

InDex Pharmaceuticals Holding AB (publ)

InDex
Pharmaceuticals

Year-end report 2020

Financing secured for phase III development of cobitolimod

PERIOD OCTOBER-DECEMBER 2020

- Net sales amounted to SEK 0.0 (0.0) million
- Operating loss amounted to SEK –10.1 (–25.6) million
- Result after tax amounted to SEK –10.1 (–25.6) million, corresponding to SEK –0.04 per share (–0.11) before and after dilution
- Cash flow from operating activities amounted to SEK –8.1 (–34.2) million

SIGNIFICANT EVENTS DURING OCTOBER-DECEMBER 2020

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

OTHER EVENTS

- The Lancet Gastroenterology & Hepatology published the results of InDex's phase IIb study CONDUCT with cobitolimod and a positive independent expert commentary
- InDex hosted a virtual R&D day for investors, analysts and media

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

PERIOD JANUARY-DECEMBER 2020

- Revenues amounted to SEK 0.0 (0.1) million
- Operating result amounted to SEK –57.3 (–87.7) million
- Result after tax amounted to SEK –57.4 (–87.8) million, corresponding to SEK –0.24 per share (–0.45) before and after dilution
- Cash flow from operating activities amounted to SEK –70.7 (–85.1) million
- Cash and cash equivalents at the end of the period amounted to SEK 53.8 (126.8) million
- Number of employees at the end of the period was 7 (7)
- Number of shares at the end of the period was 88 781 275

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- An extraordinary general meeting was held in InDex on January 12, 2021
- The Board of Directors of InDex resolved on a fully guaranteed rights issue of approximately SEK 533 million
- InDex published a prospectus in connection with the fully guaranteed rights issue
- InDex's rights issue was oversubscribed and the company received approximately SEK 488 million net

“With the equity financing secured until the next pivotal read-out of clinical data, it feels very inspiring to now advance cobitolimod into phase III, which is the final stage of development before application for market approval”, says Peter Zerhouni, CEO of InDex Pharmaceuticals.

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InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The company's lead asset is the drug candidate cobitolimod, which is in late stage clinical development for the treatment of moderate to severe ulcerative colitis – a debilitating, chronic inflammation of the large intestine. InDex has also developed a platform of patent protected discovery stage substances, so called DNA based Immuno-Modulatory Sequences (DIMS), with the potential to be used in 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



To finance phase III development of cobitolimod we have just 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. I would like to thank existing and new shareholders for the strong support in the rights issue, and extend a special welcome to HBM Healthcare Investments and Handelsbanken Funds as new large owners. These are two internationally recognized and successful life sciences specialists that have chosen to invest significant amounts, SEK 63.5 million and SEK 30 million respectively, 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 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 plan to start the study in the second quarter of 2021, subject to the Covid-19 pandemic, and we estimate that it will take 18 to 24 months to complete from initiation. Next step in our preparations is to finalize the agreement with the leading global contract research organisation that we have selected to conduct the study. The clinical study must then be approved by the authorities of each participating country.

It will be a global study with approximately 400 patients at a few hundred clinics. The primary endpoint, clinical remission, is to 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.

For those who want to know more about the phase III design, cobitolimod and ulcerative colitis, I highly recommend the webcast from the virtual R&D day which can be found on our website. The ulcerative colitis patient Jonas Eriksson gave a first-hand account of the problem that many patients do not respond to or experience severe side effects from current treatments. Two key opinion leaders within inflammatory bowel disease and Apex Healthcare Consulting, who has conducted market research on cobitolimod, also participated, as well as InDex's management.

InDex has a well-developed network of key opinion leaders and we established a North American advisory board in 2020. Recently, we have also formalized a European equivalent where several of the members have collaborated with InDex for a long time, and we have managed to attract a couple of new experts to the group as well.

Thanks to its outstanding combination of efficacy and safety, as well as the novel and unique mechanism of action, cobitolimod is positioned to be an essential part of the future treatment of ulcerative colitis and thereby improve the quality of life for patients suffering from the disease.

With the equity financing secured until the next pivotal read-out of clinical data, it feels very inspiring to now advance cobitolimod into phase III, which is the final stage of development before application for market approval.

Peter Zerhouni, CEO

Business overview

InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The company's lead asset is the drug candidate cobitolimod, which is in late stage clinical development for the treatment of moderate to severe ulcerative colitis – a debilitating, chronic inflammation of the large intestine.

In addition, InDex has a broad portfolio of other DNA based ImmunoModulatory Sequences (DIMS) in discovery stage, with the potential to be used in the treatment of various immunological diseases.

Ulcerative colitis is a chronic disease caused by inflammation of the large intestine. The symptoms are characterised by blood- and mucus-mixed diarrhea, frequent stools, pain, fever, weight loss and anemia. Despite the currently available drugs on the market, many patients with ulcerative colitis still suffer from severe symptoms, 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.

InDex's clinical studies have shown that cobitolimod has a competitive efficacy and a more favorable safety profile than what has been reported for the currently approved biological drugs. Sales of biologics for treatment of ulcerative colitis amount to more than USD 5 billion a year.

Cobitolimod has a new type of mechanism of action. It is a so-called Toll-like receptor 9 (TLR9) agonist that can provide an anti-inflammatory effect locally in the large intestine, which may induce mucosal healing and relief of the clinical symptoms in ulcerative colitis.

In 2019 InDex reported positive top line results from the phase IIb study CONDUCT with cobitolimod. CONDUCT was a dose optimisation study with the objective to identify the most efficacious dose to move forward in development. The study met the primary endpoint clinical remission with a superior efficacy of 15 percent (delta) for patients treated with the highest dose of cobitolimod compared to placebo. Cobitolimod was well tolerated at all dose levels and no differences in the safety profile were observed compared to placebo. CONDUCT was a randomised, double blind, placebo-controlled study including 213 patients with left-sided moderate to severe active ulcerative colitis at 91 sites in 12 countries. The patients were divided into four treatment arms who received different doses of cobitolimod and one arm who received a placebo.

InDex has already in previous clinical trials shown that cobitolimod has an excellent safety profile and has statistically significant effects on those endpoints that are most relevant in this disease, both from a regulatory and clinical perspective. These endpoints include the key clinical symptoms such as blood in stool, number of stools, and mucosal healing, respectively.

Given the outstanding combination of efficacy and safety, InDex is now advancing cobitolimod into phase III, which is the final stage of development before application for market approval.

Based on regulatory guidance, 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 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, which was the highest dose and the one that showed the best efficacy in the phase IIb study CONDUCT, 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.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- InDex announced on February 19, 2020 the conclusions from in-depth analysis of the complete data set from the phase IIb dose optimisation study CONDUCT. The analysis confirmed that the highest dose tested, which met the primary endpoint of the study, demonstrates an outstanding combination of efficacy and safety. The company also announced that the phase III preparations were continuing according to plan.
- InDex announced on April 16, 2020 that the company had received positive responses from FDA and EMA regarding phase III development of cobitolimod, for the treatment of moderate to severe ulcerative colitis. Both authorities endorse the advancement of cobitolimod into phase III studies. The regulatory feedback gives flexibility for different designs of the phase III program, for example, to conduct studies sequentially and potentially to include a higher dose in addition to the highest dose regimen tested in the phase IIb study (2x250 mg). InDex continued to evaluate the most advantageous study design based

FINANCIAL SUMMARY

SEK million	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Revenues	0.0	0.0	0.0	0.1
Operating result	-10.1	-25.6	-57.3	-87.7
Result after tax	-10.1	-25.6	-57.4	-87.8
Earnings per share before and after dilution, SEK	-0.04	-0.11	-0.24	-0.45
Cash flow from operating activities	-8.1	-34.2	-70.7	-85.1
Cash and cash equivalents at the end of the period	53.8	126.8	53.8	126.8

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

on, among other things, development risk, commercial potential, time to market and cost.

- The annual general meeting in InDex Pharmaceuticals Holding AB was held on Monday April 20, 2020. Board members Wenche Rolfsen (also chairman), Uli Hacksell, Lennart Hansson and Stig Lökke Pedersen were re-elected, and Marlene Forsell and Yilmaz Mahshid were elected as new ordinary board members.
- InDex announced on November 25, 2020 the intention to carry out a fully guaranteed rights issue of approximately SEK 500 million with preferential rights for the company's existing shareholders. The Board of Directors proposed that an extraordinary general meeting to be held in January 2021 would authorize the Board of Directors to resolve on the rights issue and the terms thereof. The net proceeds from the contemplated rights issue are mainly intended to be used to fund the important initial induction study in a sequential phase III program in moderate to severe left-sided ulcerative colitis for the company's lead drug candidate, cobitolimod.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- On January 12, 2021 an extraordinary general meeting was held in InDex Pharmaceuticals Holding AB. The general meeting resolved, in accordance with the Board of Director's proposal, to amend the company's articles of association with respect to, inter alia, prerequisites for participation at general meetings, the limits for the share capital and number of shares. The general meeting also resolved, in accordance with the Board of Director's proposal, to authorise the Board of Directors, for the period up to the next annual general meeting, to increase the company's share capital through issuing new shares with preferential rights for the company's shareholders. Payment shall be made by cash or through payment in kind, by set-off or subject to other conditions. Issuance by virtue of the authorization can include no more than as many shares that can be issued without changing the, at the time of the issue, adopted articles of association. The purpose of the authorization was to enable a capital raise in the company as efficiently as possible to enable further development of the company's business.
- On January 14, 2021 the Board of Directors of InDex announced that they had, with the support of the authorisation from the extraordinary 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 The Fourth Swedish National Pension Fund. At full subscription in the rights issue the company will receive approximately SEK 533 million before deduction of costs related to the transaction. 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 subscription rights were received. The subscription rights entitled the holder to subscribe for new shares with preferential rights, whereby one subscription right gave the right to subscribe for one new share, i.e. a subscription ratio of 5:1.

- On January 21, 2021 InDex published a prospectus in connection with the fully guaranteed rights issue of approximately SEK 533 million. The prospectus has been approved and registered by the Swedish Financial Supervisory Authority and is available on the company's website. In connection with the rights issue the company's Board of Directors and executive management has entered into customary lock-up agreements, restricting disposals of shares or warrants for a period of 180 days from the settlement date of the rights issue.
- 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 will thus not be utilized. InDex receives, through the rights issue, approximately SEK 533 million before deduction of costs related to the transaction. The subscription ratio in the rights issue amounted to 152.6 percent. 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.

OTHER EVENTS

- InDex announced on February 25, 2020 the publication of scientific data on the mechanism of action of cobitolimod. The paper, published in the peer-reviewed *Journal of Crohns and Colitis*, shows that cobitolimod can modulate the immune system in ulcerative colitis by balancing the mucosal Th17/Treg cell response. The publication has also been highlighted in the journal's podcast.
- InDex announced on March 31, 2020 that SEK 2 million has been granted from Sweden's innovation agency Vinnova to develop new, more effective and safer treatments for inflammatory diseases. The grant from Vinnova will be used for a preclinical project to evaluate selected compounds from InDex's DIMS platform in inflammatory disease models outside the field of inflammatory bowel disease. This is a continuation of the project that InDex received a grant from Vinnova for in 2016. Positive signals were observed in the previous project, which will now be confirmed with alternative and complementary methods for selecting a DIMS compound for further development.
- InDex announced on August 24, 2020 that the successful results of the CONDUCT study will during the fall of 2020 be presented orally at two leading gastroenterology conferences; the United European Gastroenterology Week (UEGW) and the American College of Gastroenterology (ACG) Annual Scientific Meeting. UEGW is the largest scientific meeting for gastroenterologists in Europe and ACG Annual Scientific Meeting is the premier clinical conference for gastroenterologists in the US.
- InDex announced on October 6, 2020 that the high-impact medical journal *The Lancet Gastroenterology & Hepatology* had published the results of InDex's phase IIb study

CONDUCT with cobitolimod. CONDUCT was a phase IIb dose optimisation study, evaluating the first-in-class TLR9 agonist cobitolimod for the treatment of moderate to severe ulcerative colitis. The study met the primary endpoint and cobitolimod demonstrated an outstanding combination of efficacy and safety. The medicinal journal also published an independent expert commentary that provides strong support for cobitolimod's potential.

- On December 8, 2020 InDex hosted a virtual R&D day for investors, analysts and media. The purpose of the R&D day was to provide an overview of ulcerative colitis and the drug candidate cobitolimod from a scientific and market perspective.

FINANCIAL SUMMARY FOR THE REPORTING PERIOD

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

Group

Net sales for the period January to December 2020 amounted to SEK 0.0 (0.1) million. The net sales are 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 0.4 (0.0) million refers to grant received from Vinnova.

Operating expenses for the period amounted to SEK 57.8 (87.8) million. The decrease is attributable to lower costs for phase III preparations compared to the costs for the phase IIb study CONDUCT during the corresponding period previous year.

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

Costs for the personnel during the reporting period amounted to SEK 9.6 (12.8) million.

Cash and cash equivalents as of December 31, 2020 amounted to SEK 53.8 million, which is SEK 73.0 million lower than as of December 31, 2019.

Parent company

The net sales amounted to SEK 11.3 (11.0) million during the period January to December 2020 and consisted of invoicing of group wide expenses to the other companies within the group.

The operating expenses amounted to SEK 17.3 (17.0) million and consisted of personnel expenses and other operating expenses relating to the administration of InDex.

FINANCIAL SUMMARY AFTER THE REPORTING PERIOD

The covid-19 pandemic affects the healthcare systems and the investor sentiment globally and must be taken into account in the company's strategic planning. The Board of Directors, however, assess that there is no impact on the company's financial position as of December 31, 2020 due to events after the reporting period.

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 after the end of the reporting period approximately SEK 488 million after deduction of the transaction related costs for financial and legal services and for costs for registration and practical management.

EXPECTED FUTURE DEVELOPMENT

The Board of Directors 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 of Directors.

It is the assessment of the Board of Directors that InDex has enough capital to finance all financial commitments InDex has for the coming 12-month period.

InDex provides no financial forecast or similar forward-looking statement.

EMPLOYEES

The number of employees at the end of the period was 7 (7).

THE SHARE

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

LARGEST SHAREHOLDERS PER DECEMBER 31, 2020

	Number of shares	Percentage of capital and votes, %
SEB Venture Capital	12,994,367	14.6
Stiftelsen Industrifonden	12,865,296	14.5
Linc AB	8,875,650	10.0
Fjärde AP-fonden	6,635,679	7.5
Avanza Pension	3,240,008	3.7
Staffan Rasjö	3,124,718	3.5
SEB Life International	2,321,225	2.6
SEB Stiftelsen	1,785,714	2.0
Nordnet Pensionsförsäkring	1,490,317	1.7
Originat AB	1,200,000	1.4
Rune Pettersson, dödsbo	980,081	1.1
Ponderus Invest AB	950,000	1.1
Tomas Timander	741,457	0.8
Ålandsbanken	604,915	0.7
Hans Haraldsson	596,558	0.7
Other	30,357,290	34.1
Total	88,781,275	100.0

Note: 443,906,375 new shares have been issued after the reporting period.

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 of Directors allocated in July 2020 958,333 warrants to employees and other key persons that were purchased for SEK 0.2522 per warrant. A total of 13 employees and other key persons were offered to subscribe for warrants and 12 of these individuals subscribed for their full allotment.

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 will be terminated after the completed rights issue.

**DIVIDEND PROPOSAL FROM THE BOARD AND
DIVIDEND POLICY**

The Board will not propose a dividend for 2020. The Board has no intention to propose a dividend until InDex can forecast long term profit and sustainable positive cash flow.

REVIEW BY THE AUDITOR

This interim report has not been reviewed by the company's auditor.

FINANCIAL CALENDER

Annual report	April 23, 2021
Interim report Q1	May 5, 2021
Annual general meeting	June 3, 2021
Interim report Q2	August 25, 2021
Interim report Q3	November 24, 2021

ANNUAL REPORT

The annual report for 2020 is expected to be available at InDex's premises from April 23, 2021. The annual report will also be available at InDex's homepage (www.indexpharma.com) from this date.

Stockholm, February 25, 2021
Peter Zerhouni, CEO

FOR MORE INFORMATION, PLEASE CONTACT:

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The information in this interim report was submitted for publication, through the agency of the contact person above, on February 25, 2021 at 08.00 (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	Oct 1-Dec 31, 2020	Oct 1-Dec 31, 2019	Full year 2020	Full year 2019
Revenues				
Net sales	5	9	35	88
Other operating income	72	–	380	–
Total revenues	77	9	415	88
Operating expenses				
Raw material and consumables	–1,084	–492	–16,021	–3,903
Other external expenses	–6,096	–18,774	–30,990	–70,189
Personnel costs	–2,672	–6,128	–9,561	–12,769
Depreciations/amortisations of tangible fixed assets and right-of-use assets	–302	–235	–1,192	–939
Total expenses	–10,154	–25,629	–57,764	–87,800
Operating loss	–10,077	–25,620	–57,349	–87,712
Result from financial investments				
Financial income	46	–	46	–
Financial expenses	–55	–15	–115	–61
Financial items – net	–9	–15	–69	–61
Earnings before tax	–10,086	–25,635	–57,418	–87,773
Taxes for the period	–	–	–	–
LOSS FOR THE PERIOD	–10,086	–25,635	–57,418	–87,773

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

SEK	Note	Oct 1-Dec 31, 2020	Oct 1-Dec 31, 2019	Full year 2020	Full year 2019
Earnings per share before and after dilution *	6	–0.04	–0.11	–0.24	–0.45

* 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	Dec 31, 2020	Dec 31, 2019
ASSETS		
Fixed assets		
<i>Tangible fixed assets</i>		
Equipment, tools and installations	818	11
Total tangible fixed assets	818	11
Right-of-use assets	2,593	464
<i>Financial assets</i>		
Other financial assets	1	1
Total financial assets	1	1
Total fixed assets	3,412	476
Current assets		
<i>Current receivables</i>		
Accounts receivable	–	4
Other current receivables	907	1,343
Prepaid expenses and accrued income	3,031	474
Cash and cash equivalents	53,834	126,790
Total current receivables	57,772	128,611
Total current assets	57,772	128,611
TOTAL ASSETS	61,184	129,087
EQUITY AND LIABILITIES		
Equity		
Share capital	1,776	1,776
Additional paid-in capital	384,557	384,314
Retained earnings (including profit/loss for the period)	–337,005	–279,587
Total equity attributable to the shareholders of the parent company	49,328	106,503
Liabilities		
<i>Non-current liabilities</i>		
Non-current lease liabilities	1,578	–
Total non-current liabilities	1,578	–
<i>Current liabilities</i>		
Current lease liabilities	763	484
Account payables	3,023	3,153
Other current liabilities	852	1,138
Accrued expenses and deferred income	5,640	17,809
Total current liabilities	10,278	22,584
Total liabilities	11,856	22,584
TOTAL EQUITY AND LIABILITIES	61,184	129,087

Condensed consolidated statement of changes in equity

SEKK	Equity attributable to the equity holders of the parent company			
	Share capital	Additional paid in capital	Retained earnings, including loss for the period	Total equity
Opening balance, January 1, 2019	1,376	254,930	-191,814	64,492
Profit/loss for the period equal to total comprehensive income	-	-	-87,773	-87,773
Total comprehensive income for the year	-	-	-87,773	-87,773
Transactions with shareholders of the parent company:				
Issue of shares	400	139,260	-	139,660
Transaction costs	-	-9,876	-	-9,876
Total transactions with shareholders of the parent company	400	129,384	-	129,784
Closing balance, December 31, 2019	1,776	384,314	-279,587	106,503
Opening balance, January 1, 2020	1,776	384,314	-279,587	106,503
Profit/loss for the period equal to total comprehensive income	-	-	-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

Condensed consolidated cash flow

SEKK	Oct 1-Dec 31, 2020	Oct 1-Dec 31, 2019	Full year 2020	Full year 2019
Operating activities				
Operating result	-10,077	-25,620	-57,349	-87,712
<i>Adjustments for non-cash items:</i>				
Depreciations/amortisations	302	235	1,192	939
Interest paid and received	-9	-15	-70	-61
Income tax paid	-	-	-	-
Cash flow from operating activities before changes in working capital	-9,784	-25,400	-56,227	-86,834
Changes in working capital				
Decrease/Increase of current receivables	-1,965	-484	-2,117	151
Decrease/Increase of current liabilities	3,620	-8,315	-12,306	1,602
Cash flow from changes in working capital	1,655	-8,799	-14,423	1,753
Cash flow from operating activities	-8,129	-34,199	-70,650	-85,081
Investing activities				
Investments in tangible assets	-20	-	-909	-
Cash flow from investing activities	-20	-	-909	-
Financing activities				
Amortisation of lease liabilities	-269	-237	-1,639	-947
Issues of shares, net after transaction costs	-	43,641	-	129,784
Issue of warrants	-	-	242	-
Cash flow from financing activities	-269	43,404	-1,397	128,837
Cash flow for the period	-8,418	9,205	-72,956	43,756
Decrease/increase of cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	62,252	117,585	126,790	83,034
Currency translation difference in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the end of the period	53,834	126,790	53,834	126,790

Statement of comprehensive income for the parent company

SEKK	Oct 1-Dec 31, 2020	Oct 1-Dec 31, 2019	Full year 2020	Full year 2019
Revenues				
Net sales	2,651	4,522	11,265	10,997
Total revenues	2,651	4,522	11,265	10,997
Operating expenses				
Other external expenses	-2,828	-2,843	-11,486	-9,108
Personnel costs	-1,557	-4,149	-5,754	-7,852
Depreciations/amortisations of tangible fixed assets and right-of-use assets	-32	-	-91	-
Total expenses	-4,417	-6,992	-17,330	-16,960
Operating loss	-1,766	-2,470	-6,065	-5,963
Net financial items				
Write-down of financial assets	-	-60,000	-50,000	-90,000
Financial costs	46	-	46	-
Financial income	-	-8	-6	-21
Total net financial items	46	-60,008	-49,960	-90,021
Profit or loss before tax	-1,720	-62,478	-56,025	-95,984
Taxes for the period	-	-	-	-
PROFIT OR LOSS FOR THE PERIOD	-1,720	-62,478	-56,025	-95,984

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

Balance sheet for the parent company

SEKK	Dec 31, 2020	Dec 31, 2019
ASSETS		
Fixed assets		
<i>Tangible fixed assets</i>		
Equipment, tools and installations	818	–
Total tangible fixed assets	818	–
<i>Financial assets</i>		
Shares in subsidiary	247,030	247,030
Total financial assets	247,030	247,030
Total fixed assets	247,848	247,030
Current assets		
<i>Current receivables</i>		
Intercompany receivables	779	563
Other receivables	219	58
Prepaid expenses and accrued income	1,247	366
Total current receivables	2,245	987
Cash and cash equivalents	45,491	124,965
Total current assets	47,736	125,952
TOTAL ASSETS	295,584	372,982
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	1,776	1,776
Total restricted equity	1,776	1,776
<i>Non-restricted equity</i>		
Share premium reserve	630,274	630,031
Retained earnings	–312,989	–217,005
Profit or loss for the period	–56,025	–95,984
Total non-restricted equity	261,260	317,042
Total equity	263,036	318,818
Liabilities		
<i>Current liabilities</i>		
Accounts payable	1,114	243
Intercompany liabilities	28,800	47,262
Other liabilities	323	1,222
Accrued expenses and deferred income	2,311	5,437
Total current liabilities	32,548	54,164
TOTAL EQUITY AND LIABILITIES	295,584	372,982

Statement of change in equity parent company

SEKK	Restricted equity		Non-restricted equity		Total equity
	Share capital	Share premium	Retained earnings	Net result	
Opening balance, January 1, 2019	1,376	500,647	-171,635	-45,370	285,018
Disposition of last year's result	-	-	-45,370	45,370	-
Net results and total comprehensive income for the year	-	-	-	-95,984	-95,984
Total comprehensive income for the year	-	-	-	-95,984	-95,984
Transactions with shareholders of the parent company:					
Issue of shares	400	139,260	-	-	139,660
Transaction costs	-	-9,876	-	-	-9,876
Total transactions with shareholders of the parent company	400	129,384	-	-	129,784
Closing balance, December 31, 2019	1,776	630,031	-217,005	-95,984	318,818
Opening balance, January 1, 2020	1,776	630,031	-217,005	-95,984	318,818
Disposition of last year's result	-	-	-95,984	95,984	-
Net results and total comprehensive income for the year	-	-	-	-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

Statement of cash flows for the parent company

SEKK	Oct 1-Dec 31, 2020	Oct 1-Dec 31, 2019	Full year 2020	Full year 2019
Operating activities				
Profit or loss before tax	-1,720	-62,478	-56,025	-95,984
<i>Adjustments for non-cash items:</i>				
Write downs	-	60,000	50,000	90,000
Income tax paid	-	-	-	-
Depreciations/amortisations	32	-	91	-
Cash flow from operating activities before changes in working capital	-1,688	-2,478	-5,934	-5,984
Changes in working capital				
Changes in current receivables	-435	77	-1,258	-268
Changes in current liabilities	-7,431	27,764	-21,616	9,045
Cash flow from changes in working capital	-7,866	27,841	-22,874	8,777
Cash flow from operating activities	-9,554	25,363	-28,808	2,793
Investing activities				
Shareholder's contribution	-	-60,000	-50,000	-90,000
Investment of leases	-20	-	-909	-
Cash flow from investing activities	-20	-60,000	-50,909	-90,000
Financing activities				
Issues of shares, net after transaction costs	-	43,641	-	129,784
Issue of warrants	-	-	243	-
Cash flow from financing activities	-	43,641	243	129,784
Cash flow for the period	-9,574	9,004	-79,474	42,577
Decrease/increase in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	55,065	115,961	124,965	82,388
Cash and cash equivalents at the end of the period	45,491	124,965	45,491	124,965

Development of parent company's share capital

SEK Date	Transaction	Change in share capital	Total share capital	Number of new shares	Total number of shares	Paid in amount
Jun 27, 2016	Inception of the company	500,000	500,000	500,000	500,000	500,000
Sep 7, 2016	Split of shares	–	500,000	45,500,000	50,000,000	–
Sep 7, 2016	Share issue in-kind	601,345	1,101,345	60,134,466	110,134,466	–
Sep 7, 2016	Reduction of number of shares	–500,000	601,345	–50,000,000	60,134,466	–
Sep 7, 2016	Share issue	–	601,345	2	60,134,468	–
Sep 8, 2016	Reversed split of shares	–	601,345	–30,067,234	30,067,234	–
Oct 6, 2016	Share issue for pref. shares	52,685	654,030	2,634,279	32,701,513	52,685
Oct 6, 2016	Share issue	560,479	1,214,509	28,023,969	60,725,482	235,401,340
Oct 12, 2016	Share issue	14,305	1,228,814	715,250	61,440,732	6,008,100
Oct 25, 2016	Share issue	17,969	1,246,783	898,421	62,339,153	7,546,736
Nov 14, 2016	Share issue	1,895	1,248,678	94,725	62,433,878	795,690
Dec 29, 2016	Share issue in-kind	1,300	1,249,978	65,015	62,498,893	–
Jan 13, 2017	Share issue	591	1,250,569	29,540	62,528,433	248,136
Oct 23, 2018	Share issue	125,057	1,375,626	6,252,842	68,781,275	37,642,109
Sep 23, 2019	Share issue	275,125	1,650,751	13,756,255	82,537,530	96,018,660
Oct 10, 2019	Share issue	124,874	1,775,625	6,243,745	88,781,275	43,581,340
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 (SEK). Figures in parentheses refer to the comparative period.

NOTE 2 ACCOUNTING POLICIES

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

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

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

NOTE 3 RISKS AND UNCERTAINTIES

OPERATIONAL RISK

There is no guarantee that InDex's research and development will result in commercial success. There is no guarantee that InDex will develop products that can be patented, that granted patents can be retained, that future inventions will lead to patents, or that granted patents will provide sufficient protection for InDex's products.

There is no guarantee that InDex will obtain the necessary approvals to conduct the clinical trials that InDex would like to conduct, or that the clinical trials conducted by InDex, independently or in collaboration with partners, will demonstrate sufficient safety and efficacy to obtain necessary regulatory approvals or that the trials will lead to pharmaceuticals that can be sold on the market. It cannot be excluded that the regulatory approval process will require increased documentation and thereby increased costs and delays in projects or lead to projects being shut down. Increased development costs and longer development time

may mean that the risks of a project increase and that the compound's potential to successfully reach the commercial stage decreases or that the time for patent protected sales is reduced.

FINANCIAL RISK MANAGEMENT

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

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

NOTE 4 IMPORTANT ESTIMATES AND JUDGEMENTS

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

(i) Accrued costs for clinical trials

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

(ii) Tax loss carry-forwards

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

(iii) Estimates and assessments linked to development costs.

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

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

NOTE 5 RELATED PARTY TRANSACTIONS

No related party transactions have occurred from a group perspective.

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

NOTE 6 EARNINGS PER SHARE

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

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

SEK million	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Net result attributable to the equity shareholders of the parent company	-10.1	-25.6	-57.4	-87.8
Total:	-10.1	-25.6	-57.4	-87.8
Weighted average number of shares (thousands)	236,750	234,900	236,750	197,001
Earnings per share, SEK*	-0.04	-0.11	-0.24	-0.45

* Adjusted for the completed rights issue in February 2021.