InDex Pharmaceuticals Holding AB (publ)

InDex Pharmaceuticals

Interim report January-March 2021

The crucial pieces of the puzzle in place for the start of phase III

PERIOD JANUARY-MARCH 2021

- Net sales amounted to SEK 0.0 (0.0) million
- Operating loss amounted to SEK –9.3 (–24.0) million
- Result after tax amounted to SEK –9.3 (–24.0) million, corresponding to SEK –0.02 per share (–0.10) before and after dilution
- Cash flow from operating activities amounted to SEK –8.5 (–21.9) million
- Cash and cash equivalents at the end of the period amounted to SEK 532.5 (104.6) million
- Number of employees at the end of the period was 7 (7)
- Number of shares at the end of the period was 532,687,650

All comparative amounts in brackets refer to the outcome during the corresponding period 2020.

SIGNIFICANT EVENTS DURING JANUARY-MARCH 2021

- The Board resolved on a fully guaranteed rights issue of approximately SEK 533 million
- InDex's rights issue was oversubscribed and the company received approximately SEK 488 million net

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- No significant events have occurred after the reporting period

OTHER EVENTS

- InDex entered an agreement for services with global clinical research organization (CRO) Parexel Biotech for the phase III study CONCLUDE

"It has been an intensive beginning of 2021 for InDex, where the crucial pieces of the puzzle for the start of phase III now have fallen into place", says Peter Zerhouni, CEO of InDex Pharmaceuticals.

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 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 Stockholm. Redeye AB is the company's Certified Adviser (+46 8 121 576 90 or certifiedadviser@redeye.se).

CEO statement

It has been an intensive beginning of 2021 for InDex, where the crucial pieces of the puzzle for the start of phase III now have fallen into place. In February, we completed a successful rights issue of approximately SEK 533 million. The subscription ratio amounted to as much as 153 percent and more than 99 percent was subscribed for by exercise of subscription rights. HBM Healthcare Investments and Handelsbanken Funds came in as new large owners in the rights issue. These are two internationally recognized and successful life sciences specialists that chose to invest significant amounts, which not only strengthens the ownership base, but also constitutes a strong validation of the potential of InDex.

The rights issue will primarily fund the important initial induction study in a sequential phase III program with cobitolimod for left-sided moderate to severe ulcerative colitis. The results of this induction study will constitute a significant value inflection point and the remaining program can be optimised according to the outcome of the study. We estimate that the study will take 18 to 24 months to complete from initiation.

The study, which has been named CONCLUDE, will be a global study with approximately 400 patients at a few hundred clinics. The primary endpoint, clinical remission, will be measured at week 6. Apart from the dosing 250 mg 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 to also evaluate a higher dose, 500 mg x 2, in an adaptive study design. This higher dose has the potential to provide an even better efficacy than what was observed in the CONDUCT study.

With the financing in place, we entered into an agreement for services at the end of March with Parexel Biotech for the phase III study. After the successful collaboration in CONDUCT, we are very pleased to collaborate once again with them as our clinical development partner. They are a leading global CRO with considerable experience managing phase III studies in inflammatory bowel disease, which will ensure an efficient execution of CONCLUDE. The clinical study must now be approved by the authorities of each participating country. The goal is to start the study in the second quarter of 2021, but it is subject to the development of the Covid-19 pandemic if authorities and healthcare providers will be able to prioritize the start of new clinical studies in the near future.

On June 3 we have the annual general meeting in InDex, but unfortunately there will not be a physical meeting this year either due to the pandemic. I will present the company at Redeye Growth Day the day before the annual general meeting, on June 2, for those who want an update. I will also present the company at Erik Penser Bank tomorrow, on May 6. You can follow the presentations live or watch them afterwards on our updated website.

I would also like to highlight the recent annual report for 2020. It provides a good overview of ulcerative colitis, cobitolimod, the phase III design and the company in general. Strong stories like our patient interview with 23-year-old Felicia confirm the need for new effective and safe treatment options for ulcerative colitis.

I look forward to a continued eventful year with the start of the phase III study CONCLUDE as the next important milestone.

Peter Zerhouni, CEO

Business overview

INTRODUCTION

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 the treatment of various immunological diseases. InDex is based in Stockholm, Sweden. The company's shares are traded on Nasdaq First North Growth Market Stockholm.

COBITOLIMOD

Cobitolimod is a potential new medication for patients with moderate to severe ulcerative colitis. Ulcerative colitis is a chronic disease caused by inflammation of the colon. Today, about two million people in Europe and the United States suffer from ulcerative colitis, a disease that has a major impact on the patient's quality of life. Ulcerative colitis is characterised by blood- and mucus-mixed diarrhea, frequent stools, pain, fever, weight loss, and anemia. Patients also have a significant elevated risk of developing colon cancer. Most commonly, ulcerative colitis debuts between 15 and 30 years of age and most patients require lifelong medication. Despite the currently available drugs on the market, many patients with ulcerative colitis still suffer from severe symptoms, and current therapies can cause serious side effects. For those patients that do not respond to medical treatment, the last resort is to surgically remove the colon.

Cobitolimod is a local treatment with a novel mechanism of action. It is a so-called Toll-like receptor 9 (TLR9) agonist that can provide an anti-inflammatory effect locally in the large intestine, which may induce mucosal healing and relief of the clinical symptoms in ulcerative colitis. Cobitolimod is administered via the rectum using an enema allowing a rapid onset of action without systemic exposure and off-target effects.

Cobitolimod met the primary endpoint in the phase IIb study CONDUCT and demonstrated an outstanding combination of efficacy and safety. Data from four previous completed placebo-controlled clinical trials support the efficacy and safety demonstrated in the CONDUCT study. 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.

Based on the sales of recently launched products, as well as the company's proprietary market research and analyses, including the addressable market described above, the annual global peak sales at a successful commercialisation of cobitolimod are estimated by the company to have the potential to reach more than USD 1 billion.

THE MOST IMPORTANT ADVANTAGES WITH COBITOLIMOD

Illustrations: Freepik

Phase III study – CONCLUDE

Based on guidance from FDA and EMA, InDex is planning a sequential phase III program with two induction studies and a one-year maintenance study with patients that have responded to cobitolimod as induction therapy.

The important initial induction study CONCLUDE will include approximately 400 patients and the company estimates that it will take 18 to 24 months to complete from initiation. CONCLUDE is a randomised, double-blind, placebo-controlled, global phase III study to evaluate cobitolimod as a novel treatment for patients with moderate to severe left-sided ulcerative colitis. The primary endpoint will be clinical remission at week 6. Apart from the dosing 250 mg x 2, which was the highest dose and the one that showed the best efficacy in the phase IIb study CONDUCT, the phase III study will also evaluate a higher dose, 500 mg x 2, 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.

When a sufficient number of the participants in the study have been randomised and have eligible data for the primary endpoint, an interim analysis will be performed in a blinded fashion to select the best dose of cobitolimod and the other dose will be dropped. Following the blinded interim analysis, the additional patients to be randomised into the study will receive only the best dose of cobitolimod or placebo. Patients responding to cobitolimod in the induction study will be eligible to continue in a one-year maintenance study, where they will be treated with either cobitolimod or placebo.

InDex has entered into an agreement for services with the leading global clinical research organization (CRO) Parexel Biotech for the phase III study CONCLUDE. Parexel Biotech has considerable experience managing phase III studies in inflammatory bowel disease. Parexel Biotech was the CRO that InDex successfully collaborated with in the phase IIb study CONDUCT. The clinical study must now be approved by the authorities of each participating country.

Oral formulation of cobitolimod

InDex has developed a prototype of a novel formulation of its lead drug candidate cobitolimod for oral administration, with targeted drug substance release or delivery to the lower part of the gastrointestinal tract and thus again avoiding systemic exposure. The capsule is a potential follow-on product to the current topical formulation. An oral therapy makes it possible to deliver cobitolimod to parts of the gastrointestinal tract which are inaccessible to an enema and could be more convenient for patients.

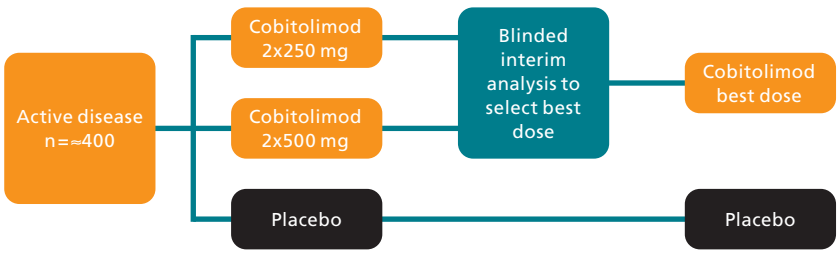
This opens the possibility to broaden the therapeutic use of cobitolimod to also include pancolitis and Crohn's disease, where the inflammation can be located higher up in the gastrointestinal tract. The oral formulation development also provides the opportunity to secure additional patent protection for cobitolimod.

OTHER DIMS

InDex has, besides cobitolimod, a preclinical portfolio of more than 150 DNA-based ImmunoModulatory Sequences (DIMS). The DIMS candidates are oligonucleotides that differ in sequence and length but are all TLR9 agonists. DIMS mimic bacterial DNA, without being harmful, and stimulate immune cells to produce beneficial anti-inflammatory cytokines that will help to dampen inflammation. This opens opportunities for the treatment of different inflammatory conditions, in which the immune responses are imbalanced. To capitalise on the substantial historical investments in the DIMS portfolio and to take advantage of the expertise and experience built up during the development of cobitolimod in ulcerative colitis, InDex is testing a selected number of DIMS candidates in models of other inflammatory diseases. Positive signals have been observed, and InDex is now confirming these early results with alternative and complementary methods in order to be able to select a DIMS substance for further development.

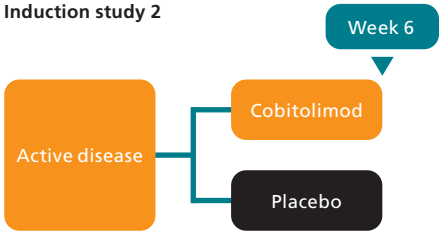
PHASE III DESIGN

Induction study 1 – adaptive design

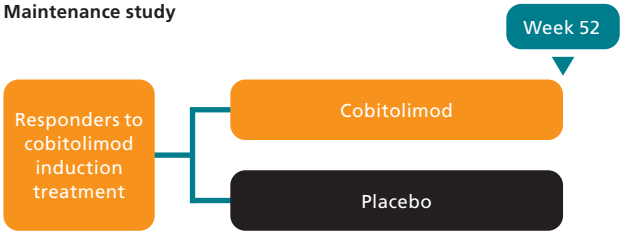


- Moderate to severe, left-sided ulcerative colitis
- Patients failed conventional treatment and/or biologics/ JAK inhibitor
- Dosing at week 0 and 3
- Primary endpoint clinical remission at week 6

Induction study 2



Maintenance study



SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- On January 14, 2021 the Board announced that they had, with the support of the authorisation from the extra-ordinary general meeting held on January 12, 2021, resolved on a rights issue of approximately 444 million shares at a subscription price of SEK 1.20 per share. The rights issue was fully covered by subscription undertakings and guarantee commitments from existing shareholders and new investors, including amongst others HBM Healthcare Investments, Handelsbanken Funds, Linc and Fjärde AP-fonden.
- InDex announced on February 9, 2021 that the subscription ratio in the rights issue amounted to 152.6 percent. Guarantee commitments made in connection with the rights issue were thus not utilized. InDex received, through the rights issue, approximately SEK 488 million after deduction of costs related to the transaction. 99.1 percent of the rights issue was subscribed for by exercise of subscription rights and 0.9 percent of the rights issue was subscribed for without subscription rights.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- No significant events have occurred after the reporting period.

OTHER EVENTS

- InDex announced on March 30, 2021 that the company has entered an agreement for services with global clinical research organization (CRO) Parexel Biotech for the phase III study CONCLUDE. The study will evaluate the efficacy and safety of the drug candidate cobitolimod for the treatment of moderate to severe left-sided ulcerative colitis.

Financial overview

FINANCIAL SUMMARY FOR THE GROUP
Because of the nature of the business operations, there may be large fluctuations between different periods.

FINANCIAL DEVELOPMENT DURING JANUARY-MARCH 2021
Net sales for the period January to March 2021 amounted to SEK 0.0 (0.0) million. The net sales previous year were related to the sale of DiBiCol test kits up to September 30, 2020. Sale of DiBICol test kits was then terminated.

Other operating income SEK 0.0 (0.0) million refers to grant received from Vinnova.

Operating expenses for the period amounted to SEK 9.3 (24.0) million. The decrease is attributable to lower costs for phase III preparations compared to the costs previous year for the phase IIb study CONDUCT and costs for manufacturing of study drug.

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 2.5 (2.2) million. The increase is partly related to general salary increase.

Cash and cash equivalents as of March 31, 2021 amounted to SEK 532.5 million, which is SEK 478.7 million higher than as of December 31, 2020. The Swedish Companies Registration Office recorded the completed rights issue of 443,906,375 new shares on February 11, 2021. The subscription price was set to SEK 1.20. InDex received approximately SEK 488 million after deduction of the transaction related costs for financial and legal services and for costs for registration and practical management.

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 March 31, 2021 due to events after the reporting period.

EXPECTED FUTURE DEVELOPMENT
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.

Parent company
The net sales amounted to SEK 3.5 (2.9) million during the period January to March 2021 and consisted of invoicing of group wide expenses to the other companies within the group.

The operating expenses amounted to SEK 4.3 (3.9) million and consisted of personnel expenses and other operating expenses relating to the administration of InDex.

FINANCIAL SUMMARY

SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Revenues	0.0	0.0	0.0
Operating result	–9.3	–24.0	–57,3
Result after tax	–9.3	–24.0	–57.4
Earnings per share before and after dilution, SEK	–0.02	–0.10	–0.24
Cash flow from operating activities	–8.5	–21.9	–70.7
Cash and cash equivalents at the end of the period	532.5	104.6	53.8

Note: Earnings per share – Net result divided by weighted number of shares (adjusted for the completed rights issue in February 2021).

Other information

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 MARCH 31, 2021

	Number of shares	Percentage of capital and votes, %
Linc AB	69,920,567	13.1
HBM Healthcare Investments	52,916,667	9.9
Fjärde AP-fonden	52,314,074	9.8
Handelsbanken Funds	25,000,000	4.7
Avanza Pension	24,641,070	4.6
SEB-Stiftelsen	19,047,617	3.6
SEB Life International	13,927,350	2.6
Bengt Thornberg	13,417,394	2.5
SEB Venture Capital	12,994,367	2.4
Stiftelsen Industrifonden	12,865,296	2.4
Nordnet Pensionsförsäkring	12,843,652	2.4
Staffan Rasjö	11,053,983	2.1
S-E-Bankens Utvecklingsstiftelse	10,000,000	1.9
Originat AB	7,000,000	1.3
Rune Pettersson, dödsbo	5,880,486	1.1
Övriga	188,865,127	35.6
Totalt	**532,687,650**	**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 had an exercise price of SEK 20 per share and can be exercised during May-October 2023. The Board allocated in July 2020 958,388 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.

After the completed rights issue the exercise price and the number of shares that each warrant represents have been recalculated in accordance with the applicable terms. The new exercise price amounts to SEK 7.804 and each warrant entitles the holder to subscribe for 2.5627 shares. The remaining warrants have been terminated.

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

FINANCIAL CALENDER

Annual general meeting	June 3, 2021
Interim report Q2	August 25, 2021
Interim report Q3	November 24, 2021

Stockholm, May 5, 2021
Peter Zerhouni, CEO

FOR MORE INFORMATION, PLEASE CONTACT:
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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 on May 5, 2021 at 8:00 CET

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.

Condensed consolidated statement of total comprehensive income

SEKk	Jan 1-Mar 31, 2021	Jan 1-Mar 31, 2020	Full year 2020
Revenues			
Net sales	–	17	35
Other operating income	36	–	380
Total revenues	**36**	**17**	**415**
Operating expenses			
Raw material and consumables	–334	–9,421	–16,021
Other external expenses	–6,164	–12,192	–30,990
Personnel costs	–2,540	–2,181	–9,561
Depreciations/amortisations of tangible fixed assets and right-of-use assets	–317	–235	–1,192
Total expenses	**–9,355**	**–24,029**	**–57,764**
Operating loss	**–9,319**	**–24,012**	**–57,349**
Result from financial investments			
Financial income	–	–	46
Financial expenses	–29	–6	–115
Financial items – net	**–29**	**–6**	**–69**
Earnings before tax	**–9,348**	**–24,018**	**–57,418**
Taxes for the period	–	–	–
LOSS FOR THE PERIOD	**–9,348**	**–24,018**	**–57,418**

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

SEK	Note	Jan 1-Mar 31, 2021	Jan 1-Mar 31, 2020	Full year 2020
Earnings per share before and after dilution *	6	–0.02	–0.10	–0.24

* Adjusted for the completed rights issue in February 2021.

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	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	769	8	818
Total tangible fixed assets	**769**	**8**	**818**
Right-of-use assets	**2,325**	**232**	**2,593**
Financial assets			
Other financial assets	1	1	1
Total financial assets	**1**	**1**	**1**
Total fixed assets	**3,095**	**241**	**3,412**
Current assets			
Current receivables			
Accounts receivable	–	–	–
Other current receivables	1,830	1,721	907
Prepaid expenses and accrued income	1,104	729	3,031
Cash and cash equivalents	532,507	104,607	53,834
Total current receivables	**535,441**	**107,057**	**57,772**
Total current assets	**535,441**	**107,057**	**57,772**
TOTAL ASSETS	**538,536**	**107,298**	**61,184**
EQUITY AND LIABILITIES			
Equity			
Share capital	10,654	1,776	1,776
Additional paid-in capital	863,174	384,314	384,557
Retained earnings (including profit/loss for the period)	–346,353	–303,605	–337,005
Total equity attributable to the shareholders of the parent company	**527,475**	**82,485**	**49,328**
Liabilities			
Non-current liabilities			
Non-current lease liabilities	1,308	–	1,578
Total non-current liabilities	**1,308**	**–**	**1,578**
Current liabilities			
Current lease liabilities	775	243	763
Account payables	3,996	2,712	3,023
Other current liabilities	1,117	1,195	852
Accrued expenses and deferred income	3,865	20,663	5,640
Total current liabilities	**9,753**	**24,813**	**10,278**
Total liabilities	**11,061**	**24,813**	**11,856**
TOTAL EQUITY AND LIABILITIES	**538,536**	**107,298**	**61,184**

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, 2020	**1,776**	**384,314**	**–279,587**	**106,503**
Profit/loss for the period equal to total comprehensive income	–	–	–24,018	–24,018
Total comprehensive income for the year	**–**	**–**	**–24,018**	**–24,018**
Closing balance, March 31, 2020	**1,776**	**384,314**	**–303,605**	**82,485**
Opening balance, January 1, 2020	**1,776**	**384,314**	**–279,587**	**106,503**
Profit/loss for the period equal to total comprehensive income	–	–	–57,418	–57,418
Total comprehensive income for the year	**–**	**–**	**–57,418**	**–57,418**
Transactions with shareholders of the parent company:				
Issue of warrants	–	243	–	243
Total transactions with shareholders of the parent company	**–**	**243**	**–**	**243**
Closing balance, December 31, 2020	**1,776**	**384,557**	**–337,005**	**49,328**
Opening balance, January 1, 2021	**1,776**	**384,557**	**–337,005**	**49,328**
Profit/loss for the period equal to total comprehensive income	–	–	–9,348	–9,348
Total comprehensive income for the year	**–**	**–**	**–9,348**	**–9,348**
Transactions with shareholders of the parent company:				
Issue of shares	8,878	523,809	–	532,687
Transaction costs	–	–45,192	–	–45,192
Total transactions with shareholders of the parent company	**8,878**	**478,617**	**–**	**487,495**
Closing balance, March 31, 2021	**10,654**	**863,174**	**–346,353**	**527,475**

Condensed consolidated cash flow

SEKk	Jan 1-Mar 31, 2021	Jan 1-Mar 31, 2020	Full year 2020
Operating activities			
Operating result	–9,319	–24,012	–57,349
Adjustments for non-cash items:			
Depreciations/amortisations	317	235	1,192
Interest paid and received	–	–4	–70
Income tax paid	–	–	–
Cash flow from operating activities before changes in working capital	**–9,002**	**–23,781**	**–56,227**
Changes in working capital			
Decrease/Increase of current receivables	1,004	–629	–2,117
Decrease/Increase of current liabilities	–525	2,470	–12,306
Cash flow from changes in working capital	**479**	**1,841**	**–14,423**
Cash flow from operating activities	**–8,523**	**–21,940**	**–70,650**
Investing activities			
Investments in tangible assets	–	–	–909
Cash flow from investing activities	**–**	**–**	**–909**
Financing activities			
Amortisation of lease liabilities	–299	–243	–1,639
Issues of shares, net after transaction costs	487,495	–	–
Issue of warrants	–	–	242
Cash flow from financing activities	**487,196**	**–243**	**–1,397**
Cash flow for the period	**478,673**	**–22,183**	**–72,956**
Decrease/increase of cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	53,834	126,790	126,790
Currency translation difference in cash and cash equivalents	–	–	–
Cash and cash equivalents at the end of the period	**532,507**	**104,607**	**53,834**

Statement of comprehensive income for the parent company

SEKk	Jan 1-Mar 31, 2021	Jan 1-Mar 31, 2020	Full year 2020
Revenues			
Net sales	3,477	2,932	11,265
Total revenues	**3,477**	**2,932**	**11,265**
Operating expenses			
Other external expenses	–2,778	–2,601	–11,486
Personnel costs	–1,488	–1,313	–5,754
Depreciations/amortisations of tangible fixed assets and right-of-use assets	–49	–	–91
Total expenses	**–4,315**	**–3,914**	**–17,330**
Operating loss	**–838**	**–982**	**–6,065**
Net financial items			
Write-down of financial assets	–	–	–50,000
Financial costs	–	–	46
Financial income	–	–	–6
Total net financial items	**–**	**–**	**–49,960**
Profit or loss before tax	**–838**	**–982**	**–56,025**
Taxes for the period	–	–	–
PROFIT OR LOSS FOR THE PERIOD	**–838**	**–982**	**–56,025**

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	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	769	–	818
Total tangible fixed assets	**769**	**–**	**818**
Financial assets			
Shares in subsidiary	247,030	247,030	247,030
Total financial assets	**247,030**	**247,030**	**247,030**
Total fixed assets	**247,799**	**247,030**	**247,848**
Current assets			
Current receivables			
Intercompany receivables	346,307	619	779
Other receivables	1,125	331	219
Prepaid expenses and accrued income	859	630	1,247
Total current receivables	**348,291**	**1,580**	**2,245**
Cash and cash equivalents	158,846	101,061	45,491
Total current assets	**507,137**	**102,641**	**47,736**
TOTAL ASSETS	**754,936**	**349,671**	**295,584**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	10,654	1,776	1,776
Total restricted equity	**10,654**	**1,776**	**1,776**
Non-restricted equity			
Share premium reserve	1,108,891	630,031	630,274
Retained earnings	–369,015	–312,989	–312,989
Profit or loss for the period	–838	–982	–56,025
Total non-restricted equity	**739,038**	**316,060**	**261,260**
Total equity	**749,692**	**317,836**	**263,036**
Liabilities			
Current liabilities			
Accounts payable	3,174	384	1,114
Intercompany liabilities	–	28,506	28,800
Other liabilities	606	948	323
Accrued expenses and deferred income	1,464	1,997	2,311
Total current liabilities	**5,244**	**31,835**	**32,548**
TOTAL EQUITY AND LIABILITIES	**754,936**	**349,671**	**295,584**

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, 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	–	–	–	–982	–982
Total comprehensive income for the year	**–**	**–**	**–**	**–982**	**–982**
Closing balance, March 31, 2020	**1,776**	**630,031**	**–312,989**	**–982**	**317,836**
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	–	–	–	–56,025	–56,025
Total comprehensive income for the year	**–**	**–**	**–**	**–56,025**	**–56,025**
Transactions with shareholders of the parent company:					
Issue of warrants	–	243	–	–	243
Total transactions with shareholders of the parent company	**–**	**243**	**–**	**–**	**243**
Closing balance, December 31, 2020	**1,776**	**630,274**	**–312,989**	**–56,025**	**263,036**
Opening balance, January 1, 2021	**1,776**	**630,274**	**–312,989**	**–56,025**	**263,036**
Disposition of last year's result	–	–	–56,025	56,025	–
Net results and total comprehensive income for the year	–	–	–	–838	–838
Total comprehensive income for the year	**–**	**–**	**–**	**–838**	**–838**
Transactions with shareholders of the parent company:					
Issue of shares	8,878	523,809	–	–	532,687
Transaction costs	–	–45,192	–	–	–45,192
Total transactions with shareholders of the parent company	**8,878**	**478,617**	**–**	**–**	**487,495**
Closing balance, March 31, 2021	**10,654**	**1,108,891**	**–369,015**	**–838**	**749,692**

Statement of cash flows for the parent company

SEKk	Jan 1-Mar 31, 2020	Jan 1-Mar 31, 2020	Full year 2020
Operating activities			
Profit or loss before tax	–838	–982	–56,025
Adjustments for non-cash items:			
Write downs	–	–	50,000
Income tax paid	–	–	–
Depreciations/amortisations	49	–	91
Cash flow from operating activities before changes in working capital	**–789**	**–982**	**–5,934**
Changes in working capital			
Changes in current receivables	–346,046	–593	–1,258
Changes in current liabilities	–27,305	–22,329	–21,616
Cash flow from changes in working capital	**–373,351**	**–22,922**	**–22,874**
Cash flow from operating activities	**–374,140**	**–23,904**	**–28,808**
Investing activities			
Shareholder's contribution	–	–	–50,000
Investment of leases	–	–	–909
Cash flow from investing activities	**–**	**–**	**–50,909**
Financing activities			
Issues of shares, net after transaction costs	487,495	–	–
Issue of warrants	–	–	243
Cash flow from financing activities	**487,495**	**–**	**243**
Cash flow for the period	**113,355**	**–23,904**	**–79,474**
Decrease/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	45,491	124,965	124,965
Cash and cash equivalents at the end of the period	**158,846**	**101,061**	**45,491**

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
Feb 11, 2021	Share issue	8,878,127	10,653,753	443,906,375	532,687,650	532,687,650

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 annual report for 2020.

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 2020. 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 2020, 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 InDex Pharmaceuticals AB 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 2020 or 2021 as a conversion to ordinary shares decreases loss per share.

SEK million	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net result attributable to the equity shareholders of the parent company	–9.3	–24.0	–57.4
Total:	**–9.3**	**–24.0**	**–57.4**
Weighted average number of shares (thousands)	**478,432**	**236,750**	**236,750**
Earnings per share, SEK	**–0.02**	**–0.10**	**–0.24**