InDex Pharmaceuticals Holding AB (publ)

Interim report
January-March 2023

Positive results from pharmacokinetic study with cobitolimod

PERIOD JANUARY-MARCH 2023

- Net sales amounted to SEK 0.0 (0.0) million
- Operating loss amounted to SEK –44.3 (–18.9) million
- Result after tax amounted to SEK –41.8 (–18.9) million, corresponding to SEK –0.08 per share (–0.04) before and after dilution
- Cash flow from operating activities amounted to SEK –23.1 (–18.4) million

All comparative amounts in brackets refer to the outcome during the corresponding period 2022.

SIGNIFICANT EVENTS DURING THE QUARTER

- InDex updated the timeline of Induction Study 1 of the phase III program CONCLUDE with cobitolimod

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- No significant events have occurred after the reporting period

OTHER EVENTS

- InDex attended the annual congress of the European Crohn's and Colitis Organisation (ECCO) in Copenhagen
- InDex announced positive results from a pharmacokinetic (PK) study with cobitolimod

"We are very excited that the pharmacokinetic study could confirm a low systemic uptake of the higher dose of 500 mg cobitolimod, and that it was well tolerated with no serious adverse events reported in the study," said Jenny Sundqvist, CEO of InDex Pharmaceuticals. "One of the potential benefits of a locally acting treatment in the colon is low systemic exposure, and with these results we can add another building block to support our excellent safety profile."

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 being evaluated in the phase III program CONCLUDE as a novel 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.

CEO statement

As I write this, spring has finally made its entrance in Sweden and the first quarter of 2023 has come to an end. My first quarter as CEO of InDex Pharmaceuticals. As I reflect, it's been three busy and eventful months.

GETTING IT DONE!
At the end of January, we announced a slower than expected start to the Induction Study 1 of our phase III program CONCLUDE with cobitolimod. The dose selection milestone is now expected in Q4 this year and, at that time, we will also comment on how this has affected the overall timeline of the development program. This is naturally disappointing, but the entire company, in close collaboration with our CRO, Parexel, is still fully focused on actions to increase recruitment speed in the study. To date, we are tracking well against our revised plan, and we hope to continue this momentum over the summer months as well. We are solely determined on just getting it done! We have an open and frequent dialogue with investigators around the world in the 30 countries participating in our study. And I must send a special shout out to our Ukrainian clinics who are displaying such commitment and resilience despite tough circumstances.

ENCOURAGING RESULTS
In March, we announced the results of our phase Ib pharmacokinetic (PK) study. The aim of the study was to measure the systemic uptake of cobitolimod. Our hope was to further solidify cobitolimod's excellent safety profile by showing a low systemic uptake both during flare and remission. The study results are required as part of the market authorization file to be submitted upon successful completion of our phase III program. The study was conducted with the highest dose of cobitolimod used in the phase III program, 500 mg. Not only did the study confirm the low systemic uptake of cobitolimod, adding another building block to our excellent safety profile; but we also noted that 4 out of 7 patients went into remission. Although we cannot draw any efficacy conclusions from this result, given that it's an open label study with very few patients, it's an encouraging sign.

GENUINE WARMTH, SUPPORT AND JOY
I would also like to comment on the team at InDex after having worked together for three months. It's not a company like all others. Sure, most companies claim to be entrepreneurial, innovative, engaged, be built on a team culture and always put the patients first. And so do we. I don't mean to discredit any of these values, they are important and critical for success, however, I've noted genuine warmth, support and joy at InDex – and I truly appreciate that. This is hard to find, and it makes going to work so much more enjoyable and gratifying. I'm a true believer that you should enjoy your job. If you do, you're much more likely to deliver and succeed.

CLEAR AND TRANSPARENT COMMUNICATIONS
As a last note, I would like to thank all investors who contribute with their feedback and thoughts on our communications. It's very helpful to hear what you appreciate and what you'd like to know more about. Keeping in line with regulations and best practice, I will do my utmost to be clear and transparent in all communications moving forward.

Jenny Sundqvist, 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 being evaluated in the phase III program CONCLUDE as a novel 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 with no cure caused by inflammation of the colon. Today, about two million people in Europe and the US 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 who 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 ulcerative colitis symptoms. Cobitolimod is administered directly to the inflamed colon 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, cobitolimod is now being evaluated in the pivotal phase III program CONCLUDE. Phase III is the final stage of development before application for market approval can be submitted to regulatory authorities.

Cobitolimod's market potential
Cobitolimod's target product profile has been evaluated in several primary market research studies, demonstrating that cobitolimod has strong potential to be positioned as the first treatment option for patients with moderate to severe left-sided ulcerative colitis, who do not respond to conventional treatments. InDex estimates, based on external sources, that the current market segment for moderate to severe left-sided ulcerative colitis amount to approximately USD 3.5 billion and is expected to grow to more than USD 5 billion by 2026. InDex estimates that cobitolimod can reach a market share of 20-30%, corresponding to global peak annual sales of more than USD 1 billion.

THE MOST IMPORTANT ADVANTAGES WITH COBITOLIMOD

Illustrations: Freepik

Phase III program – CONCLUDE
Based on regulatory guidance InDex is conducting a sequential phase III program with two induction studies and a one-year maintenance study with patients who have responded to cobitolimod as induction therapy.

Induction Study 1 of the CONCLUDE program will include 440 patients and be conducted in over 30 countries in Europe, the Americas and the Asia-Pacific region. The first patient was enrolled into the study end of 2021. Induction Study 1 is a randomised, double-blind, placebo-controlled, 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, Induction Study 1 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 30% of the participants in the study have been randomised and have eligible data for the primary endpoint, an analysis will be performed in a blinded fashion to select the best dose of 250 mg and 500 mg cobitolimod and the other dose will be dropped. The analysis will be conducted by a so-called DMC (Data Monitoring Committe) consisting of experts in the field, who will, based on pre-specified criteria, recommend which dose to continue with. To maintain the integrity of the phase III study, the analysis will be completely blinded to InDex, who will only receive information on which dose out of 250 mg and 500 mg cobitolimod that the DMC has recommended. Following the blinded dose selection, the additional patients to be randomised into the study will receive only the selected dose of cobitolimod or placebo. The outcome of the dose selection are expected Q4 2023.

Patients responding to cobitolimod in the induction study will be eligible to continue in a maintenance study, where each patient will be treated with either cobitolimod or placebo once every three weeks for an additional 46 weeks.

InDex has entered into an agreement for services with the leading global clinical research organisation (CRO) Parexel Biotech for Induction Study 1 and its corresponding part of the Maintenance Study in the CONCLUDE program. 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.

Commercialisation strategy for cobitolimod

InDex has together with external experts analysed the commercialisation options for cobitolimod in the US and Europe. The conclusion is that the market potential, the required commercial footprint, and the profitability profile in the US are well suited for self-commercialisation by a focused commercial organisation to be built closer to launch. The fragmented European market, as well as other regions, offer attractive opportunities to enter strategic collaborations as cobitolimod advances towards launch.

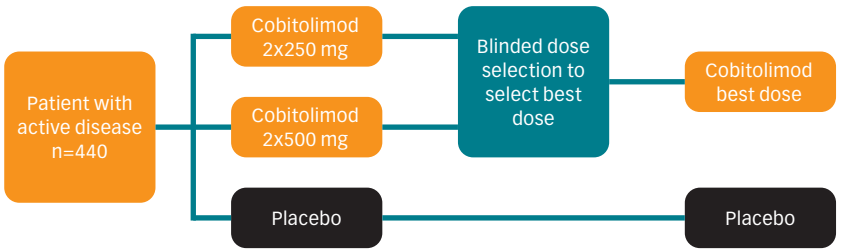
POSITIVE PK STUDY WITH COBITOLIMOD

InDex has completed a clinical pharmacokinetic study (PK study) with cobitolimod in Sweden. One of the potential advantages of a locally acting treatment in the colon is low systemic exposure, and the aim of the PK study was to confirm that the systemic uptake of rectally administered cobitolimod is limited, also for doses of 500 mg. The study results included PK data from 7 patients with active moderate to severe ulcerative colitis treated with doses of 500 mg of cobitolimod administered rectally. At week 6, after having received two doses of 500 mg cobitolimod, 4 out of the 7 patients achieved clinical remission, and for these patients a second PK-analysis was conducted to investigate the systemic uptake of cobitolimod in patients with remission. The results showed a limited systemic uptake following the 500 mg cobitolimod dose both for patients in a flare and in remission, with the majority of patients having undetectable levels of cobitolimod in the plasma after 8 hours. This is the first time patients have been treated with doses of 500 mg, and in line with previous studies cobitolimod was well tolerated. No serious adverse events were reported in the study. The positive results will support future regulatory applications for marketing approval.

OTHER DIMS

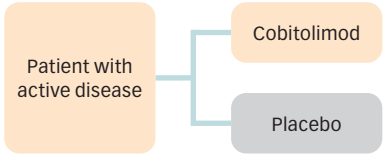
InDex has, besides cobitolimod, a preclinical portfolio of more than 150 DNA-based ImmunoModulatory Sequences (DIMS).

PHASE III DESIGN
Induction Study 1 – adaptive design (ongoing)

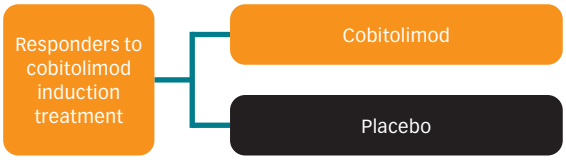


- Moderate to severe, left-sided ulcerative colitis
- Have failed conventional treatment and/or biologics/ JAK inhibitor
- Dosing at week 0 and 3
- Primary endpoint clinical remission at week 6

Induction Study 2



Maintenance Study (ongoing)



** Induction Study 2 is planned to be initiated upon a positive result in Induction Study 1.*

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 help to reduce inflammation. This opens opportunities for the treatment of different inflammatory conditions, in which the immune responses are imbalanced. To capitalise on the 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 has the option to further develop these assets in-house or in collaboration with potential partners.

SIGNIFICANT EVENTS DURING THE QUARTER

- InDex announced on January 27, 2023 an update in the timing of the dose selection in Induction Study 1 of the ongoing phase III program CONCLUDE with the drug candidate cobitolimod. The outcome of the dose selection is expected to be available Q4 2023. At that point in time InDex will have finalised the assessments of consequences on the overall development timeline including topline results of Induction Study 1 in the CONCLUDE program.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- No significant events have occurred after the reporting period.

OTHER EVENTS

- InDex attended the annual congress of the European Crohn's and Colitis Organisation (ECCO), March 1-4, 2023 in Copenhagen. ECCO is the largest forum for specialists in inflammatory bowel disease globally.
- InDex announces on March 15, 2023 positive results from a pharmacokinetic (PK) study with cobitolimod in patients with moderate to severe ulcerative colitis. The systemic uptake was limited both for patients with active disease and in clinical remission. For the first time patients have been treated with doses of 500 mg, and in line with previous studies cobitolimod was well tolerated.

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 2023
Net sales for the period January to March 2023 amounted to SEK 0.0 (0.0) million.

Other operating income SEK 0.0 (7.8) million refers to grants received from Vinnova and foreign exchange gains of SEK 0.0 (7.7) million related to cash and cash equivalents in foreign currency. InDex purchased during the second quarter 2021 USD to be used for future payments related to signed contracts denominated in USD.

Operating expenses for the period amounted to SEK 44.3 (26.7) million. The increase is attributable to, as expected, higher costs for Induction Study 1 of the phase III program CONCLUDE.

Other operating expenses SEK 2.0 (0.0) million refers foreign exchange losses of SEK 2.0 (0.0) million related to cash and cash equivalents in foreign currency. InDex purchased during the second quarter 2021 USD to be used for future payments related to signed contracts denominated in USD.

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

Costs for the personnel during the reporting period amounted to SEK 2.2 (3.9) million. The decrease is partly related to fewer number of employees during the quarter.

InDex has during the period accrued interest income of SEK 2.5 (0.0) million related to cash and cash equivalents in foreign currency.

Cash and cash equivalents as of March 31, 2023 amounted to SEK 319.4 million, which is SEK 25.5 million lower than as of December 31, 2022.

FINANCIAL SUMMARY AFTER THE REPORTING PERIOD
Russia's invasion of Ukraine may impact the health care system and the global economy. It is at present difficult to assess the wider impact of these factors.

The Board however, assess that there is no impact on the company's financial position as of March 31, 2023, 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 2.6 (2.8) million during the period January to March 2023 and consisted of invoicing of group wide expenses to InDex Pharmaceuticals AB.

The operating expenses amounted to SEK 4.1 (4.4) million and consisted of personnel expenses and other operating expenses relating to the administration of InDex.

FINANCIAL SUMMARY

SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Net sales	–	–	–
Operating result	–44.3	–18.9	–103.2
Result after tax	–41.8	–18.9	–100.3
Earnings per share before and after dilution, SEK	–0.08	–0.04	–0.19
Cash flow from operating activities	–23.1	–18.4	–129.4
Cash and cash equivalents at the end of the period	319.4	417.5	344.9

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

Other information

EMPLOYEES
The number of employees at the end of the period was 5 (9).

THE SHARE
The share is listed on Nasdaq First North Growth Market Stockholm since October 11, 2016.

LARGEST SHAREHOLDERS PER MARCH 31, 2023

	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
SEB Life International	21,287,104	4.0
Avanza Pension	20,244,045	3.8
SEB-Stiftelsen	19,047,617	3.6
Stiftelsen Industrifonden	12,865,296	2.4
Staffan Rasjö	12,649,603	2.4
Handelsbanken Fonder	12,450,000	2.3
Swedbank försäkring AB	10,577,919	2.0
Nordnet Pensionsförsäkring	10,167,102	1.9
S-E-Bankens Utvecklingsstiftelse	10,000,000	1.9
Originat AB	7,000,000	1.3
Ponderus Invest AB	5,819,085	1.1
Försäkringsbolaget Skandia	5,539,542	1.0
Other	209,889,029	39.4
Total	**532,687,650**	**100.0**

INCENTIVE PROGRAMMES

LTIP 2020
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 in February 2021 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. Repurchase of 126,112 warrants have been completed in accordance with the applicable terms. These warrants will be terminated.

LTIP 2021
At the annual general meeting held on June 3, 2021 it was resolved to issue 7,200,000 employee stock options to transfer to employees and other key persons within InDex. In addition, 2,262,240 warrants were issued to cover potential cash flow effects from social security costs arising from allotted employee stock options. The options have a strike price of SEK 4 per share and can be exercised during July-December 2024. In July 2021 the Board allocated 5,731,800 options to employees and other key persons free of charge. A total of 13 employees and other key persons were offered and subsequently subscribed for their allotted employee stock options. In October 2021 the Board allocated an additional 676,000 employee stock options to two new employees. The remaining employee stock options will be terminated together with the employee stock options not to be vested. The total number of outstanding employee stock options to employees and other key persons within InDex amounts 3,517,867 at end of the reporting period.

LTIP 2021 is accounted for in accordance with *IFRS 2 – Share-based payments*. IFRS 2 stipulates that the employee stock options should be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will in accordance with UFR 7 be expensed in the income statement during the vesting period.

LTIP 2022
At the annual general meeting held on June 1, 2022 it was resolved to issue 8,000,000 employee stock options to transfer to employees and other key persons within InDex. In addition, 2,513,600 warrants were issued to cover potential cash flow effects from social security costs arising from allotted employee stock options. The options have a strike price of SEK 4 per share and can be exercised during July-December 2025. In July 2022 the Board allocated 5,500,200 options to employees and other key persons free of charge. A total of 15 employees and other key persons were offered and subsequently subscribed for their allotted employee stock options. The remaining employee stock options will be terminated together with the employee stock options not to be vested during 2022.

In December 2022 the Board allocated an additional 1,930,700 employee stock options to the incoming CEO, which were subscribed in January 2023. The total number of outstanding employee stock options to employees and other key persons within InDex amounts 5,982,600 at end of the reporting period.

LTIP 2022 is accounted for in accordance with *IFRS 2 – Share-based payments*. IFRS 2 stipulates that the employee stock options should be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will in accordance with UFR 7 be expensed in the income statement during the vesting period.

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

FINANCIAL CALENDER

Interim report Q2	August 23, 2023
Interim report Q3	November 23, 2023

Stockholm, May 24, 2023
Jenny Sundqvist, CEO

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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	Note	Jan 1-Mar 31, 2023	Jan 1-Mar 31, 2022	Full year 2022
Revenues				
Net sales		–	–	–
Other operating income	5	–	7,839	47,887
Total revenues		**–**	**7,839**	**47,887**
Operating expenses				
Raw material and consumables		–388	–629	–10,287
Other external expenses		–39,367	–21,903	–126,530
Personnel costs		–2,175	–3,862	–13,231
Depreciations/amortisations of tangible fixed assets and right-of-use assets		–304	–316	–1,066
Other operating expenses	5	–2,022	–	–
Total expenses		**–44,256**	**–26,710**	**–151,114**
Operating loss		**–44,256**	**–18,871**	**–103,227**
Result from financial investments				
Financial income		2,524	–	3,013
Financial expenses		–64	–16	–120
Financial items – net		**2,460**	**–16**	**2,893**
Earnings before tax		**–41,796**	**–18,887**	**–100,333**
Taxes for the period		–	–	–
LOSS FOR THE PERIOD		**–41,796**	**–18,887**	**–100,333**

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

SEK	Note	Jan 1-Mar 31, 2023	Jan 1-Mar 31, 2022	Full year 2022
Earnings per share before and after dilution	7	–0.08	–0.04	–0.19

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	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	409	591	454
Total tangible fixed assets	**409**	**591**	**454**
Right-of-use assets	**3,276**	**1,252**	**3,535**
Financial assets			
Other financial assets	1	1	1
Total financial assets	**1**	**1**	**1**
Total fixed assets	**3,686**	**1,843**	**3,990**
Current assets			
Current receivables			
Other current receivables	1,472	2,540	2,129
Prepaid expenses and accrued income	3,390	5,771	286
Cash and cash equivalents	319,449	417,513	344,931
Total current receivables	**324,311**	**425,824**	**347,346**
Total current assets	**324,311**	**425,824**	**347,346**
TOTAL ASSETS	**327,997**	**427,667**	**351,336**
EQUITY AND LIABILITIES			
Equity			
Share capital	10,654	10,654	10,654
Additional paid-in capital	863,779	863,461	863,686
Retained earnings (including profit/loss for the period)	–582,177	–458,935	–540,381
Total equity attributable to the shareholders of the parent company	**292,256**	**415,180**	**333,959**
Provisions			
Other provisions	2	88	16
Total provisions	**2**	**88**	**16**
Liabilities			
Non-current liabilities			
Non-current lease liabilities	2,312	191	2,626
Total non-current liabilities	**2,312**	**191**	**2,626**
Current liabilities			
Current lease liabilities	714	820	626
Account payables	12,806	5,800	6,561
Other current liabilities	768	1,758	689
Accrued expenses and deferred income	19,139	3,830	6,859
Total current liabilities	**33,427**	**12,208**	**14,735**
Total liabilities	**35,739**	**12,399**	**17,361**
TOTAL EQUITY AND LIABILITIES	**327,997**	**427,667**	**351,336**

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, 2022	**10,654**	**863,433**	**–440,048**	**434,039**
Profit/loss for the period equal to total comprehensive income	–	–	–18,887	–18,887
Total comprehensive income for the year	**–**	**–**	**–18,887**	**–18,887**
Transactions with shareholders of the parent company:				
Value of the employees' employment	–	28	–	28
Total transactions with shareholders of the parent company	**–**	**28**	**–**	**28**
Closing balance, March 31, 2022	**10,654**	**863,461**	**–458,935**	**415,180**
Opening balance, January 1, 2022	**10,654**	**863,433**	**–440,048**	**434,039**
Profit/loss for the period equal to total comprehensive income	–	–	–100,333	–100,333
Total comprehensive income for the year	**–**	**–**	**–100,333**	**–100,333**
Transactions with shareholders of the parent company:				
Value of the employees' employment	–	253	–	253
Total transactions with shareholders of the parent company	**–**	**253**	**–**	**253**
Closing balance, December 31, 2022	**10,654**	**863,686**	**–540,381**	**333,959**
Opening balance, January 1, 2023	**10,654**	**863,686**	**–540,381**	**333,959**
Profit/loss for the period equal to total comprehensive income	–	–	–41,796	–41,796
Total comprehensive income for the year	**–**	**–**	**–41,796**	**–41,796**
Transactions with shareholders of the parent company:				
Value of the employees' employment	–	93	–	93
Total transactions with shareholders of the parent company	**–**	**93**	**–**	**93**
Closing balance, March 31, 2023	**10,654**	**863,779**	**582,177**	**292,256**

Condensed consolidated cash flow

SEKk	Jan 1-Mar 31, 2023	Jan 1-Mar 31, 2022	Full year 2022
Operating activities			
Operating result	–44,256	–18,871	–103,227
Adjustments for non-cash items:			
Depreciations/amortisations	304	316	1,066
Interest paid and received	2,460	–16	2,893
Income tax paid	–	–	–
Other adjustments	2,101	–7,777	–46,517
Cash flow from operating activities before changes in working capital	**–39,391**	**–26,348**	**–145,783**
Changes in working capital			
Decrease/Increase of current receivables	–2,447	6,277	12,172
Decrease/Increase of current liabilities	18,692	1,643	4,169
Cash flow from changes in working capital	**16,245**	**7,920**	**16,341**
Cash flow from operating activities	**–23,146**	**–18,428**	**–129,442**
Investing activities			
Investments in tangible assets	–	–	–
Cash flow from investing activities	**–**	**–**	**–**
Financing activities			
Amortisation of lease liabilities	–314	–284	–818
Issues of shares, net after transaction costs	–	–	–
Cash flow from financing activities	**–314**	**–284**	**–818**
Cash flow for the period	**–23,460**	**–18,712**	**–130,260**
Decrease/increase of cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	344,931	428,449	428,449
Currency translation difference in cash and cash equivalents	–2,022	7,777	46,742
Cash and cash equivalents at the end of the period	**319,449**	**417,513**	**344,931**

Statement of comprehensive income for the parent company

SEKk	Jan 1-Mar 31, 2023	Jan 1-Mar 31, 2022	Full year 2022
Revenues			
Net sales	2,620	2,817	10,735
Total revenues	**2,620**	**2,817**	**10,735**
Operating expenses			
Other external expenses	–2,954	–2,879	–12,367
Personnel costs	–1,108	–1,459	–4,209
Depreciations/amortisations of tangible fixed assets and right-of-use assets	–45	–48	–184
Total expenses	**–4,107**	**–4,386**	**–16,760**
Operating loss	**–1,487**	**–1,569**	**–6,025**
Net financial items			
Write-down of financial assets	–72	–20	–108
Financial costs	–	–	–
Financial income	3	–	27
Total net financial items	**–69**	**–20**	**81**
Profit or loss before tax	**–1,556**	**–1,589**	**–6,106**
Taxes for the period	–	–	–
PROFIT OR LOSS FOR THE PERIOD	**–1,556**	**–1,589**	**–6,106**

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, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	409	591	454
Total tangible fixed assets	**409**	**591**	**454**
Financial assets			
Shares in subsidiary	247,030	247,030	247,030
Total financial assets	**247,030**	**247,030**	**247,030**
Total fixed assets	**247,439**	**247,621**	**247,484**
Current assets			
Current receivables			
Intercompany receivables	255,810	212,441	247,536
Other receivables	586	1,437	1,335
Prepaid expenses and accrued income	914	711	457
Total current receivables	**257,310**	**214,589**	**249,328**
Cash and cash equivalents	33,222	82,589	42,490
Total current assets	**290,532**	**297,178**	**291,818**
TOTAL ASSETS	**537,971**	**544,799**	**539,302**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	10,654	10,654	10,654
Total restricted equity	**10,654**	**10,654**	**10,654**
Non-restricted equity			
Share premium reserve	1,109,495	1,109,176	1,109,401
Retained earnings	–582,666	–576,561	–576,560
Profit or loss for the period	–1,556	–1,589	–6,106
Total non-restricted equity	**525,273**	**531,026**	**526,734**
Total equity	**535,927**	**541,680**	**537,389**
Provisions			
Other provisions	1	50	7
Total provisions	**1**	**50**	**7**
Liabilities			
Current liabilities			
Accounts payable	645	768	861
Other liabilities	667	579	415
Accrued expenses and deferred income	731	1,722	630
Total current liabilities	**2,043**	**3,069**	**1,906**
TOTAL EQUITY AND LIABILITIES	**537,971**	**544,799**	**539,302**

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, 2022	**10,654**	**1,109,148**	**–369,014**	**–207,546**	**543,241**
Disposition of last year's result	–	–	–207,546	207,546	–
Net results and total comprehensive income for the year	–	–	–	–1,589	–1,589
Total comprehensive income for the year	**–**	**–**	**–**	**–1,589**	**–1,589**
Transactions with shareholders of the parent company:					
Value of the employees' employment	–	28	–	–	28
Total transactions with shareholders of the parent company	**–**	**28**	**–**	**–**	**28**
Closing balance, March 31, 2022	**10,654**	**1,109,176**	**–576,561**	**–1,589**	**541,680**
Opening balance, January 1, 2022	**10,654**	**1,109,148**	**–369,014**	**–207,546**	**543,241**
Disposition of last year's result	–	–	–207,546	207,546	–
Net results and total comprehensive income for the year	–	–	–	–6,106	–6,106
Total comprehensive income for the year	**–**	**–**	**–**	**–6,106**	**–6,106**
Transactions with shareholders of the parent company:					
Value of the employees' employment	–	253	–	–	253
Total transactions with shareholders of the parent company	**–**	**253**	**–**	**–**	**253**
Closing balance, December 31, 2022	**10,654**	**1,109,401**	**–576,560**	**–6,106**	**537,389**
Opening balance, January 1, 2023	**10,654**	**1,109,401**	**–576,560**	**–6,106**	**537,389**
Disposition of last year's result	–	–	–6,106	6,106	–
Net results and total comprehensive income for the year	–	–	–	–1,556	–1,556
Total comprehensive income for the year	**–**	**–**	**–**	**–1,556**	**–1,556**
Transactions with shareholders of the parent company:					
Value of the employees' employment	–	94	–	–	94
Total transactions with shareholders of the parent company	**–**	**94**	**–**	**–**	**94**
Closing balance, March 31, 2023	**10,654**	**1,109,495**	**–582,666**	**–1,556**	**535,927**

Statement of cash flow for the parent company

SEKk	Jan 1-Mar 31, 2023	Jan 1-Mar 31, 2022	Full year 2022
Operating activities			
Profit or loss before tax	–1,556	–1,589	–6,106
Adjustments for non-cash items:			
Write downs	72	20	108
Income tax paid	–	–	–
Depreciations/amortisations	45	48	185
Other adjustments	88	6	190
Cash flow from operating activities before changes in working capital	**–1,351**	**–1,515**	**–5,623**
Changes in working capital			
Changes in current receivables	–7,982	–16,021	–50,760
Changes in current liabilities	137	352	–812
Cash flow from changes in working capital	**–7,845**	**–15,669**	**–51,572**
Cash flow from operating activities	**–9,196**	**–17,184**	**–57,195**
Investing activities			
Shareholder's contribution	–72	–20	–108
Investment of leases	–	–	–
Cash flow from investing activities	**–72**	**–20**	**–108**
Financing activities			
Issues of shares, net after transaction costs	–	–	–
Cash flow from financing activities	**–**	**–**	**–**
Cash flow for the period	**–9,268**	**–17,204**	**–57,303**
Decrease/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	42,490	99,793	99,793
Cash and cash equivalents at the end of the period	**33,222**	**82,589**	**42,490**

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 2022.

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 2022. 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 2022, 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 OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

SEKk	Jan-Mar 2023
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	–
Other operating income	**–**
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	–2,022
Other operating expenses	**–2,022**

SEKk	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Full year 2022
Grants from Vinnova	62	552	184	348	1,146
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	7,777	31,251	26,607	–	65,635
Other operating income	**7,839**	**31,803**	**26,791**	**348**	**66,781**
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	–	–	–	–18,894	–18,894
Other operating expenses	**–**	**–**	**–**	**–18,894**	**–18,894**

* Revaluation of cash and cash equivalents at closing-day rate has been reported net in the accumulated period.

NOTE 6 RELATED PARTY TRANSACTIONS

No related party transactions have occured from a group perspective.

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

NOTE 7 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 2022 or 2023 as a conversion to ordinary shares decreases loss per share.

SEK million	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Net result attributable to the equity shareholders of the parent company	–41.8	–18.9	–100.3
Total:	**–41.8**	**–18.9**	**–100.3**
Weighted average number of shares (thousands)	**532,688**	**532,688**	**532,688**
Earnings per share, SEK	**–0.08**	**–0.04**	**–0.19**