InDex Pharmaceuticals Holding AB (publ)

Interim report January-September 2019

Outstanding combination of efficacy and safety in the CONDUCT study

PERIOD JULY-SEPTEMBER 2019

- Revenues amounted to SEK 0.0 (0.0) million
- Operating result amounted to SEK –27.2 (–15.1) million
- Result after tax amounted to SEK –27.2 (–15.1) million, corresponding to SEK –0.39 per share (–0.24) before and after dilution
- Cash flow from operating activities amounted to SEK –19.1 (–16.1) million

SIGNIFICANT EVENTS DURING JULY-SEPTEMBER 2019

- The phase IIb study CONDUCT met the primary endpoint.
- InDex updated the list of shareholders on the homepage with information as of August 30, 2019.
- InDex completed a directed share issue of approximately SEK 140 million.
- InDex announced notice of an extraordinary general meeting.

All comparative amounts in brackets refer to the outcome during the corresponding period 2018.

PERIOD JANUARY-SEPTEMBER 2019

- Revenues amounted to SEK 0.1 (0.1) million
- Operating result amounted to SEK –62.1 (–59.9) million
- Result after tax amounted to SEK –62.2 (–59.9) million, corresponding to SEK –0.90 per share (–0.96) before and after dilution
- Cash flow from operating activities amounted to SEK –51.6 (–58.6) million
- Cash and cash equivalents at the end of the period amounted to SEK 117.6 (66.4) million
- Number of employees at the end of the period was 7 (7)
- Number of shares at the end of the period was 82,537,530

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex held an extraordinary general meeting, which resolved to approve the Board's resolution on a new issue of shares with deviation from the shareholders' preferential rights.
- InDex updated the list of shareholders on the homepage with information as of October 18, 2019.

"Something that really differentiates cobitolimod from its competitors is the superior safety profile. Both the approved drugs and those currently being tested in phase III are associated with serious side effects. With an outstanding combination of efficacy and safety, cobitolimod is set to take a leading position within the field", said Peter Zerhouni, CEO of InDex Pharmaceuticals.

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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 lead 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. InDex has also developed a platform of patent protected discovery stage substances, so called DNA based Immuno-Modulatory Sequences (DIMS), with the potential to be used in treatment of various immunological diseases. InDex is based in Stockholm, Sweden. The company's shares (ticker INDEX) are traded on Nasdaq First North Growth Market Stockholm. Redeye AB is the company's Certified Adviser (+46 8 121 576 90 or certifiedadviser@redeye.se).

CEO statement

On August 27, we had the great pleasure of reporting successful top line results in the phase IIb study CONDUCT with cobitolimod. The study met the primary endpoint with a competitive efficacy and superior safety profile. Now it is full speed ahead towards phase III.

The CONDUCT study was an exploratory study to find the best dose to move forward in development, and the study clearly showed that the highest dose was the most effective. As in previous studies, cobitolimod was well tolerated at all dose levels and no differences in the safety profile were observed compared to placebo. The study thus met the objectives that we set up before the start of the study.

The efficacy was within the expected range and is comparable to what has been reported for the drugs that are currently on the market for moderate to severe ulcerative colitis and the new substances that are in phase III right now. Something that really differentiates cobitolimod from its competitors is the superior safety profile. Both the approved drugs and those currently being tested in phase III are associated with serious side effects. With an outstanding combination of efficacy and safety, cobitolimod is set to take a leading position within the field.

An additional advantage of cobitolimod that stands out compared to the competitors is the new and unique mechanism of action. Many patients with moderate to severe ulcerative colitis do not respond to current therapies, and there is more and more talk about combining several drugs to optimise the efficacy for the patients. With its unique mechanism of action and safety profile, cobitolimod is better suited than competing products for such an approach.

DIRECTED SHARE ISSUE TAKES COBITOLIMOD TO PHASE III

With the successful CONDUCT results, we completed a directed share issue on September 19 of SEK 140 million to Swedish and international investors, including reputable, new investors such as the Fourth Swedish National Pension Fund and existing shareholders such as Industrifonden and Bengt Julander (through Linc AB). We received great interest from investors with sector expertise, also internationally,

during the roadshow that preceded the transaction, and we did not have to offer any discount, which is otherwise the standard in directed share issues.

The proceeds of the share issue are primarily intended to prepare cobitolimod for phase III, which is the final stage of development before applying for market approval. We had already before the CONDUCT results planned a long list of phase III preparatory activities that we launched as soon as we saw the positive outcome of the study. We are now analysing the full data set with the intention of publishing complete study results in a scientific journal and presenting them at upcoming medical conferences. We have initiated contacts with the European and American regulatory authorities, EMA and the FDA, to discuss phase III design. We are planning market research with physicians and payers. We have started the process of choosing a contract research organisation (CRO). We have ordered study drug and have started the preclinical safety studies required for phase III. With the current timeline, we should have enough information to finalise the design of the phase III program in the second quarter of 2020 and be ready to enrol the first patient in the second half of 2020.

NEW FINANCIALLY STRONG INVESTORS STRENGTHEN THE SHAREHOLDER BASE

The ownership in InDex has changed significantly during the quarter. Former major shareholder NeoMed, which owned 10 percent of the shares in InDex as of June 30, started selling its holdings on the stock exchange in July and continued to sell off large volumes in connection with the results being presented at the end of August. Bengt Julander is now the company's third largest shareholder with 10 percent of the shares and the Fourth Swedish National Pension Fund the fourth largest with 7 percent. SEB Venture Capital and Industrifonden are still the largest shareholders with approximately 15 percent each. We are very pleased that the list of shareholders has been strengthened with additional long-term and financially strong investors.

NEW POSSIBILITIES FOR PHASE III DESIGN CREATES STRATEGIC FLEXIBILITY

Traditionally, phase III programs in moderate to severe ulcerative colitis have included approximately 1,000 patients, which required significant amounts of capital. Over the past six months, we have seen clear signals that the regulatory authorities have opened up for innovative and smaller phase III programs. This shift by the authorities lets us plan for a phase III program that InDex can manage on its own. A key is to carry out the studies sequentially and not in parallel as traditionally done. You can then read out study by study along the way, which lowers the risk as the studies are completed and allows stepwise financing of the program. This without having to take longer time to complete than a traditional design. With the strengthened shareholder base and the positive feedback we received from institutional investors in connection with the directed share issue, we see the opportunity to finance the further development of cobitolimod and thereby create additional value.

From a strategic and negotiation perspective, it is a great strength to be autonomous and be able to control the timing and circumstances for potential future partnerships. As we prepare for phase III on our own, we continue our business development work to present the positive CONDUCT results and development plans to companies that have shown interest in cobitolimod. The possibility of a less extensive phase III program also widens the universe of potential partners to include regional and speciality pharma companies. Also the large global companies can appreciate the benefits of an innovative phase III program. Even if they do not have capital constraints, there is competition for patients and smaller studies means a faster way to market.

With positive phase IIb results, new capital, a strong shareholder base and strategic flexibility, we look forward to 2020 and the further development of cobitolimod and InDex as a company.

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 lead 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 have shown that cobitolimod has a competitive efficacy and a more favorable safety profile than what has been reported for the currently approved biological drugs. 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.

InDex recently reported positive top line results from the phase IIb study CONDUCT with cobitolimod. CONDUCT was a dose optimisation study with the objective to identify the most efficacious dose to move forward in development. The study met the primary endpoint clinical remission with a superior efficacy of 15% (delta) for patients treated with the highest dose of cobitolimod compared to placebo. Cobitolimod was well tolerated at all dose levels and no differences in the safety profile were observed compared to placebo. CONDUCT was a randomised, double blind, placebo-controlled study including 213 patients with left-sided moderate to severe active ulcerative colitis at 91 sites in 12 countries. The patients were divided into four treatment arms who received different doses of cobitolimod and one arm who received a placebo.

InDex has already in previous clinical trials shown that cobitolimod has a very favorable safety profile and 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.

Given the outstanding combination of efficacy and safety, InDex is now advancing cobitolimod towards phase III.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- InDex provided on April 11, 2019 a status update on the patient recruitment in the CONDUCT study. The company estimated that the patient recruitment would be completed during the month of June at the latest, which represented a delay compared to the previously communicated timeline.
- InDex reported on June 26, 2019 that the patient enrolment was completed in the dose optimisation study CONDUCT. Top line results were expected to be available in 8-10 weeks thereafter.
- InDex announced on June 26, 2019 that a new method of use patent for cobitolimod has been granted by the European Patent Office. The patent provides 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.
- InDex announced on August 27, 2019 positive top line results from the dose optimisation study CONDUCT, which evaluated cobitolimod for the treatment of moderate to severe ulcerative colitis. The study met the primary endpoint of clinical remission, demonstrating a superior efficacy of 15% (delta) in patients receiving the highest dose of cobitolimod compared to placebo. Cobitolimod was well tolerated at all dose levels and no differences in the safety profile were observed compared to placebo.
- InDex announced on September 5, 2019 that the list of shareholders on the homepage had been updated with information as of August 30, 2019.
- InDex announced on September 19, 2019 that the Board had resolved to issue a maximum of 20,000,000 shares, where a maximum of 13,756,255 shares were issued based on the authorization granted by InDex's annual general meeting on 6 May 2019 and a maximum of 6,243,745 shares were issued subject to the subsequent approval of the extraordinary general meeting. The subscription price

FINANCIAL SUMMARY

SEK millions	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Revenues	0.0	0.0	0.1	0.1	0.7
Operating result	–27.2	–15.1	–62.1	–59.9	–82.4
Result after tax	–27.2	–15.1	–62.2	–59.9	–82.3
Result per share before and after dilution, SEK	–0.39	–0.24	–0.90	–0.96	–1.29
Cash flow from operating activities	–19.1	–16.1	–51.6	–58.6	–79.5
Cash and cash equivalents at the end of the period	117.6	66.4	117.6	66.4	83.0

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

in the directed share issue was SEK 6.98 per share and corresponded to the closing price on Nasdaq First North Growth Market on 19 September 2019. Through the directed share issue, InDex received proceeds amounting to approximately SEK 140 million before transaction related costs. Investors in the directed share issue were a wide range of Swedish and international investors including reputable new investors such as the Fourth Swedish National Pension Fund as well as current shareholders such as Stiftelsen Industrifonden and Bengt Julander (through Linc AB).

- InDex announced on September 19, 2019 a notice of an extraordinary general meeting on October 9, 2019 with the resolution to approve the Board's resolution on a new issue of shares with deviation from the shareholders' preferential rights.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex held an extraordinary general meeting on October 9, 2019. The extraordinary general meeting resolved to approve the Board's resolution on a new issue of no more than 6,243,745 shares with deviation from the shareholders' preferential rights.
- InDex announced on October 28, 2019 that the list of shareholders on the homepage had been updated with information as of October 18, 2019.

FINANCIAL SUMMARY FOR THE REPORTING PERIOD

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

Group

The revenues for the period January to September 2019 amounted to SEK 0.1 million. The revenues are related to the sale of DiBiCol test kits.

Operating expenses for the period amounted to SEK 62.2 million, which is an increase of SEK 2.3 million compared to the same period the previous year. The increase is attributable to a higher activity level in the phase IIb study CONDUCT, especially during the third quarter 2019.

The costs during the period refer to costs for the phase IIb study and general operating expenses.

Costs for the personnel during the reporting period amounted to SEK 6.6 million, which is SEK 0.6 million less than for the same period the previous year.

Cash and cash equivalents as of September 30, 2019 amounted to SEK 117.6 million, which is SEK 34.6 million higher than as of December 31, 2018. InDex announced on September 19, 2019 that the Board had resolved to issue a maximum of 20,000,000 shares, where 13,756,255 shares were issued based on the authorization granted by the annual general meeting on May 6, 2019 and 6,243,745 shares were issued subject to the subsequent approval of an extraordinary general meeting. The subscription price was SEK 6.98 per share corresponding to the closing price on September 19, 2019. InDex received before the end of the reporting period proceeds of approximately SEK 86.1 million after transaction related costs for financial and legal services and costs for registration and practical management.

Parent company

The revenues amounted to SEK 6.5 million during the period January to September 2019 and consisted of invoicing of group wide expenses to the other companies within the group.

The expenses amounted to SEK 10.0 million and consisted of personnel expenses and other operating expenses relating to the administration of InDex.

FINANCIAL SUMMARY AFTER THE REPORTING PERIOD

On October 10, 2019 the Swedish Companies Registration Office recorded the new share issue of 6,243,275 shares. On the same date InDex received SEK 43.6 million, equivalent to the remaining part of the proceeds.

EXPECTED FUTURE DEVELOPMENT

InDex reported on August 27, 2019 that cobitolimod met the primary endpoint in the now completed phase IIb study CONDUCT. InDex is now advancing cobitolimod towards phase III and in parallel evaluating the optimal route to commercialization.

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 all financial commitments 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 Growth Market Stockholm since October 11, 2016.

LARGEST SHAREHOLDERS PER OCTOBER 18, 2019

	Number of shares	Percentage of capital and votes, %
SEB Venture Capital	12,994,367	14.6
Stiftelsen Industrifonden	12,865,296	14.5
Linc AB	8,875,650	10.0
Fjärde AP-fonden	6,400,000	7.2
Avanza Pension	3,338,907	3.8
Staffan Rasjö	3,124,718	3.5
Originat AB	2,700,000	3.0
SEB Life International	2,321,225	2.6
Skandinaviska Enskilda Banken SA	2,300,000	2.6
Nordnet Pensionsförsäkring AB	2,001,604	2.3
SEB Stiftelsen	1,785,714	2.0
Ponderus Invest AB	1,000,000	1.1
Rune Pettersson	980,081	1.1
ABN AMRO Global Custody Services NV	913,955	1.0
Ålandsbanken	891,735	1.0
Other	26,288,023	29.7
Total	**88,781,275**	**100.0**

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 had an exercise price of SEK 19 per share and could be exercised in September 2019. The incentive program ended without any new shares being issued.

REVIEW BY THE AUDITOR
This report has not been reviewed by the company's auditor.

FINANCIAL CALENDER
Interim report Q4 February 20, 2020

Stockholm, November 27, 2019
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 by the contact person stated above at 8:00 CET on November 27, 2019.

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	Jul 1-Sep 30, 2019	Jul 1-Sep 30, 2018	Jan 1-Sep 30, 2019	Jan 1-Sep 30, 2018	Full year 2018
Revenues					
Net sales	35	26	79	99	128
Other income	–	–	–	–	612
Total revenues	**35**	**26**	**79**	**99**	**740**
Operating expenses					
Raw material and consumables	–	–86	–5	–412	–560
Other external expenses	–25,456	–13,053	–55,574	–52,305	–72,981
Personnel costs	–1,820	–2,002	–6,641	–7,228	–9,553
Depreciations	–3	–3	–8	–8	–11
Total expenses	**–27,278**	**–15,144**	**–62,228**	**–59,953**	**–83,105**
Operating loss	**–27,244**	**–15,118**	**–62,149**	**–59,854**	**–82,365**
Profit/loss from financial items					
Financial income	–	–	–	–	156
Financial expenses	–	–5	–3	–14	–42
Other	–	–	–	–	–64
Total	**–**	**–5**	**–3**	**–14**	**50**
Earnings before tax	**–27,244**	**–15,123**	**–62,152**	**–59,868**	**–82,315**
Taxes for the period	–	–	–	–	–
Net profit/loss for the period	**–27,244**	**–15,123**	**–62,152**	**–59,868**	**–82,315**
Loss per share, SEK (before and after dilution)	–0.39	–0.24	–0.90	–0.96	–1.29
Average number of shares	69,851,206	62,528,433	69,137,919	62,528,433	63,692,156
Number of shares at the end of the period	82,537,530	62,528,433	82,537,530	62,528,433	68,781,275

Consolidated balance sheet

SEK 000's	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
ASSETS			
Fixed assets			
Intangible fixed assets			
Patents, license and trademarks	–	–	–
Tangible fixed assets			
Equipment, tools and installations	13	24	21
Total fixed assets	**13**	**24**	**21**
Current assets			
Current receivables			
Accounts receivable	7	5	10
Other current receivables	746	59	1,482
Prepaid expenses and accrued income	587	709	481
Total current receivables	**1,340**	**773**	**1,973**
Cash and cash equivalents	**117,585**	**66,423**	**83,034**
Total current assets	**118,925**	**67,196**	**85,007**
TOTAL ASSETS	**118,938**	**67,220**	**85,028**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	1,651	1,251	1,376
Total restricted equity	**1,651**	**1,251**	**1,376**
Non-restricted equity			
Retained earnings	144,398	103,496	140,845
Loss for the period	–62,152	–59,868	–82,315
Total non-restricted equity	**82,246**	**43,628**	**58,530**
Total equity	**83,897**	**44,879**	**59,906**
Current liabilities			
Accounts payables	18,261	6,562	3,552
Other liabilities	5,028	5,183	5,935
Accrued expenses and deferred income	11,752	10,596	15,635
Total current liabilities	**35,041**	**22,341**	**25,122**
TOTAL EQUITY AND LIABILITIES	**118,938**	**67,220**	**85,028**

Consolidated statement of changes in equity

SEK 000's	Share capital	Retained earnings	Net result
Opening balance, January 1, 2018	**1,251**	**176,255**	**–72,759**
Disposition of last year's result	–	–72,759	72,759
Net result	–	–	–59,868
Closing balance, September 30, 2018	**1,251**	**103,496**	**–59,868**
Opening balance, January 1, 2018	**1,251**	**176,255**	**–72,759**
Disposition of last year's result	–	–72,759	72,759
Issue of shares	125	37,517	–
Issue costs	–	–168	–
Net result	–	–	–82,315
Closing balance, December 31, 2018	**1,376**	**140,845**	**–82,315**
Opening balance, January 1, 2019	**1,376**	**140,845**	**–82,315**
Disposition of last year's result	–	–82,315	82,315
Issue of shares	275	95,744	–
Issue costs	–	–9,876	–
Net result	–	–	–62,152
Closing balance, September 30, 2019	**1,651**	**144,398**	**–62,152**

Consolidated cash flow

SEK 000's	Jul 1-Sep 30, 2019	Jul 1-Sep 30, 2018	Jan 1-Sep 30, 2019	Jan 1-Sep 30, 2018	Full year 2018
Operating activities					
Earnings before tax	–27,244	–15,123	–62,152	–59,868	–82,315
Adjustments for non-cash items					
Depreciations	3	3	8	8	11
Income tax paid	–	–	–	–	–
Cash flow from operating activities before changes in working capital	**–27,241**	**–15,120**	**–62,144**	**–59,860**	**–82,304**
Changes in working capital					
Changes in current receivables	–162	541	633	1,012	–188
Changes in current liabilities	8,317	–1,481	9,919	216	2,993
Cash flow from changes in working capital	**8,155**	**–940**	**10,552**	**1,228**	**2,805**
Cash flow from operating activities	**–19,086**	**–16,060**	**–51,592**	**–58,632**	**–79,499**
Investing activities					
Acquisition of tangible assets	–	–	–	–	–
Cash flow from investing activities	**–**	**–**	**–**	**–**	**–**
Financing activities					
Issues of shares	86,143	–	86,143	–	37,478
Cash flow from financing activities	**86,143**	**–**	**86,143**	**–**	**37,478**
Cash flow for the period	**67,057**	**–16,060**	**34,551**	**–58,632**	**–42,021**
Cash and cash equivalents at the beginning of the period	**50,528**	**82,483**	**83,034**	**125,055**	**125,055**
Cash and cash equivalents at the end of the period	**117,585**	**66,423**	**117,585**	**66,423**	**83,034**

Income statement parent company

SEK 000's	Jul 1-Sep 30, 2019	Jul 1-Sep 30, 2018	Jan 1-Sep 30, 2019	Jan 1-Sep 30, 2018	Full year 2018
Revenues					
Net sales	2,174	1,576	6,473	6,005	9,112
Total revenues	**2,174**	**1,576**	**6,473**	**6,005**	**9,112**
Operating expenses					
Other external expenses	–2,379	–1,294	–6,273	–5,180	–9,194
Personnel costs	–978	–1,126	–3,704	–4,055	–5,252
Total expenses	**–3,357**	**–2,420**	**–9,977**	**–9,235**	**–14,446**
Operating loss	**–1,183**	**–844**	**–3,504**	**–3,230**	**–5,334**
Net financial items					
Write-down of financial assets	–	–	–30,000	–	–40,000
Financial costs	–	–	–3	–8	–36
Total	**–**	**–**	**–30,003**	**–8**	**–40,036**
Earnings before tax	**–1,183**	**–844**	**–33,507**	**–3,238**	**–45,370**
Taxes for the period	–	–	–	–	–
Net profit/loss for the period	**–1,183**	**–844**	**–33,507**	**–3,238**	**–45,370**

Balance sheet parent company

SEK 000's	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
ASSETS			
Fixed assets			
Financial assets			
Shares in subsidiary	247,030	247,030	247,030
Total fixed assets	**247,030**	**247,030**	**247,030**
Current assets			
Current receivables			
Other receivables	144	11	15
Intercompany receivables	476	292	351
Prepaid expenses and accrued income	444	483	353
Total current receivables	**1,064**	**786**	**719**
Cash and cash equivalents	**115,961**	**64,763**	**82,388**
Total current assets	**117,025**	**65,549**	**83,107**
TOTAL ASSETS	**364,055**	**312,579**	**330,137**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	1,651	1,251	1,376
Total restricted equity	**1,651**	**1,251**	**1,376**
Non-restricted equity			
Retained earnings	369,510	291,659	329,012
Net result	–33,507	–3,238	–45,370
Total non-restricted equity	**336,003**	**288,421**	**283,642**
Total equity	**337,654**	**289,672**	**285,018**
Current liabilities			
Accounts payable	1,540	146	168
Intercompany liabilities	–21,928	20,815	42,266
Other liabilities	607	734	1,066
Accrued expenses and deferred income	2,326	1,212	1,619
Total current liabilities	**2,640**	**22,907**	**45,119**
TOTAL EQUITY AND LIABILITIES	**364,055**	**312,579**	**330,137**

Statement of change in equity parent company

SEK 000's	Share capital	Retained earnings	Net result
Opening balance, January 1, 2018	**1,251**	**416,322**	**–124,663**
Disposition of last year's result	–	–124,663	124,663
Net result	–	–	–3,238
Closing balance, September 30, 2018	**1,251**	**291,659**	**–3,238**
Opening balance, January 1, 2018	**1,251**	**416,322**	**–124,663**
Disposition of last year's result	–	–124,663	124,663
Issue of shares	125	37,517	–
Issue costs	–	–164	–
Net result	–	–	–45,370
Closing balance, December 31, 2018	**1,376**	**329,012**	**–45,370**
Opening balance, January 1, 2019	**1,376**	**329,012**	**–45,370**
Disposition of last year's result	–	–45,370	45,370
Issue of shares	275	95,744	–
Issue costs	–	–9,876	–
Net result	–	–	–33,507
Closing balance, September 30, 2019	**1,651**	**369,510**	**–33,507**

Cash flow parent company

SEK 000's	Jul 1-Sep 30, 2019	Jul 1-Sep 30, 2018	Jan 1-Sep 30, 2019	Jan 1-Sep 30, 2018	Full year 2018
Operating activities					
Earnings before tax	–1,183	–844	–33,507	–3,238	–45,370
Adjustments for non-cash items					
Write downs	–	–	30,000	–	40,000
Income tax paid	–	–	–	–	–
Cash flow from operating activities before changes in working capital	**–1,183**	**–844**	**–3,507**	**–3,238**	**–5,370**
Changes in working capital					
Changes in current receivables	–337	80	–345	–155	–88
Changes in current liabilities	–17,888	–15,773	–18,718	–43,526	–21,314
Cash flow from changes in working capital	**–18,425**	**–15,693**	**–19,063**	**–43,681**	**–21,402**
Cash flow from operating activities	**–19,408**	**–16,537**	**–22,570**	**–46,919**	**–26,772**
Investing activities					
Shareholder's contribution	–	–	–30,000	–	–40,000
Cash flow from investing activities	**–**	**–**	**–30,000**	**–**	**–40,000**
Financing activities					
Issues of shares	86,143	–	86,143	–	37,478
Cash flow from financing activities	**86,143**	**–**	**86,143**	**–**	**37,478**
Cash flow for the period	**66,735**	**–16,537**	**33,573**	**–46,919**	**–29,294**
Cash and cash equivalents at the beginning of the period	**49,226**	**81,300**	**82,388**	**111,682**	**111,682**
Cash and cash equivalents at the end of the period	**115,961**	**64,763**	**115,961**	**64,763**	**82,388**

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
Oct 23, 2018	Share issue	125,057	1,375,626	6,252,842	68,781,275	37,642,109
Sep 23, 2019	Share issue	275,125	1,650,751	13,756,255	82,537,530	96,018,660
Oct 10, 2019	*Share issue*	*124,874*	*1,775,625*	*6,243,745*	*88,781,275*	*43,581,340*

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 BFNAR 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 2018 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 noncash consideration was registered at the Swedish Companies Registration Office, whereby the shareholders of InDex Pharmaceuticals AB transferred 99.76 percent (in September 2019 99.99 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 compulsory acquired. A debt of SEK 0.0 million to the minority shareholders (the few shareholders that have not signed the share exchange agreement, representing 0.01 percent of total shares) have therefore been reported as of September 30, 2019.

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 2018, 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 2018.

NOTE 6 TRANSACTIONS WITH RELATED PARTIES

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