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The board of directors of InDex Pharmaceuticals Holding AB has resolved on a fully guaranteed rights issue of approximately MSEK 533

14 January 2021 – The board of directors of InDex Pharmaceuticals Holding AB (publ) ("InDex" or the "Company") has, with the support of the authorisation from the extraordinary general meeting held on 12 January 2021, resolved on a rights issue of approximately 444 million shares at a subscription price of SEK 1.20 per share (the "Rights Issue"). The Rights Issue is fully covered by subscription undertakings and guarantee commitments from existing shareholders and new investors, including amongst others HBM Healthcare Investments, Handelsbanken Funds, Linc and The Fourth Swedish National Pension Fund. At full subscription in the Rights Issue the Company will receive approximately MSEK 533 before deduction of costs related to the transaction.

The Rights Issue in brief

- The intention of the Rights Issue is to fund the important initial induction study in a sequential phase III program for the Company's lead drug candidate, cobitolimod, including drug manufacturing and in addition, to finance general corporate purposes as well as create financial flexibility.
- For each existing share held on the record date, five (5) subscription rights are received. The subscription rights entitle the holder to subscribe for new shares with preferential rights, whereby one (1) subscription right gives the right to subscribe for one (1) new share, i.e. a subscription ratio of 5:1.
- The subscription price has been set at SEK 1.20 per share which, assuming that the Rights Issue is fully subscribed, amounts to proceeds of approximately MSEK 533, before the deduction of costs related to the transaction, which are estimated at approximately MSEK 45.[1]
- The Rights Issue is fully covered by subscription undertakings from certain existing shareholders, amongst others Linc, The Fourth Swedish National Pension Fund and SEB-stiftelsen, as well as undertakings from certain existing shareholders and certain investors, amongst others HBM Healthcare Investments, Handelsbanken Funds, Linc and The Fourth Swedish National Pension Fund, to acquire and utilise subscription rights (and corresponding undertakings of subscription rights being sold by certain existing shareholders), and external guarantee commitments from external parties.
- The subscription period will run from 22 January 2021 to 5 February 2021.
- The record date for participation in the Rights Issue with preferential rights is 21 January 2021. Last day of trading in InDex's shares including right to receive subscription rights in the Rights Issue is 19 January 2021 and the first day of trading in the Company's shares without receiving subscription rights in the Rights Issue is 20 January 2021.
- Trading in subscription rights will take place on the Nasdaq First North Growth Market during the period from 22 January 2021 to 3 February 2021.

[1] Whereof approximately MSEK 12 consists of compensation for guarantee commitments.

- Through the Rights Issue, a maximum of 443,906,375 new shares may be issued.
- In order not to lose the value of the subscription rights, the holder must either use these to subscribe for new shares within the subscription period or sell the subscription rights that are not to be exercised within the period for trading in subscription rights.

Peter Zerhouni, CEO of InDex

"The investments from leading domestic and international life sciences specialists, representing both new and current shareholders participating in the transaction, is an acknowledgement of InDex's potential. Thanks to its outstanding combination of efficacy and safety, as well as the novel and unique mechanism of action, our drug candidate cobitolimod can make a significant difference for many patients that suffer from ulcerative colitis. With the equity financing secured until the next pivotal read-out of clinical data, we look forward to starting the phase III program."

Background and reasons

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 InDex is developing as a novel therapy for moderate to severe ulcerative colitis. Given the outstanding combination of efficacy and safety, InDex is now advancing cobitolimod into phase III, which is the final stage of development before application for market approval.

Ulcerative colitis is a chronic disease caused by inflammation of the large intestine. Today approximately 2 million people in Europe and the US suffer from ulcerative colitis, a disease which has significant impact on patient quality of life. The symptoms are characterised by blood- and mucus-mixed diarrhea, frequent stools, pain, fever, weight loss and anemia. Despite the currently available drugs, many patients with ulcerative colitis still suffer from severe symptoms, and today's treatments can cause serious side effects.

Cobitolimod is a first-in-class 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 met the primary endpoint in the phase IIb study CONDUCT and demonstrated an outstanding combination of efficacy and safety. The results were recently published in the reputable medical journal, The Lancet Gastroenterology & Hepatology.

Following the results of the phase IIb study CONDUCT, InDex received positive response from the US Food and Drug Administration (FDA) and the European Medicines Agency (EMA) regarding phase III development, and both authorities endorse the advancement of cobitolimod into phase III in patients with moderate to severe left-sided ulcerative colitis. Based on regulatory guidelines, the Company is 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 important initial induction study, which is intended to be financed through the Rights Issue, is planned to include approximately 400 patients. The primary endpoint of clinical remission is to be measured at week 6. In addition to the 250 mg dose, the study is also planned to evaluate a higher dose, 500 mg, in an adaptive study design. This higher dose has the potential to provide an even better efficacy than what was observed in the phase IIb study CONDUCT. The Company estimates the first induction study will take 18 to 24 months to complete from initiation. Upon a positive read-out of the first study, InDex plans to initiate the second induction study.

InDex's key focus is to start phase III development as soon as possible on the back of the positive results in the phase IIb study CONDUCT, the positive regulatory response and the supportive findings from the market research commissioned by InDex underpinning the Company's belief in the market potential of cobitolimod. With cobitolimod's novel and unique mechanism of action, competitive efficacy and excellent safety profile, InDex estimates that the drug candidate has significant commercial potential.

The board of directors' decision to carry out the Rights Issue is an important step in order to conduct the first induction study and ensure continued successful development in accordance with the Company's business plan and strategy. The intention of the Rights Issue is to fund the important initial induction study in a sequential phase III program for the Company's lead drug candidate, cobitolimod, including drug manufacturing and in addition, to finance general corporate purposes as well as create financial flexibility.

Subscription undertakings and guarantee commitments

Subscription undertakings amount to approximately MSEK 143, corresponding to approximately 27 percent of the Rights Issue, of which the largest subscription undertakings (in terms of amount) have been provided by Linc and The Fourth Swedish National Pension Fund, who have undertaken to subscribe for their respective pro rata share, corresponding to 10 and 7.5 percent of the Rights Issue respectively. Undertakings from certain existing shareholders as well as certain investors to acquire and utilise subscription rights amounts to approximately MSEK 155, corresponding to approximately 29 percent of the Rights Issue, of which the largest undertakings (in terms of amount) have been provided by HBM Healthcare Investments, Handelsbanken Funds, Linc and The Fourth Swedish National Pension Fund. SEB Venture Capital and Stiftelsen Industrifonden have undertaken to sell a corresponding number of subscription rights to the aforementioned parties. In addition, guarantee commitments amount to approximately MSEK 235, corresponding to approximately 44 percent of the Rights Issue. These guarantee commitments have been provided by an external guarantee consortium, which was convened by, and also includes, Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ).

Neither subscription undertakings nor guarantee commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. For the guarantee commitments, there is a customary guarantee commission, conforming to the prevailing market conditions, of five (5) percent of the guaranteed amount. No compensation is paid to the parties that have provided subscription undertakings. The Rights Issue is thus fully covered through subscription undertakings and guarantee commitments.

The Rights Issue
The board of directors has today resolved to carry out an issue of a maximum 443,906,375 new shares with preferential rights for the Company's shareholders, i.e. the Rights Issue as defined above. The resolution was made with the support of the authorisation from the extraordinary general meeting held on 12 January 2021. The subscription price is SEK 1.20 per new share.

Provided that the Rights Issue is fully subscribed, the Company will receive approximately MSEK 533 before deduction of costs related to the transaction, which are estimated at approximately MSEK 45 (primarily consisting of compensation for guarantee commitments, fees to advisors and costs for practical management). For information regarding use of estimated net proceeds, refer to the section *Background and reasons* above. At full subscription the Company's share capital will increase with SEK 8,878,127.5, resulting in a dilution of approximately 83.3 percent (calculated after the Rights Issue).

The shareholders of the Company will have preferential rights to subscribe for the new shares that are included in the Rights Issue. For each share held on the record date, 21 January 2021, five (5) subscription rights will be received, and one (1) subscription right will entitle to subscription for one (1) new share. Shareholders who do not participate in the Rights Issue have an opportunity to receive economic compensation for the dilution by selling their subscription rights. In order not to lose the value of the subscription rights, the holder must either use these to subscribe for new shares within the subscription period or sell the subscription rights that are not to be exercised within the period for trading in subscription rights.

If all of the new shares are not subscribed for with subscription rights, the board of directors will, within the limit of the maximum amount of the Rights Issue, decide on allotment of new shares subscribed for without subscription rights as follows:

- Firstly, to those who subscribed for new shares with subscription rights, regardless if the subscriber was a shareholder on the record date or not, and in the case of oversubscription, pro rata to the number of shares subscribed for with subscription rights;

- secondly, to those who applied for new shares without subscription rights, and in the case of oversubscription, pro rata to the new number of shares subscribed for in the application; and

- lastly, to those who have entered into guarantee commitments with the Company. Allotment shall be pro rata in relation to their respective guarantee or underwriting amounts.

To the extent allotment in accordance with the above cannot be made pro rata, allotment shall be made by drawing of lots.

Full terms and conditions for the Rights Issue and further information regarding net proceeds, guarantee commitments etc. will be disclosed in the EU Growth Prospectus which will be published by the Company no later than in conjunction with the commencement of the subscription period.

Preliminary timetable for the Rights Issue

19 January 2021	Last day for trading including the right to receive subscription rights

20 January 2021	First day of trading without the right to receive subscription rights
21 January 2021	Publication of EU Growth Prospectus
21 January 2021	Record date for participation in the Rights Issue with preferential rights, that is, shareholders who are registered in the share register kept by Euroclear Sweden AB as of this day will receive subscription rights that entitle to participation in the Rights Issue with preferential rights
22 January – 3 February 2021	Trading in subscription rights
22 January – 5 February 2021	Subscription period
9 February 2021	Announcement of the outcome of the Rights Issue
12 February 2021	The Rights Issue is registered with the SCRO

Advisors
In connection with the Rights Issue InDex has appointed Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ) as Joint Global Coordinators and Joint Bookrunners. Setterwalls Advokatbyrå acts as legal adviser to the Company and Baker McKenzie acts as legal adviser to Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ).

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This information 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, through the agency of the contact person set out above, on 14 January 2021 at 8:45 CET.

InDex Pharmaceuticals 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 the 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. Redeye AB with email address certifiedadviser@redeye.se and phone number +46 8 121 576 90 is the Company's Certified Adviser. For more information, please visit www.indexpharma.com.

Important information
This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued the Company in any jurisdiction where such offer or sale would be unlawful.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State, the "**Prospectus Regulation**"). A prospectus regarding the Rights Issue described in this press release will be published by the Company on or about 21 January 2021. The prospectus will be approved and registered by the Swedish Financial Supervisory Authority (Sw: Finansinspektionen) and be published on www.indexpharma.com. The upcoming approval of the prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares. Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an advertisement.

In any EEA Member State other than Sweden (each, a "**Relevant Member State**" (including, for the avoidance of doubt, the United Kingdom during the Brexit transition period)), this communication is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of article 2(e) of the Prospectus Regulation, that is, only to investors who can receive the offer without an approved prospectus in such Relevant Member State.

This communication is only being distributed to and is only directed at (a) persons who are located outside the United Kingdom, or (b) persons who are located in the United Kingdom that either (i) have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) are high net worth entities or other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Forward-looking statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The

information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Information to distributors

For the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) national implementing measures, (together the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the offered shares have been subject to a product approval process, who have established that these shares are: (i) suitable for a target marked consisting of non-professional investors and investors who fulfil the criteria for professional clients and eligible counterparties, each as defined in MiFID II, and (ii) suitable for distribution through all distribution channels that has been approved in MiFID II ("**Target Market Assessment**").

Irrespective of the Target Market Assessment, distributors should note that: the price of the securities in the Company may decline and investors could lose all or part of their investment; the Company's securities offer no guaranteed income and no capital protection; and an investment in the Company's securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The target market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to any offering.

The target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, purchase, or take any other action whatsoever with respect to the securities of the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the securities of the Company and determining appropriate distribution channels.