InDex Pharmaceuticals Holding AB (publ)

Interim report January-September 2020

Phase III plan laid out

PERIOD JULY-SEPTEMBER 2020

- Net sales amounted to SEK 0.0 (0.0) million
- Operating loss amounted to SEK –7.7 (–27.2) million
- Result after tax amounted to SEK –7.7 (–27.2) million, corresponding to SEK –0.09 per share (–0.39) before and after dilution
- Cash flow from operating activities amounted to SEK –8.3 (–18.9) million

SIGNIFICANT EVENTS DURING JULY-SEPTEMBER 2020

- No significant events have occurred during the period

All comparative amounts in brackets refer to the outcome during the corresponding period 2019.

PERIOD JANUARY-SEPTEMBER 2020

- Revenues amounted to SEK 0.0 (0.1) million
- Operating result amounted to SEK –47.3 (–62.1) million
- Result after tax amounted to SEK –47.3 (–62.1) million, corresponding to SEK –0.53 per share (–0.90) before and after dilution
- Cash flow from operating activities amounted to SEK –63.1 (–50.9) million
- Cash and cash equivalents at the end of the period amounted to SEK 62.3 (117.6) million
- Number of employees at the end of the period was 7 (7)
- Number of shares at the end of the period was 88,781,275

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex intends to carry out a fully guaranteed rights issue of approximately SEK 500 million to fund phase III development of cobitolimod

OTHER EVENTS

- The Lancet Gastroenterology and Hepatology published the results of InDex's phase IIb study CONDUCT with cobitolimod and a positive independent expert commentary

"We have now laid out our plan for the phase III program with cobitolimod, which will form the basis for market approval, and we intend to finance the important initial induction study through a fully guaranteed rights issue of approximately SEK 500 million. In collaboration with the leading experts in the field we have arrived at a design that in an efficient manner will provide the basis to be able to draw firm conclusions regarding cobitolimod's efficacy and safety as well as solid ground for a successful future commercialisation", says 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

We have now laid out our plan for the phase III program with cobitolimod, which will form the basis for market approval, and we intend to finance the important initial induction study through a fully guaranteed rights issue of approximately SEK 500 million. It has been an intensive process since the regulatory authorities FDA and EMA endorsed the advancement of cobitolimod into phase III based on our previous positive study results and the significant medical need for new treatment options for patients suffering from ulcerative colitis. In collaboration with the leading experts in the field we have arrived at a design that in an efficient manner will provide the basis to be able to draw firm conclusions regarding cobitolimod's efficacy and safety as well as solid ground for a successful future commercialisation

We are planning a sequential phase III program with two induction studies and a maintenance study with patients that have responded to cobitolimod as induction therapy. The first induction study, where the effect is measured at week 6, will include approximately 400 patients with moderate to severe left-sided ulcerative colitis. Apart from the dosing 250mg x 2, which was the highest dose and the one that showed the best efficacy in the phase IIb study CONDUCT, cobitolimod's excellent safety profile allows us to also evaluate a higher dose, 500mg x 2, in an adaptive study design. This higher dose has the potential to provide an even better efficacy than the already competitive efficacy we observed in the CONDUCT study.

Based on the results of the first induction study, we then plan another induction study with the dose that shows the greatest efficacy. By reading out the results of the first induction study before the next study is started, we reduce the development risk of the program. Depending on the outcome of the induction studies and how the regulatory requirements develop, we will evaluate the possibility to apply for market approval based on only induction data. This could mean that cobitolimod can benefit patients more quickly.

To finance the important initial induction study and other operations, we are planning a fully guaranteed rights issue, for which we have already established interest from large existing shareholders like Linc and Fourth AP Fund to invest and Barclays Bank Ireland PLC and Carnegie Investment Bank AB to underwrite. The plan is to hold an extraordinary general meeting in January 2021 and carry out the rights issue thereafter. It is our firm belief that it is strategically right to conduct the study on our own in order to create more value in cobitolimod and more shareholder value in InDex by taking cobitolimod closer to market approval.

Subject to how the Covid-19 pandemic evolves, we plan to start the first induction study in the second quarter of 2021 and expect to be able to report the results from the study

within 18 to 24 months thereafter. It will be a global study including a few hundred clinics worldwide.

The successful results from the CONDUCT study were published in early October in The Lancet Gastroenterology and Hepatology, which is one of the highest ranked international medical journals within the field of gastroenterology. The journal also chose to publish an independent expert commentary that provides strong support for the potential of cobitolimod to become an essential part of the future treatment of ulcerative colitis, as many patients do not respond to or suffer severe side effects from current treatments. In October, the principal investigator of the study, Professor Atreya at the University of Erlangen-Nürnberg, also presented the results at the two leading gastroenterology conferences, UEGW and ACG. Furthermore, Professor Atreya won the award for best international abstract at ACG.

These external validations, together with the market research we have conducted, further strengthen our belief in the value of cobitolimod. With its outstanding combination of efficacy and safety as well as the novel and unique mechanism of action, we estimate that the global annual sales at a successful commercialisation can reach more than USD 1 billion.

On December 8, we will arrange an R&D day and tomorrow I will present the company at the Redeye Life Science Day. I hope you will have the opportunity to attend these virtual events. With the phase III plan, InDex is moving to the next level and I look forward with great enthusiasm to the continued journey.

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.

In 2019 InDex 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 percent (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 announced on February 19, 2020 the conclusions from in-depth analysis of the complete data set from the phase IIb dose optimisation study CONDUCT. The analysis confirmed that the highest dose tested, which met the primary endpoint of the study, demonstrates an outstanding combination of efficacy and safety. The company also announced that the phase III preparations were continuing according to plan.
- InDex announced on April 16, 2020 that the company has received positive responses from FDA and EMA regarding phase III development of cobitolimod, for the treatment of moderate to severe ulcerative colitis. Both authorities endorse the advancement of cobitolimod into phase III studies. The regulatory feedback gives flexibility for different designs of the phase III program, for example, to conduct studies sequentially and potentially to include a higher dose in addition to the highest dose regimen tested in the phase IIb study (2x250 mg). InDex continues to evaluate the most advantageous study design based on, among other things, development risk, commercial potential, time to market and cost.
- The annual general meeting in InDex Pharmaceuticals Holding AB was held on Monday April 20, 2020. Board members Wenche Rolfsen (also chairman), Uli Hacksell, Lennart Hansson and Stig Lökke Pedersen were re-elected, and Marlene Forsell and Yilmaz Mahshid were elected as new ordinary board members.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex announced on November 25, 2020 the intention to carry out a fully guaranteed rights issue of approximately SEK 500 million with preferential rights for the company's existing shareholders. The company's Board of Directors

FINANCIAL SUMMARY

SEK million	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Revenues	0.0	0.0	0.0	0.1	0.1
Operating result	–7.7	–27.2	–47.3	–62.1	–87.7
Result after tax	–7.7	–27.2	–47.3	–62.1	–87.8
Earnings per share before and after dilution, SEK	–0.09	–0.39	–0.53	–0.90	–1.19
Cash flow from operating activities	–8.3	–18.9	–63.1	–50.9	–85.1
Cash and cash equivalents at the end of the period	62.3	117.6	62.3	117.6	126.8

Note: Earnings per share – Net result divided by weighted number of shares.

intends to propose that an extraordinary general meeting (EGM) to be held in January 2021 would authorize the Board of Directors to resolve on the rights issue and the terms thereof. The net proceeds from the contemplated rights issue are mainly intended to be used to fund the important initial induction study in a sequential phase III program in moderate to severe left-sided ulcerative colitis for the company's lead drug candidate, cobitolimod. A notice to the EGM will be announced through a separate press release at a later date.

Large existing shareholders Linc AB, Fourth AP Fund and SEB-Stiftelsen have expressed their support for the rights issue and have expressed their interest to participate in the transaction. The intention is to have the rights issue fully covered by a combination of subscription undertakings from existing shareholders as well as guarantee commitments from an external underwriting consortium at the time of the launch of the rights issue. Both Barclays Bank Ireland PLC and Carnegie Investment Bank AB have indicated their interest to underwrite part of the rights issue.

OTHER EVENTS

- InDex announced on February 25, 2020 the publication of scientific data on the mechanism of action of cobitolimod. The paper, published in the peer-reviewed *Journal of Crohns and Colitis*, shows that cobitolimod can modulate the immune system in ulcerative colitis by balancing the mucosal Th17/Treg cell response. The publication has also been highlighted in the journal's podcast.
- InDex announced on March 31, 2020 that SEK 2.0 million has been granted from Sweden's innovation agency Vinnova to develop new, more effective and safer treatments for inflammatory diseases. The grant from Vinnova will be used for a preclinical project to evaluate selected compounds from InDex's DIMS platform in inflammatory disease models outside the field of inflammatory bowel disease. This is a continuation of the project that InDex received a grant from Vinnova for in 2016. Positive signals were observed in the previous project, which will now be confirmed with alternative and complementary methods for selecting a DIMS compound for further development.
- InDex announced on August 24, 2020 that the successful results of the CONDUCT study will during the fall of 2020 be presented orally at two leading gastroenterology conferences; the United European Gastroenterology Week (UEGW) and the American College of Gastroenterology (ACG) Annual Scientific Meeting. UEGW is the largest scientific meeting for gastroenterologists in Europe and ACG Annual Scientific Meeting is the premier clinical conference for gastroenterologists in the US.
- InDex announced on October 6, 2020 that the high-impact medical journal The Lancet Gastroenterology and Hepatology had published the results of InDex's phase IIb study CONDUCT with cobitolimod. CONDUCT was a phase IIb dose optimisation study, evaluating the first-in-class TLR9 agonist cobitolimod for the treatment of moderate to severe ulcerative colitis. The study met the primary endpoint and cobitolimod demonstrated an outstanding combination of efficacy and safety. The medicinal journal also published an independent expert commentary that provides strong support for cobitolimod's potential.

FINANCIAL SUMMARY FOR THE REPORTING PERIOD

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

Group

Net sales for the period January to September 2020 amounted to SEK 0.0 (0.1) million. The net sales are related to the sale of DiBiCol test kits. Other operating income SEK 0.3 (0.0) million refers to grant received from Vinnova.

Operating expenses for the period amounted to SEK 47.6 (62.2) million. The decrease is attributable to lower costs for phase III preparations compared to the costs for the phase IIb study CONDUCT during the corresponding period previous year.

The operating expenses during the period refer to costs for phase III preparations and general operating expenses.

Costs for the personnel during the reporting period amounted to SEK 6.9 (6.6) million.

Cash and cash equivalents as of September 30, 2020 amounted to SEK 62.3 million, which is SEK 64.5 million lower than as of December 31, 2019.

Parent company

The net sales amounted to SEK 8.6 (6.5) million during the period January to September 2020 and consisted of invoicing of group wide expenses to the other companies within the group.

The operating expenses amounted to SEK 12.9 (10.0) million and consisted of personnel expenses and other operating expenses relating to the administration of InDex.

FINANCIAL SUMMARY AFTER THE REPORTING PERIOD

The covid-19 pandemic affects the healthcare systems and the investor sentiment globally and must be taken into account in the company's strategic planning. The Board, however, assess that there is no impact on the company's financial position as of September 30, 2020 due to events after the reporting period.

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 SEPTEMBER 30, 2020

	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	6,635,679	7.5
Avanza Pension	3,976,120	4.5
Staffan Rasjö	3,124,718	3.5
SEB Life International	2,321,225	2.6
Originat AB	1,850,000	2.1
SEB Stiftelsen	1,785,714	2.0
Rune Pettersson	980,081	1.1
Nordnet Pensionsförsäkring	959,950	1.1
Ponderus Invest AB	950,000	1.1
Tomas Timander	741,457	0.8
Ålandsbanken	657,202	0.7
Futur Pension	611,899	0.7
Övriga	29,451,917	33.2
Total	**88,781,275**	**100.0**

INCENTIVE PROGRAMMES

At the annual general meeting held on April 20, 2020 it was resolved to issue 3,965,000 warrants to transfer to employees and other key persons within InDex. The warrants have an exercise price of SEK 20 per share and can be exercised during May-October 2023. The Board allocated in July 2020 958,333 warrants to employees and other key persons that were purchased for SEK 0.2522 per warrant. A total of 13 employees and other key persons were offered to subscribe for warrants and 12 of these individuals subscribed for their full allotment.

REVIEW BY THE AUDITOR

This interim report has been limited reviewed by the company's auditor.

FINANCIAL CALENDER

Interim report Q4 February 25, 2021

Stockholm, November 25, 2020
Peter Zerhouni, CEO

FOR MORE INFORMATION, PLEASE CONTACT:
Peter Zerhouni, CEO
Phone: +46 (0) 8 122 038 50
Email: peter.zerhouni@indexpharma.com

InDex Pharmaceuticals Holding AB (publ)
Berzelius väg 13, 171 65 Solna, 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 by the contact person stated above at 8:00 CET on November 25, 2020.

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 report

InDex Pharmaceuticals Holding AB, corp. reg. no. 559067-6820.

INTRODUCTION
We have reviewed the condensed interim financial information (interim report) of InDex Pharmaceuticals Holding AB as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion 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 Report 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 25 November 2020
PricewaterhouseCoopers AB
Magnus Lagerberg
Authorized Public Accountant

Condensed consolidated statement of total comprehensive income

SEKk	Jul 1-Sep 30, 2020	Jul 1-Sep 30, 2019	Jan 1-Sep 30, 2020	Jan 1-Sep 30, 2019	Full year 2019
Revenues					
Net sales	5	35	31	79	88
Other operating income	308	–	308	–	–
Total revenues	**313**	**35**	**339**	**79**	**88**
Operating expenses					
Raw material and consumables	–	–	–14,937	–5	–3,903
Other external expenses	–5,281	–25,213	–24,892	–54,829	–70,189
Personnel costs	–2,401	–1,820	–6,890	–6,641	–12,769
Depreciations/amortisations of tangible fixed assets and right-of-use assets	–316	–235	–889	–704	–939
Total expenses	**–7,998**	**–27,268**	**–47,608**	**–62,179**	**–87,800**
Operating loss	**–7,685**	**–27,233**	**–47,269**	**–62,100**	**–87,712**
Result from financial investments					
Financial income	–	–	–	–	–
Financial expenses	–38	–9	–61	–38	–61
Financial items – net	**–38**	**–9**	**–61**	**–38**	**–61**
Earnings before tax	**–7,723**	**–27,242**	**–47,330**	**–62,138**	**–87,773**
Taxes for the period	–	–	–	–	–
LOSS FOR THE PERIOD	**–7,723**	**–27,242**	**–47,330**	**–62,138**	**–87,773**

Earnings per share, based on the net result attributable to the shareholders of the parent company:

SEK	Note	Jul 1-Sep 30, 2020	Jul 1-Sep 30, 2019	Jan 1-Sep 30, 2020	Jan 1-Sep 30, 2019	Full year 2019
Earnings per share before and after dilution	6	–0.09	–0.39	–0.53	–0.90	–1.19

In the group there are no items reported in other comprehensive income. So total comprehensive income is consistent with profit/loss for the period.
The profit/loss for the period and total comprehensive income are entirely attributable to the equity holders of the parent company

Condensed consolidated balance sheet

SEKk	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	832	13	11
Total tangible fixed assets	**832**	**13**	**11**
Right-of-use assets	**2,861**	**696**	**464**
Financial assets			
Other financial assets	1	1	1
Total financial assets	**1**	**1**	**1**
Total fixed assets	**3,694**	**710**	**476**
Current assets			
Current receivables			
Accounts receivable	–	7	4
Other current receivables	1,600	745	1,343
Prepaid expenses and accrued income	373	344	474
Cash and cash equivalents	62,252	117,585	126,790
Total current receivables	**64,225**	**118,681**	**128,611**
Total current assets	**64,225**	**118,681**	**128,611**
TOTAL ASSETS	**67,919**	**119,391**	**129,087**
EQUITY AND LIABILITIES			
Equity			
Share capital	1,776	1,651	1,776
Additional paid-in capital	384,314	340,801	384,314
Retained earnings (including profit/loss for the period)	–326,675	–253,952	–279,587
Total equity attributable to the shareholders of the parent company	**59,415**	**88,500**	**106,503**
Liabilities			
Non-current liabilities			
Non-current lease liabilities	1,846	–	–
Total non-current liabilities	**1,846**	**–**	**–**
Current liabilities			
Current lease liabilities	768	478	484
Account payables	471	18,261	3,153
Other current liabilities	1,563	400	1,138
Accrued expenses and deferred income	3,856	11,752	17,809
Total current liabilities	**6,658**	**30,891**	**22,584**
Total liabilities	**8,504**	**30,891**	**22,584**
TOTAL EQUITY AND LIABILITIES	**67,919**	**119,391**	**129,087**

Condensed consolidated statement of changes in equity

	Equity attributable to the equity holders of the parent company			
SEKk	Share capital	Additional paid in capital	Retained earnings, including loss for the period	Total equity
Opening balance, January 1, 2019	**1,376**	**254,930**	**–191,814**	**64,492**
Profit/loss for the period equal to total comprehensive income	–	–	–62,138	–62,138
Total comprehensive income for the year	**–**	**–**	**–62,138**	**–62,138**
Transactions with shareholders of the parent company:				
Issue of shares	275	95,747	–	96,022
Transaction costs	–	–9,876	–	–9,876
Total transactions with shareholders of the parent company	**275**	**85,871**	**–**	**86,146**
Closing balance, September 30, 2019	**1,651**	**340,801**	**–253,952**	**88,500**
Opening balance, January 1, 2019	**1,376**	**254,930**	**–191,814**	**64,492**
Profit/loss for the period equal to total comprehensive income	–	–	–87,773	–87,773
Total comprehensive income for the year	**–**	**–**	**–87,773**	**–87,773**
Transactions with shareholders of the parent company:				
Issue of shares	400	139,260	–	139,660
Transaction costs	–	–9,876	–	–9,876
Total transactions with shareholders of the parent company	**400**	**129,384**	**–**	**129,784**
Closing balance, December 31, 2019	**1,776**	**384,314**	**–279,587**	**106,503**
Opening balance, January 1, 2020	**1,776**	**384,314**	**–279,587**	**106,503**
Profit/loss for the period equal to total comprehensive income	–	–	–47,330	–47,330
Total comprehensive income for the year	**–**	**–**	**–47,330**	**–47,330**
Transactions with shareholders of the parent company:				
Issue of warrants	–	–	242	242
Total transactions with shareholders of the parent company	**–**	**–**	**242**	**242**
Closing balance, September 30, 2020	**1,776**	**384,314**	**–326,675**	**59,415**

Condensed consolidated cash flow

SEKk	Jul 1-Sep 30, 2020	Jul 1-Sep 30, 2019	Jan 1-Sep 30, 2020	Jan 1-Sep 30, 2019	Full year 2019
Operating activities					
Operating result	7,685	–27,233	–47,269	–62,100	–87,712
Adjustments for non-cash items:					
Depreciations/amortisations	316	235	889	705	939
Interest paid and received	–38	–9	–61	–38	–61
Income tax paid	–	–	–	–	–
Cash flow from operating activities before changes in working capital	**–7,407**	**–27,007**	**–46,441**	**–61,433**	**–86,834**
Changes in working capital					
Decrease/Increase of current receivables	247	–162	–422	633	151
Decrease/Increase of current liabilities	–1,171	8,314	–16,210	9,915	1,602
Cash flow from changes in working capital	**–924**	**8,152**	**–16,632**	**10,548**	**1,753**
Cash flow from operating activities	**–8,331**	**–18,855**	**–63,073**	**–50,885**	**–85,081**
Investing activities					
Investments in tangible assets	–8	–	–889	–	–
Cash flow from investing activities	**–8**	**–**	**–889**	**–**	**–**
Financing activities					
Amortisation of lease liabilities	–252	–234	–818	–710	–947
Issues of shares, net after transaction costs	–	86,146	–	86,146	129,784
Issue of warrants	242	–	242	–	–
Cash flow from financing activities	**–10**	**85,912**	**–576**	**85,436**	**128,837**
Cash flow for the period	**–8,349**	**67,057**	**–64,538**	**34,551**	**43,756**
Decrease/increase of cash and cash equivalents					
Cash and cash equivalents at the beginning of the period	70,601	50,528	126,790	83,034	83,034
Currency translation difference in cash and cash equivalents	–	–	–	–	–
Cash and cash equivalents at the end of the period	**62,252**	**117,585**	**62,252**	**117,585**	**126,790**

Statement of comprehensive income for the parent company

SEKk	Jul 1-Sep 30, 2020	Jul 1-Sep 30, 2019	Jan 1-Sep 30, 2020	Jan 1-Sep 30, 2019	Full year 2019
Revenues					
Net sales	2,771	2,174	8,614	6,473	10,997
Total revenues	**2,771**	**2,174**	**8,614**	**6,473**	**10,997**
Operating expenses					
Other external expenses	–3,006	–2,379	–8,654	–6,273	–9,108
Personnel costs	–1,484	–978	–4,197	–3,704	–7,852
Depreciations/amortisations of tangible fixed assets and right-of-use assets	–45	–	–59	–	–
Total expenses	**–4,535**	**–3,357**	**–12,910**	**–9,977**	**–16,960**
Operating loss	**–1,764**	**–1,183**	**–4,296**	**–3,504**	**–5,963**
Net financial items					
Write-down of financial assets	–	–	–50,000	–30,000	–90,000
Financial costs	–3	–	–9	–3	–21
Total net financial items	**–3**	**–**	**–50,009**	**–30,003**	**–90,021**
Profit or loss before tax	**–1,767**	**–1,183**	**–54,305**	**–33,507**	**–95,984**
Taxes for the period	–	–	–	–	–
PROFIT OR LOSS FOR THE PERIOD	**–1,767**	**–1,183**	**–54,305**	**–33,507**	**–95,984**

In the parent company there are no items reported in other comprehensive income. So total comprehensive income is consistent with profit/loss for the period.

Balance sheet for the parent company

SEKk	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	830	–	–
Total tangible fixed assets	**830**	**–**	**–**
Financial assets			
Shares in subsidiary	247,030	247,030	247,030
Total financial assets	**247,030**	**247,030**	**247,030**
Total fixed assets	**247,860**	**247,030**	**247,030**
Current assets			
Current receivables			
Intercompany receivables	728	476	563
Other receivables	498	144	58
Prepaid expenses and accrued income	583	444	366
Total current receivables	**1,809**	**1,064**	**987**
Cash and cash equivalents	55,065	115,961	124,965
Total current assets	**56,874**	**117,025**	**125,952**
TOTAL ASSETS	**304,734**	**364,055**	**372,982**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1,776	1,651	1,776
Total restricted equity	**1,776**	**1,651**	**1,776**
Non-restricted equity			
Share premium reserve	630,031	586,515	630,031
Retained earnings	–312,747	–217,005	–217,005
Profit or loss for the period	–54,305	–33,507	–95,984
Total non-restricted equity	**262,979**	**336,003**	**317,042**
Total equity	**264,755**	**337,654**	**318,818**
Liabilities			
Current liabilities			
Accounts payable	113	1,540	243
Intercompany liabilities	36,886	21,928	47,262
Other liabilities	1,125	607	1,222
Accrued expenses and deferred income	1,855	2,326	5,437
Total current liabilities	**39,979**	**26,401**	**54,164**
TOTAL EQUITY AND LIABILITIES	**304,734**	**364,055**	**372,982**

Statement of change in equity parent company

	Restricted equity	Non-restricted equity			
SEKk	Share capital	Share premium	Retained earnings	Net result	Total equity
Opening balance, January 1, 2019	**1,376**	**500,647**	**–171,635**	**–45,370**	**285,018**
Disposition of last year's result	–	–	–45,370	45,370	–
Net results and total comprehensive income for the year	–	–	–	–33,507	–33,507
Total comprehensive income for the year	**–**	**–**	**–**	**–33,507**	**–33,507**
Transactions with shareholders of the parent company:					
Issue of shares	275	95,744	–	–	96,022
Transaction costs	–	–9,876	–	–	–9,876
Total transactions with shareholders of the parent company	**275**	**85,868**	**–**	**–**	**86,146**
Closing balance, September 30, 2019	**1,651**	**586,518**	**–217,005**	**–33,507**	**337,657**
Opening balance, January 1, 2019	**1,376**	**500,647**	**–171,635**	**–45,370**	**285,018**
Disposition of last year's result	–	–	–45,370	45,370	–
Net results and total comprehensive income for the year	–	–	–	–95,984	–95,984
Total comprehensive income for the year	**–**	**–**	**–**	**–95,984**	**–95,984**
Transactions with shareholders of the parent company:					
Issue of shares	400	139,260	–	–	139,660
Transaction costs	–	–9,876	–	–	–9,876
Total transactions with shareholders of the parent company	**400**	**129,384**	**–**	**–**	**129,784**
Closing balance, December 31, 2019	**1,776**	**630,031**	**–217,005**	**–95,984**	**318,818**
Opening balance, January 1, 2020	**1,776**	**630,031**	**–217,005**	**–95,984**	**318,818**
Disposition of last year's result	–	–	–95,984	95,984	–
Net results and total comprehensive income for the year	–	–	–	–54,305	–54,305
Total comprehensive income for the year	**–**	**–**	**–**	**–54,305**	**–54,305**
Transactions with shareholders of the parent company:					
Issue of warrants	–	–	242	–	242
Total transactions with shareholders of the parent company	**–**	**–**	**242**	**–**	**242**
Closing balance, September 30, 2020	**1,776**	**630,031**	**312,747**	**–54,305**	**264,755**

Statement of cash flows for the parent company

SEKk	Jul 1-Sep 30, 2020	Jul 1-Sep 30, 2019	Jan 1-Sep 30, 2020	Jan 1-Sep 30, 2019	Full year 2019
Operating activities					
Profit or loss before tax	–1,767	–1,183	–54,305	–33,507	–95,984
Adjustments for non-cash items:					
Write downs	–	–	50,000	30,000	90,000
Income tax paid	–	–	–	–	–
Depreciations/amortisations	45	–	59	–	–
Cash flow from operating activities before changes in working capital	**–1,722**	**–1,183**	**–4,246**	**–3,507**	**–5,984**
Changes in working capital					
Changes in current receivables	70	–337	–822	–345	–268
Changes in current liabilities	–13,332	–17,888	–14,185	–18,718	9,045
Cash flow from changes in working capital	**–13,262**	**–18,225**	**–15,007**	**–19,063**	**8,777**
Cash flow from operating activities	**–14,984**	**–19,408**	**–19,253**	**–22,570**	**2,793**
Investing activities					
Shareholder's contribution	–	–	–50,000	–30,000	–90,000
Investment of leases	–9	–	–889	–	–
Cash flow from investing activities	**–9**	**–**	**–50,889**	**–30,000**	**–90,000**
Financing activities					
Issues of shares, net after transaction costs	–	86,143	–	86,143	129,784
Issue of warrants	242	–	242	–	–
Cash flow from financing activities	**242**	**86,143**	**242**	**86,143**	**129,784**
Cash flow for the period	**–14,751**	**66,735**	**–69,900**	**33,573**	**42,577**
Decrease/increase in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period	69,816	49,226	124,965	82,388	82,388
Cash and cash equivalents at the end of the period	**55,065**	**115,961**	**55,065**	**115,961**	**124,965**

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, the subsidiary InDex Pharmaceuticals AB and the sub-subsidiary InDex Diagnostics AB ('InDex', 'the company' or 'the group'). InDex Pharmaceuticals Holding AB (publ) is a parent company registered in Sweden with its registered office in Stockholm with the address Berzelius väg 13, 171 65 Solna, Sweden.

Unless otherwise stated, all amounts are in thousands of Swedish kronor (SEKk). Figures in parentheses refer to the comparative period.

NOTE 2 ACCOUNTING POLICIES

InDex applies International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 *Interim Financial Reporting* and the *Annual Accounts Act*. The parent company prepares financial reports in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 *Accounting for Legal Entities* and the *Swedish Annual Accounts Act*.

Applied accounting principles and calculation methods are the same as in the latest annual report for 2019.

None of the IFRS or IFRIC interpretations that have yet to come into legal effect are expected to have any significant impact on InDex.

NOTE 3 RISKS AND UNCERTAINTIES

OPERATIONAL RISK

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 will obtain the necessary approvals to conduct the clinical trials that InDex would like to conduct, 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 pharmaceuticals that can 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 need to raise additional capital in the future. Both the size and timing of InDex's possible need for capital in the future depend on several factors, including the possibility of entering into collaboration or licensing arrangements and the progress made in research and development projects. There is a risk that the necessary financing of the operations is unavailable at the right time and at a reasonable cost.

For a detailed description of significant risks, refer to InDex's Annual Report for 2019. The Annual Report is available on the company's website.

NOTE 4 IMPORTANT ESTIMATES AND JUDGEMENTS

The group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely correspond to the actual results. The assumptions and other sources of estimation uncertainty where there is a significant risk of material adjustment to the carrying amounts of assets or liabilities within the next financial year are outlined below.

(i) Accrued costs for clinical trials

At each balance sheet date, management estimates the proportion of the coming milestone payments that have been accrued. The accrual for accrued costs is based on external parameters coupled with management's estimate of percentage of completion.

(ii) Tax loss carry-forwards

Deferred tax assets related to loss carry-forwards or other future tax deductions are recognised to the extent it is probable that the deduction can be offset against future taxable profits. Since the group does not report positive results no deferred tax asset related to loss carry-forwards has yet been recognised.

(iii) Estimates and assessments linked to development costs.

An important assessment in financial reporting refers to the point in time for capitalizing pharmaceutical development costs. Based on the accounting policies set out under note 2 in the annual report for 2019, no pharmaceutical development costs meet the criteria for capitalisation and have therefore been expensed. Pharmaceutical development costs will be, at the earliest, capitalised after positive results have been achieved in phase III clinical trials or until registration studies have commenced. The reasons being that before that

time, it is too uncertain whether the costs will generate future economic benefits and that financing of the asset's completion has not been secured.

NOTE 5 RELATED PARTY TRANSACTIONS

No related party transactions have occured from a group perspective.

InDex Pharmaceuticals Holding AB invoices each subsidiary for overall group functions.

NOTE 6 EARNINGS PER SHARE

Earnings per share is calculated by dividing the result for the period by the weighted average number of outstanding ordinary shares during the period.

InDex had potential ordinary shares in the form of warrants. However, these did not give rise to any dilution effect in 2019 or 2020 as a conversion to ordinary shares decreases loss per share.

SEK million	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Net result attributable to the equity holders of the parent company	–47.3	–62.1	–87.8
Total:	**–47.3**	**–62.1**	**–87.8**
Weighted average number of shares (thousands)	**88,781**	**69,138**	**73,875**
Earnings per share, SEK	**–0.53**	**–0.90**	**–1.19**