign currencies are translated at the closing day rate. Non-monetary items that are valued at historical cost in a foreign currency are not translated. Exchange differences are recognized in operating income or as a financial item based on the underlying business transaction in the period they are incurred.

EMPLOYEE BENEFITS
Employee benefits which include salaries, bonuses, holiday pay, paid sick leave, etc. are recognized as the related service is rendered. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The Group only has defined contribution pension plans. There are no other long-term benefits to employees.

DEFINED CONTRIBUTION PLANS
For defined contribution plans, the Group pays fixed contributions to a separate, independent legal entity and has no obligation to pay additional fees. The Group's profit is charged with costs as the benefits are earned, which normally coincides with the time when the premiums are paid.

INCOME TAX
The tax expense represents the sum of current tax and deferred tax.

CURRENT TAX
Current tax is calculated on the taxable profit for the period. Taxable profit differs from the result reported in the income statement as it is adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The Group's current tax is calculated using the tax rates in force on the balance sheet date.

DEFERRED TAX
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is recognized according to the so called balance-sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group can control the reversal of the temporary differences and it is not clear that the temporary difference will not reverse in the foreseeable future.

The valuation of deferred tax is based on how the company, on the balance sheet date, expects to recover the carrying value of the corresponding asset or settle the carrying amount of the corresponding liability. Deferred tax is calculated using tax rates and tax regulations that have been enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority and the Group intends to settle the tax by a net amount.

CURRENT AND DEFERRED TAX FOR THE PERIOD
Current and deferred tax is recognized as an expense or income in the income statement, except when the tax relates to items recognized directly in equity. In such cases, also the tax is recognized directly in equity.

PROPERTY, PLANT AND EQUIPMENT
As the difference in the consumption of a property, plant and equipment significant components is considered essential, the asset is divided into these components.

Depreciation of property, plant and equipment is expensed so that the cost of the asset, possibly less estimated residual value at the end of its useful life, is depreciated on a straight-line basis over its estimated useful life. Depreciation commences when property, plant and equipment can be put in use.

The useful lives of property, plant and equipment are estimated at:

Equipment and other technical facilities:	
Equipment, tools, fixtures and fittings	5 years

Estimated useful lives and depreciation methods are reviewed if there are indications that the expected consumption has changed significantly compared with the estimation at the previous balance sheet date. When the company changes the assessment of useful lives, also the asset's possible residual value is reviewed. The effect of these changes is accounted for prospectively.

DERECOGNITION FROM THE BALANCE SHEET
The carrying amount of property, plant and equipment is derecognized upon disposal or sale, or when no future economic benefits are expected from the use or disposal/sale of the asset or component. The gain or loss that arises when property, plant and equipment or component is derecognized is the difference between what is possibly obtained, net of direct selling costs, and the asset's carrying value. The capital gain or loss that arises when property, plant and equipment or component is derecognized is included in the income statement as Other operating income or Other operating expense.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT
At each balance sheet date the company analyses the carrying values of property, plant and equipment and intangible assets to determine whether there is any indication that those assets have declined in value. If so, the asset's recoverable amount is estimated in order to determine the value of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount for the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less cost to sell and value in use. Fair value less cost to sell is the price which the company expects to receive in a sale between knowledgeable, independent parties and who have an interest in completing the transaction, less the costs that are directly attributable to the sale. When calculating the value in use estimated future cash flows are discounted to present value using a discount rate before tax that reflects the current market assessments of the time value of money and the risks associated with the asset. To calculate the future cash flows, the company has used the budget and forecasts for the next five years.

If the recoverable amount of an asset (or cash-generating unit) is determined at a value lower than the carrying amount, the carrying amount of the asset (or the cash-generating unit) is impaired to its recoverable amount. An impairment loss should be expensed immediately in the income statement.

At each balance sheet date, the Group assesses whether the earlier impairment is no longer justified. If so, it is reversed partially or completely. When an impairment loss is reversed the asset's (the cash-generating units) carrying value increases. The carrying value after reversal of impairment loss must not exceed the carrying amount that would be determined if no impairment had been made of the asset (the cash-generating unit) in prior years. A reversal of an impairment is recognized in the income statement.

PARTICIPATIONS IN GROUP COMPANIES
The Parent company's shares in group companies are recognized at cost less any impairment losses. Dividends from subsidiaries are recognized when the right to receive the dividend is deemed safe and can be measured reliably.

FINANCIAL INSTRUMENTS
A financial asset or financial liability is accounted for in the balance sheet when the group becomes a party to the instrument's contractual terms. A financial asset is derecognized from the balance sheet when the contractual right to cash flow from the asset terminates, is paid or when the group loses its control over the asset. A financial liability or part of a financial liability, is derecognized from the balance sheet when the contractual commitment is completed or in another way terminates.

At the initial accounting current assets and current liabilities are valued at cost. Long-term receivables and long-term liabilities are valued at the initial accounting at amortised cost. Borrowing costs are accrued as part of the loan's interest expense using the effective interest method.

After the initial accounting, current assets are valued at the lower of acquisition cost and net sales value as per the balance sheet date. Current liabilities are valued at nominal value.

AMORTISED COST
Amortised cost is the amount at which the financial asset or the financial liability is measured at initial recognition minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life to the net carrying amount of the financial asset or the financial liability on initial recognition.

IMPAIRMENT OF FINANCIAL ASSETS
At the end of each reporting period, financial assets are assessed for indicators of impairment. Examples of such indicators are significant financial difficulty of the borrower, breach of contract or that it is probable that the borrower will go bankrupt.

For financial assets measured at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows. Discounting is done with an interest equal to the asset's original effective interest rate. For assets with variable rate of interest on the balance sheet date, current interest rate is used.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash on hand and disposable balances at banks and other credit institutions and other short-term liquid investments which are easily converted into cash and are subject to an insignificant risk of changes in value. To be classified as cash and cash equivalents the duration may not exceed three months from the date of acquisition.

CASH FLOW STATEMENT
The cash flow statement shows the company's changes in cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The reported cash flow includes only transactions that involve deposits and payments.

ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY
The Parent company's accounting principles are consistent with the Group's accounting principles.

ESTIMATES AND JUDGEMENTS
In order to prepare the annual accounts and consolidated financial statements in accordance K3, management need to make estimates and judgments that affect the reported assets, liabilities, income and expenses. These estimates are based on historical experience as well as other factors deemed reasonable under the circumstances. Actual results may differ from these estimates if other estimates are made or other conditions exist. Estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period the change is made if the change affects only that period, or the period of the change and future periods if the change affects both current and future periods. The following significant accounting estimates have been applicable in the preparation of this annual report and consolidated financial statements.

SIGNIFICANT SOURCES OF ESTIMATION UNCERTAINTY
Listed below are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which involve a significant risk of material adjustments to the carrying values of assets and liabilities within the next financial year.

SIGNIFICANT JUDGMENTS IN THE APPLICATION OF THE GROUP'S ACCOUNTING PRINCIPLES
The critical judgements that the management have made when applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements are described below.

IMPAIRMENT OF PARTICIPATIONS IN GROUP COMPANIES
Participations in Group companies are recognized at cost less any impairment losses. At each balance sheet date an assessment is made whether there are any indications that the value of shares in Group companies is lower than its carrying value. If there are indications, the asset's recoverable amount is calculated.

DEFERRED TAX RECEIVABLES
The Group has determined that the future earnings and the timing therefore are not accurate enough to be able to evaluate and Include deferred tax receivables attributable to loss reliefs.