

# InDex Pharmaceuticals Holding AB (publ)

Interim report  
January-March 2018

Novel formulation for oral  
administration of cobitolimod



## PERIOD JANUARY-MARCH 2018

- Revenues amounted to SEK 0.1 (0.0) million
- Operating result amounted to SEK –18.8 (–22.1) million
- Result after tax amounted to SEK –18.7 (–22.0) million, corresponding to SEK –0.30 per share (–0.35) before and after dilution
- Cash flow from operating activities amounted to SEK –22.9 (–19.1) million

- Cash and cash equivalents at the end of the period amounted to SEK 102.1 (174.1) million
- Number of employees at the end of the period was 7 (7)
- Number of shares at the end of the period was 62 528 433

All comparative amounts in brackets refer to the outcome during the corresponding period 2017.

## SIGNIFICANT EVENTS DURING JANUARY-MARCH 2018

- Mechanism of action data for cobitolimod was presented at the European Crohn's and Colitis Organisation (ECCO) congress
- A new patent for cobitolimod will be issued in Japan

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex hosted a Capital Markets Day in Stockholm on April 25, 2018 for investors, analysts and media
- InDex has developed a novel formulation of cobitolimod for oral administration

*“Important news that will strengthen InDex’s position in future partner discussions, is our successful development of a GMP ready capsule to be taken orally and release cobitolimod in the colon.”*

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



The CONDUCT study continues to be InDex's main focus. We work very actively with the study and visit clinics around Europe to keep them engaged in the study. We are still waiting for approval by the Romanian regulatory authority but have contracted extra clinics in the other 11 countries to reach the planned 90 clinics.

InDex is actively pursuing out licensing and I very much look forward to reporting our latest advances at the BIO convention in Boston in early June. BIO is the pharmaceutical industry's largest networking event with some 16,000 representatives from drug development companies and larger pharmaceutical companies looking for new innovative products for their portfolios. Our most important message to potential partners will be that the CONDUCT study is developing as expected and that our objective to report top line results in the fourth quarter of 2018 remains. Furthermore, we will highlight the new data on cobitolimod's immunological mechanism of action, which received significant attention at the ECCO congress in February.

Other important news, that will also strengthen InDex's position in future partner discussions, is our successful development of a GMP ready capsule to be taken orally and release cobitolimod in the colon. Additionally, the release profile can be adjusted to target other parts of the gastrointestinal tract which are inaccessible to the topical formulation currently evaluated in the CONDUCT study. An oral

version would provide added patient convenience and broaden the potential therapeutic use of cobitolimod to extensive colitis and even Crohn's disease. Another important aspect is that the oral formulation development provides opportunities for securing additional intellectual property.

InDex's life cycle management strategy for cobitolimod is to launch first the topical formulation. The oral formulation will be a follow-on product and the next stage of its development is contingent on the results of CONDUCT.

In March, a new Japanese method of use patent for cobitolimod was granted, which constitutes a valuable complement to our existing patent portfolio. A corresponding patent had already been granted in the US and patent applications have been filed or will be filed in Europe and Canada.

On April 25, we successfully hosted InDex's first Capital Markets Day. In addition to InDex's management, two internationally prominent professors in Inflammatory Bowel Disease participated and gave their views on the medical need and cobitolimod's potential. The videos and presentation material from the day are available on InDex's website.

On May 24, all shareholders are welcome to the Annual General Meeting of InDex and I hope to see you there.

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, pain, fever, weight loss and anemia. Despite the currently available drugs on the market, many patients with ulcerative colitis still suffer from severe symptoms. For those patients that do not respond to medical treatment, the last resort is to surgically remove the colon.

InDex's clinical studies indicate that cobitolimod has a higher efficacy and a more favorable safety profile than what has been reported for the currently approved biological drugs in corresponding patient populations. Sales of biologics for treatment of ulcerative colitis amount to more than USD 5 billion a year.

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 now performing the phase IIb study CONDUCT to evaluate higher 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. The CONDUCT study will include 215 patients with left-sided moderate to severe active ulcerative colitis at 90 sites in 12 countries. It is a randomised, double blind, placebo-controlled study for evaluating cobitolimod's efficacy and safety in inducing clinical remission compared to placebo. The dose optimisation study investigates three different dose strengths of cobitolimod and two different dose frequencies. The objective is to have top line results from the study in the fourth quarter of 2018.

Cobitolimod is also known as Kappaproct® and DIMS0150.

## SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- New mechanism of action data for cobitolimod was presented orally at the congress of the European Crohn's and Colitis Organisation (ECCO), which was held in Vienna, Austria, on February 14-17, 2018. The abstract had been selected amongst the top 10 out of 1,366 submitted abstracts, and it was featured in the Highlights of ECCO'18 video. The video contains the most important scientific insights and take-home messages from the congress.
- InDex announced on March 28, 2018, that a new method of use patent for the drug candidate cobitolimod will be issued by the Japan Patent Office. The patent provides additional protection for treating chronic active ulcerative colitis in patients that are not responding or are intolerant to anti-inflammatory therapy, wherein cobitolimod is not administered in combination with corticosteroid or glucocorticosteroids.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex hosted a Capital Markets Day on April 25, 2018 for investors, analysts and media. The purpose of the Capital Markets Day was to provide an overview of ulcerative colitis and the drug candidate cobitolimod from a scientific and market perspective.
- InDex announced on May 4, 2018 that it has developed a novel formulation of its drug candidate cobitolimod for oral administration, with targeted delivery to the lower part of the gastrointestinal tract. The oral formulation of cobitolimod is a potential follow-on product to the topical formulation, which is investigated in the CONDUCT study.

## FINANCIAL SUMMARY

| SEK millions                                       | Jan-Mar 2018 | Jan-Mar 2017 | Full year 2017 |
|--|--------------|--------------|----------------|
| Revenues   | 0.1          | 0.0          | 0.1            |
| Operating result                                   | -18.8        | -22.1        | -73.3          |
| Result after tax                                   | -18.7        | -22.0        | -72.8          |
| Result per share before and after dilution, SEK    | -0.30        | -0.35        | -1.16          |
| Cash flow from operating activities                | -22.9        | -19.1        | -68.2          |
| Cash and cash equivalents at the end of the period | 102.1        | 174.1        | 125.1          |

Note: Result per share – Net result divided by average number of shares.

**FINANCIAL SUMMARY FOR THE REPORTING PERIOD**

Because of the nature of the business operations, there may be large fluctuations between different periods.

Operating expenses for the period January-March 2018 amounted to SEK 18.9 million, which is a decrease of SEK 3.3 million compared to the corresponding period the previous year. The decrease is mainly attributable to the cost for a large batch of cobitolimod substance last year. The costs during the quarter refer to costs for the ongoing phase IIb study and general operating expenses.

Costs for the personnel increased with SEK 0.2 million mainly attributable to general salary increases.

Cash and cash equivalents as of March 31, 2018 amounted to SEK 102.1 million, which is SEK 22.9 million lower than December 31, 2017.

**FINANCIAL SUMMARY AFTER THE REPORTING PERIOD**

No significant events have occurred after the end of the reporting period.

**EXPECTED FUTURE DEVELOPMENT**

The Board still anticipates that the main results of the CONDUCT study will be available during the fourth quarter of 2018.

The Board is reviewing the forecasted cash flow on an ongoing basis to determine InDex's capital requirements and resources required to conduct the business activities in accordance with the strategic direction decided by the Board.

It is the assessment of the Board that InDex has enough capital to finance the CONDUCT study until the main results are available and all other financial commitments that InDex has for the coming 12 month period.

InDex provides no financial forecast or similar forward looking statement.

**EMPLOYEES**

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

**THE SHARE**

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

**LARGEST SHAREHOLDERS PER MARCH 31, 2017**

|                            | Number of shares  | Percentage of capital and votes, % |
|----------------------------|-------------------|------------------------------------|
| SEB Venture Capital        | 14,657,241        | 23.4                               |
| Stiftelsen Industrifonden  | 12,900,272        | 20.6                               |
| NeoMed/N5                  | 6,907,913         | 11.1                               |
| Staffan Rasjö              | 3,124,718         | 5.0                                |
| SEB Stiftelsen             | 1,785,714         | 2.9                                |
| Avanza Pension             | 1,468,708         | 2.4                                |
| Danske Bank Stockholm      | 1,295,327         | 2.1                                |
| Danske Bank International  | 1,083,512         | 1.7                                |
| Rune Petterson             | 980,081           | 1.6                                |
| Nordnet Pensionsförsäkring | 886,636           | 1.4                                |
| Others                     | 17,438,311        | 27.8                               |
| <b>Total</b>               | <b>62,528,433</b> | <b>100.0</b>                       |

**INCENTIVE PROGRAMMES**

At the Extraordinary General Meeting held on September 12, 2016 it was resolved to issue 3,250,000 warrants to transfer to employees and other key persons within InDex. The warrants have an exercise price of SEK 19 per share and can be exercised in September 2019. Within this program, 3,237,500 (3,062,500) warrants have been acquired at fair value by employees and other key persons in InDex.

**REVIEW BY THE AUDITOR**

This report has not been reviewed by the company's auditor.

**FINANCIAL CALENDER**

Annual General Meeting  
Interim report Q II 2018  
Interim report Q III 2018

May 24, 2018  
August 28, 2018  
November 19, 2018

Stockholm May 17, 2018  
Peter Zerhouni, CEO

**FOR MORE INFORMATION, PLEASE CONTACT:**

Peter Zerhouni, CEO  
Phone: +46 (0) 8 508 847 30  
Email: peter.zerhouni@indexpharma.com

InDex Pharmaceuticals Holding AB (publ)  
Tomtebodavägen 23a,  
171 77 Stockholm, Sweden  
www.indexpharma.com

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 May 17, 2018.

*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.*

# Consolidated income statement

| SEK 000's                                       | Jan 1-Mar 31,<br>2018 | Jan 1-Mar 31,<br>2017 | Full year<br>2017 |
|---|-----------------------|-----------------------|-------------------|
| <b>Revenues</b>                                 |                       |                       |                   |
| Net sales                                       | 54                    | 35                    | 113               |
| Other income                                    | –                     | –                     | –                 |
| <b>Total revenues</b>                           | <b>54</b>             | <b>35</b>             | <b>113</b>        |
| <b>Operating expenses</b>                       |                       |                       |                   |
| Raw material and consumables                    | –167                  | –8,204                | –8,998            |
| Other external expenses                         | –16,211               | –11,656               | –54,825           |
| Personnel costs                                 | –2,472                | –2,264                | –9,594            |
| Depreciations                                   | –3                    | –3                    | –11               |
| <b>Total expenses</b>                           | <b>–18,853</b>        | <b>–22,127</b>        | <b>–73,428</b>    |
| <b>Operating loss</b>                           | <b>–18,799</b>        | <b>–22,092</b>        | <b>–73,315</b>    |
| <b>Profit/loss from financial items</b>         |                       |                       |                   |
| Financial income                                | 50                    | 109                   | 1,340             |
| Financial expenses                              | –1                    | –60                   | –784              |
| <b>Total</b>                                    | <b>49</b>             | <b>49</b>             | <b>556</b>        |
| <b>Earnings before tax</b>                      | <b>–18,750</b>        | <b>–22,043</b>        | <b>–72,759</b>    |
| Taxes for the period                            | –                     | –                     | –                 |
| <b>Net profit/loss for the period</b>           | <b>–18,750</b>        | <b>–22,043</b>        | <b>–72,759</b>    |
| Loss per share, SEK (before and after dilution) | –0.30                 | –0.35                 | –1.16             |
| Average number of shares                        | 62,528,433            | 62,524,166            | 62,527,366        |
| Number of shares at the end of the period       | 62,528,433            | 62,528,433            | 62,528,433        |

# Consolidated balance sheet

| SEK 000's                            | Mar 31, 2018   | Mar 31, 2017   | Dec 31, 2017   |
|--------------------------------------|----------------|----------------|----------------|
| <b>ASSETS</b>                        |                |                |                |
| <b>Fixed assets</b>                  |                |                |                |
| <i>Intangible fixed assets</i>       |                |                |                |
| Patents, license and trademarks      | –              | –              | –              |
| <i>Tangible fixed assets</i>         |                |                |                |
| Equipment, tools and installations   | 29             | 40             | 32             |
| <b>Total fixed assets</b>            | <b>29</b>      | <b>40</b>      | <b>32</b>      |
| <b>Current assets</b>                |                |                |                |
| <i>Current receivables</i>           |                |                |                |
| Accounts receivable                  | 22             | 25             | 16             |
| Other current receivables            | 3              | 1,052          | 848            |
| Prepaid expenses and accrued income  | 965            | 624            | 921            |
| <b>Total current receivables</b>     | <b>990</b>     | <b>1,701</b>   | <b>1,785</b>   |
| <b>Cash and cash equivalents</b>     | <b>102,148</b> | <b>174,133</b> | <b>125,055</b> |
| <b>Total current assets</b>          | <b>103,138</b> | <b>175,834</b> | <b>126,840</b> |
| <b>TOTAL ASSETS</b>                  | <b>103,167</b> | <b>175,874</b> | <b>126,872</b> |
| <b>EQUITY AND LIABILITIES</b>        |                |                |                |
| <b>Restricted equity</b>             |                |                |                |
| Share capital                        | 1,251          | 1,251          | 1,251          |
| <b>Total restricted equity</b>       | <b>1,251</b>   | <b>1,251</b>   | <b>1,251</b>   |
| <b>Non-restricted equity</b>         |                |                |                |
| Retained earnings                    | 103,496        | 176,220        | 176,255        |
| Loss for the period                  | –18,750        | –22,043        | –72,759        |
| <b>Total non-restricted equity</b>   | <b>84,746</b>  | <b>154,177</b> | <b>103,496</b> |
| <b>Total equity</b>                  | <b>85,997</b>  | <b>155,428</b> | <b>104,747</b> |
| <b>Current liabilities</b>           |                |                |                |
| Accounts payables                    | 1,769          | 8,015          | 6,568          |
| Other liabilities                    | 5,300          | 5,820          | 5,750          |
| Accrued expenses and deferred income | 10,101         | 6,611          | 9,807          |
| <b>Total current liabilities</b>     | <b>17,170</b>  | <b>20,446</b>  | <b>22,125</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>103,167</b> | <b>175,874</b> | <b>126,872</b> |

# Consolidated statement of changes in equity

| SEK 000's                                 | Share capital | Retained earnings | Net result     |
|---|---------------|-------------------|----------------|
| <b>Opening balance, January 1, 2017</b>   | <b>1,251</b>  | <b>217,495</b>    | <b>-41,275</b> |
| Disposition of last year's result         | -             | -41,275           | 41,275         |
| Net result                                | -             | -                 | -22,043        |
| <b>Closing balance, March 31, 2017</b>    | <b>1,251</b>  | <b>176,220</b>    | <b>-22,043</b> |
| <b>Opening balance, January 1, 2017</b>   | <b>1,251</b>  | <b>217,495</b>    | <b>-41,275</b> |
| Disposition of last year's result         | -             | -41,275           | 41,275         |
| Issue of warrants                         | -             | 35                | -              |
| Net result                                | -             | -                 | -72,759        |
| <b>Closing balance, December 31, 2017</b> | <b>1,251</b>  | <b>176,255</b>    | <b>-72,759</b> |
| <b>Opening balance, January 1, 2018</b>   | <b>1,251</b>  | <b>176,255</b>    | <b>-72,759</b> |
| Disposition of last year's result         | -             | -72,759           | 72,759         |
| Net result                                | -             | -                 | -18,750        |
| <b>Closing balance, March 31, 2018</b>    | <b>1,251</b>  | <b>103,496</b>    | <b>-18,750</b> |

# Consolidated cash flow

| SEK 000's  | Jan 1-Mar 31,<br>2018 | Jan 1-Mar 31,<br>2017 | Full year<br>2017 |
|--|-----------------------|-----------------------|-------------------|
| <b>Operating activities</b>  |                       |                       |                   |
| Earnings before tax  | -18,750               | -22,043               | -72,759           |
| <i>Adjustments for non-cash items</i>  |                       |                       |                   |
| Depreciations  | 3                     | 3                     | 11                |
| Divestment of financial assets   | -                     | -                     | 27                |
| Income tax paid  | -                     | -                     | -                 |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-18,747</b>        | <b>-22,040</b>        | <b>-72,721</b>    |
| <b>Changes in working capital</b>  |                       |                       |                   |
| Changes in current receivables   | 795                   | -490                  | -574              |
| Changes in current liabilities   | -4,955                | 3,431                 | 5,110             |
| <b>Cash flow from changes in working capital</b>                             | <b>-4,160</b>         | <b>2,941</b>          | <b>4,536</b>      |
| <b>Cash flow from operating activities</b>                                   | <b>-22,907</b>        | <b>-19,099</b>        | <b>-68,185</b>    |
| <b>Investment activities</b>   |                       |                       |                   |
| Acquisition of tangible assets   | -                     | -                     | -                 |
| <b>Cash flow from investment activities</b>                                  | <b>-</b>              | <b>-</b>              | <b>-</b>          |
| <b>Financing activities</b>  |                       |                       |                   |
| Issues of shares   | -                     | -                     | -                 |
| Issues of warrants   | -                     | -                     | 8                 |
| <b>Cash flow from financing activities</b>                                   | <b>-</b>              | <b>-</b>              | <b>8</b>          |
| <b>Cash flow for the period</b>  | <b>-22,907</b>        | <b>-19,099</b>        | <b>-68,177</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b>              | <b>125,055</b>        | <b>193,232</b>        | <b>193,232</b>    |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>102,148</b>        | <b>174,133</b>        | <b>125,055</b>    |



# Income statement parent company

| SEK 000's                             | Jan 1-Mar 31,<br>2018 | Jan 1-Mar 31,<br>2017 | Full year<br>2017 |
|---------------------------------------|-----------------------|-----------------------|-------------------|
| <b>Revenues</b>                       |                       |                       |                   |
| Net sales                             | 1,887                 | 1,626                 | 8,000             |
| <b>Total revenues</b>                 | <b>1,887</b>          | <b>1,626</b>          | <b>8,000</b>      |
| <b>Operating expenses</b>             |                       |                       |                   |
| Other external expenses               | -1,589                | -1,784                | -7,555            |
| Personnel costs                       | -1,313                | -1,072                | -5,107            |
| <b>Total expenses</b>                 | <b>-2,902</b>         | <b>-2,856</b>         | <b>-12,662</b>    |
| <b>Operating loss</b>                 | <b>-1,015</b>         | <b>-1,230</b>         | <b>-4,662</b>     |
| <b>Net financial items</b>            |                       |                       |                   |
| Write-down of financial assets        | -                     | -60,000               | -120,000          |
| Financial costs                       | -1                    | -1                    | -1                |
| <b>Total</b>                          | <b>-1</b>             | <b>-60,001</b>        | <b>-120,001</b>   |
| <b>Earnings before tax</b>            | <b>-1,016</b>         | <b>-61,231</b>        | <b>-124,663</b>   |
| Taxes for the period                  | -                     | -                     | -                 |
| <b>Net profit/loss for the period</b> | <b>-1,016</b>         | <b>-61,231</b>        | <b>-124,663</b>   |

# Balance sheet parent company

| SEK 000's                            | Mar 31, 2018   | Mar 31, 2017   | Dec 31, 2017   |
|--------------------------------------|----------------|----------------|----------------|
| <b>ASSETS</b>                        |                |                |                |
| <b>Fixed assets</b>                  |                |                |                |
| <i>Financial assets</i>              |                |                |                |
| Shares in subsidiary                 | 247,030        | 247,030        | 247,030        |
| <b>Total fixed assets</b>            | <b>247,030</b> | <b>247,030</b> | <b>247,030</b> |
| <b>Current assets</b>                |                |                |                |
| <i>Current receivables</i>           |                |                |                |
| Other receivables                    | 2              | –              | 176            |
| Intercompany receivables             | 212            | –              | –              |
| Prepaid expenses and accrued income  | 564            | 349            | 455            |
| <b>Total current receivables</b>     | <b>778</b>     | <b>349</b>     | <b>631</b>     |
| <b>Cash and cash equivalents</b>     | <b>101,767</b> | <b>159,613</b> | <b>111,682</b> |
| <b>Total current assets</b>          | <b>102,545</b> | <b>159,962</b> | <b>112,313</b> |
| <b>TOTAL ASSETS</b>                  | <b>349,575</b> | <b>406,992</b> | <b>359,343</b> |
| <b>EQUITY AND LIABILITIES</b>        |                |                |                |
| <b>Restricted equity</b>             |                |                |                |
| Share capital                        | 1,251          | 1,251          | 1,251          |
| <b>Total restricted equity</b>       | <b>1,251</b>   | <b>1,251</b>   | <b>1,251</b>   |
| <b>Non-restricted equity</b>         |                |                |                |
| Retained earnings                    | 291,659        | 416,322        | 416,322        |
| Net result                           | –1,016         | –61,231        | –124,663       |
| <b>Total non-restricted equity</b>   | <b>290,643</b> | <b>355,091</b> | <b>291,659</b> |
| <b>Total equity</b>                  | <b>291,894</b> | <b>356,342</b> | <b>292,910</b> |
| <b>Current liabilities</b>           |                |                |                |
| Accounts payable                     | 91             | 847            | 497            |
| Intercompany liabilities             | 54,939         | 48,300         | 63,238         |
| Other liabilities                    | 939            | 273            | 498            |
| Accrued expenses and deferred income | 1,712          | 1,230          | 2,200          |
| <b>Total current liabilities</b>     | <b>57,681</b>  | <b>50,650</b>  | <b>66,433</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>349,575</b> | <b>406,992</b> | <b>359,343</b> |

# Statement of change in equity parent company

| SEK 000's                                 | Share capital | Retained earnings | Net result      |
|---|---------------|-------------------|-----------------|
| <b>Opening balance, January 1, 2017</b>   | <b>1,251</b>  | <b>463,944</b>    | <b>-47,622</b>  |
| Disposition of last year's result         |               | -47,622           | 47,622          |
| Net result                                | -             | -                 | -61,231         |
| <b>Closing balance, March 31, 2017</b>    | <b>1,251</b>  | <b>416,322</b>    | <b>-61,231</b>  |
| <b>Opening balance, January 1, 2017</b>   | <b>1,251</b>  | <b>463,944</b>    | <b>-47,622</b>  |
| Disposition of last year's result         | -             | -47,622           | 47,622          |
| Net result                                | -             | -                 | -124,663        |
| <b>Closing balance, December 31, 2017</b> | <b>1,251</b>  | <b>416,322</b>    | <b>-124,663</b> |
| <b>Opening balance, January 1, 2018</b>   | <b>1,251</b>  | <b>416,322</b>    | <b>-124,663</b> |
| Disposition of last year's result         | -             | -124,663          | 124,663         |
| Net result                                | -             | -                 | -1,016          |
| <b>Closing balance, March 31, 2018</b>    | <b>1,251</b>  | <b>291,659</b>    | <b>-1,016</b>   |

## Development of parent company's share capital

| SEK Date     | Transaction                   | Change in share capital | Total share capital | Number of new shares | Total number of shares | Paid in amount |
|--------------|-------------------------------|-------------------------|---------------------|----------------------|------------------------|----------------|
| Jun 27, 2016 | Inception of the company      | 500,000                 | 500,000             | 500,000              | 500,000                | 500,000        |
| Sep 7, 2016  | Split of shares               | -                       | 500,000             | 45,500,000           | 50,000,000             | -              |
| Sep 7, 2016  | Share issue in-kind           | 601,345                 | 1,101,345           | 60,134,466           | 110,134,466            | -              |
| Sep 7, 2016  | Reduction of number of shares | -500,000                | 601,345             | -50,000,000          | 60,134,466             | -              |
| Sep 7, 2016  | Share issue                   | -                       | 601,345             | 2                    | 60,134,468             | -              |
| Sep 8, 2016  | Reversed split of shares      | -                       | 601,345             | -30,067,234          | 30,067,234             | -              |
| Oct 6, 2016  | Share issue for pref. shares  | 52,685                  | 654,030             | 2,634,279            | 32,701,513             | 52,685         |
| Oct 6, 2016  | Share issue                   | 560,479                 | 1,214,509           | 28,023,969           | 60,725,482             | 235,401,340    |
| Oct 12, 2016 | Share issue                   | 14,305                  | 1,228,814           | 715,250              | 61,440,732             | 6,008,100      |
| Oct 25, 2016 | Share issue                   | 17,969                  | 1,246,783           | 898,421              | 62,339,153             | 7,546,736      |
| Nov 14, 2016 | Share issue                   | 1,895                   | 1,248,678           | 94,725               | 62,433,878             | 795,690        |
| Dec 29, 2016 | Share issue in-kind           | 1,300                   | 1,249,978           | 65,015               | 62,498,893             | -              |
| Jan 13, 2017 | Share issue                   | 591                     | 1,250,569           | 29,540               | 62,528,433             | 248,136        |

# Notes

## NOTE 1 GENERAL INFORMATION

This interim report includes the parent company InDex Pharmaceuticals Holding AB (publ), Corp. Reg. No. 559067–6820 and the subsidiaries InDex Pharmaceuticals AB and InDex Diagnostics AB (“InDex”, “the company” or “the group”).

## NOTE 2 ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and BFAR 2012:1 (K3). See also below under “Corporate Structure” for additional information about the completed legal restructuring.

The accounting policies adopted in this interim report are consistent with those of the 2017 annual report and should be read in conjunction with that annual report.

## NOTE 3 CORPORATE STRUCTURE

InDex Pharmaceuticals Holding AB was incepted 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 percent (in March 2018 99.97 percent have been transferred) 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 SEK 247.0 million, 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 compulsorily acquired. A debt of SEK 0.1 million to the minority shareholders (the few shareholders that have not signed the share exchange agreement, representing 0.03 percent of total shares) have therefore been reported as of March 31, 2018.

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 InDex can be presented in the financial report for InDex where InDex Pharmaceuticals AB was the legal parent.

## NOTE 4 RISKS AND UNCERTAINTIES

### OPERATIONAL RISKS

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 provide 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 increase and that the compound’s potential to successfully reach the commercial stage decreases or that the time for patent protected sales is reduced.

### FINANCIAL RISK MANAGEMENT

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 the annual report for 2017, which is available on the company’s web page.

**NOTE 5** IMPORTANT ESTIMATIONS AND JUDGEMENTS

The following areas have been identified as areas dependent of estimations and judgements, which can have significant impact on the financial statements: incurred costs for clinical trials, test for impairment of participation in group companies and deferred tax receivables.

For a more detailed description of important estimations and judgements, please refer to the annual report for 2017.

**NOTE 6** TRANSACTIONS WITH RELATED PARTIES

InDex Pharmaceuticals Holding AB invoices its subsidiaries for group wide services.