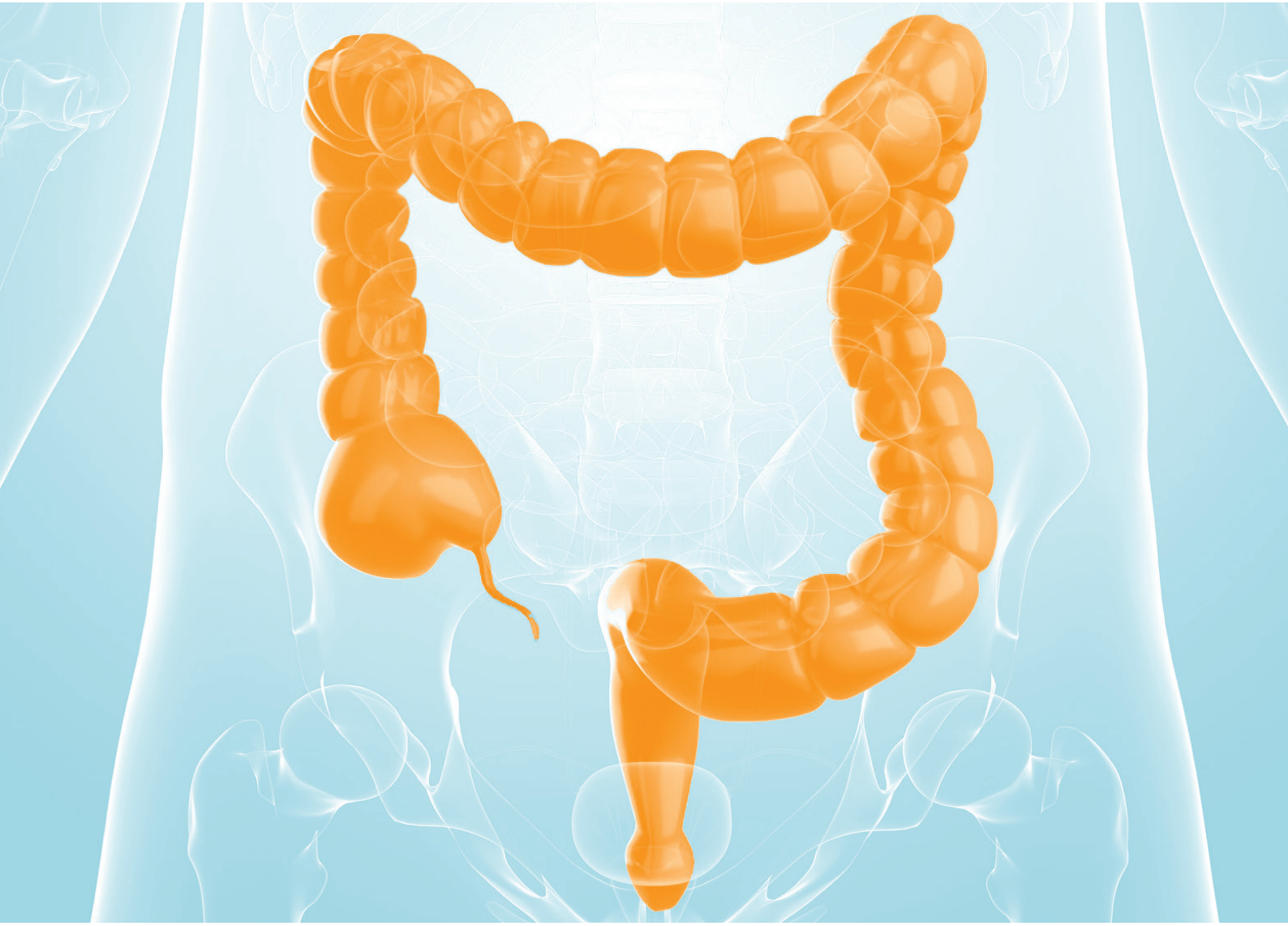
Invitation to subscribe for shares in InDex Pharmaceuticals Holding AB (publ)



The Prospectus is valid for up to 12 months from the date of approval, provided that InDex Pharmaceuticals Holding AB (publ), if applicable, fulfils the obligation to provide supplement to the Prospectus in accordance with the Prospectus Regulation (EU) 2017/1129. The obligation to publish a supplement to the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid, and InDex Pharmaceuticals Holding AB (publ) will only create a supplement to the Prospectus when required by the provisions of the Prospectus Regulation.

Please note that the subscription rights are expected to have an economic value

In order not to lose the value of the subscription rights, the holder must either:

- Exercise the received subscription rights and subscribe for new shares no later than 5 February 2021, or according to instructions from the respective nominee, or
- Sell the received subscription rights that are not intended to be exercised by 3 February 2021.

Note that shareholders with nominee-registered holdings subscribe for new shares through each nominee. The distribution of this EU Growth prospectus and the subscription of new shares are subject to restrictions in certain jurisdictions, see "Important information"

IMPORTANT INFORMATION

Certain Definitions

"**InDex**", the "**Company**" or the "**Group**" means in this EU Growth prospectus (the "**Prospectus**"), depending on the context, InDex Pharmaceuticals Holding AB (publ), corporate identity number 559067-6820, the group in which the Company is parent company or a subsidiary in the group. "**Barclays**" refers to Barclays Bank Ireland PLC, corporate identity number 396330 and "**Carnegie**" refers to Carnegie Investment Bank AB, corporate identity number 516406-0138. "**Euroclear**" refers to Euroclear Sweden AB, corporate identity number 556112-8074. Reference to "**SEK**" refers to Swedish kronor, reference to "**EUR**" refers to euros and reference to "**USD**" refers to US dollars. "**T**" means thousand and "**M**" means millions.

Preparation and registration of the Prospectus

The Prospectus has been prepared in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") and the Commission Delegated Regulation (EU) 2019/980. The Prospectus is an EU Growth prospectus and has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with Article 15 of the Prospectus Regulation. The Swedish Financial Supervisory Authority's approval and registration of the Prospectus does not mean that The Swedish Financial Supervisory Authority guarantees that the factual information in the Prospectus is complete or correct.

Important information to investors

The Prospectus and the offer according to the Prospectus (the "**Rights Issue**" or the "**Offer**") are governed by Swedish law. Disputes arising from the Prospectus, the Rights Issue and related legal matters shall be settled exclusively by the Swedish courts. The English version of this Prospectus is a translation. If there are any discrepancies between the Swedish version and the English translation, the Swedish version shall take precedence. The offer is not made, directly or indirectly, to persons whose participation would require that additional prospectuses are drawn up or registered or that any other action is taken in addition to what is required by Swedish law. The Prospectus may not be distributed in any country or any jurisdiction where the distribution or the Rights Issue would require such measures or would be in conflict with the applicable regulation of each such jurisdiction. Neither subscription rights in the Rights Issue (the "**Subscription Rights**"), paid-up subscribed shares ("**BTAs**") nor new shares subscribed for in the Rights Issue ("**Shares**") (and together "**Securities**") have been, or will be, registered under the United States Securities Act of 1933 as amended ("**Securities Act**") or any equivalent law of any state in the United States. Securities may not be offered or sold, directly or indirectly, in or into the United States or to persons residing there. Moreover, the Offer is not made to persons resident in Australia, Hong Kong, Japan, Canada, New Zealand or South Africa, or to persons whose participation would require additional prospectuses, registration or other measures than those imposed by Swedish law. Consequently, Subscription Rights, BTAs or newly issued/existing shares may not directly or indirectly, be offered, resold or delivered in or to countries where action as above is required or to persons domiciled as above.

An investment in securities is associated with certain risks and investors are encouraged to read the section "**Risk factors**" in particular. When investors make an investment decision, they must rely on their own assessment of the Company and the Offer, including the present facts and risks. Before making an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider the investment decision. Investors may only rely on the information in this Prospectus and any additions to this Prospectus. No person is authorised to provide any other information or make any statements other than those contained in this Prospectus. Should this nevertheless occur, such information or such statements shall not be deemed to have been approved by the Company or by Carnegie or Barclays and none of these is responsible for such information or such statements.

Market information and forward-looking statements

This Prospectus contains market information and industry forecasts from third parties, including information regarding the size of the markets in which the Group operates. Although the Company considers that these sources are reliable and the information has been reproduced properly in the Prospectus. The Company has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed. The Company has presented this information accurately, as far as the Company's board of directors is aware and can be deduced from information that has been published by a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Some of the information and statements in the Prospectus relating to the industry in which the Company's business is conducted are not based on published statistics or information from independent third parties, but rather reflect The Company's best estimates based on information obtained from industry and business organisations and other contacts. Although The Company is of the view that its internal analyses are reliable, these have not been verified by any independent source. Information in the Prospectus relating to future conditions, such as statements and assumptions regarding the Company's future development and market conditions, is based on current conditions at the time of publication of the Prospectus. Future-oriented information is always associated with uncertainty since it refers to and is dependent on circumstances beyond the Company's control. Assurance that assessments made in the Prospectus regarding future conditions will be realised is therefore not made, either explicitly or implicitly. The Company also does not undertake to publish updates or revisions of statements regarding future conditions as a result of new information that appear after the time of publication of the Prospectus, in addition to what follows from the Prospectus Regulation.

The Subscription Rights may have an economic value

In order not to lose the value of the Subscription Rights, the holder must either exercise the received Subscription Rights and subscribe for Shares no later than 5 February 2021, or no later than 3 February 2021 sell the received Subscription Rights that are not intended to be used for subscription of Shares. Please note that it is also possible to register for subscription of Shares without the support of Subscription Rights and that shareholders with nominee-registered holdings with a depository at a bank or other nominee must contact their bank or nominee for instructions on how to subscribe and pay.

Presentation of financial information

Certain financial and other information presented in the Prospectus has been rounded off to make the information easily accessible to the reader. Consequently, the figures in some columns do not correspond exactly to the stated total. This is the case when amounts are stated in thousands, millions or billions and appear, among other things, in the annual reports and interim reports that have been incorporated by reference. Except when expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

Table of contents

Documents incorporated by reference

GENERAL

Below mentioned pages in the following documents are incorporated by reference in the Prospectus. The parts of the documents that are not incorporated by reference in the Prospectus are either not relevant to investors or corresponding information is reproduced elsewhere in the Prospectus. The documents incorporated by reference are available on the Company's website, www.indexpharma.com/en/.

DOCUMENTS

The company's interim report for the period 1 January – 30 September 2020	**Page reference**
Condensed consolidated statement of total comprehensive income	8
Condensed consolidated balance sheet	9
Condensed consolidated statement of changes in equity	10
Condensed consolidated cash flow	11
Notes	17-18
Auditor's report	7

The company's annual report for the financial year 2019	**Page reference**
Consolidated statement of total comprehensive income	30
Consolidated balance sheet	31
Consolidated statement of changes in equity	32
Consolidated cash flow	33
Notes to the consolidated statements	34-55
Auditor's report	66-67

The company's annual report for the financial year 2018	**Page reference**
Consolidated income statement	30
Consolidated balance sheet	31
Consolidated statement of changes in equity	32
Consolidated cash flow	33
Notes	38-48
Auditor's report	50-51

Summary

INTRODUCTIONS AND WARNINGS

Instruments	The offer refers to new shares (the "**Shares**") in InDex Pharmaceuticals Holding AB (publ), reg. no. 559067-6820 (the "**Company**"), with ISIN code SE0008966295 (the "**Rights Issue**" or the "**Offering**"). The share's short name (ticker) is INDEX.
Identity and contact information for the issuer	InDex Pharmaceuticals Holding AB (publ) 559067-6820 LEI code: 54930047C4A74IBXR037 Berzelius väg 13, SE-171 65 Solna, Sweden +46 (0)8 122 038 50 www.indexpharma.com/en/
Competent authority	The Swedish Financial Supervisory Authority Box 7821, 103 97 Stockholm +46 (0)8 408 980 00 www.fi.se
Date for approval of the Prospectus	21 January 2021
Warnings	This summary should be read as an introduction to the EU Growth Prospectus. Any decision to invest in the securities should be based on a consideration of the EU Growth Prospectus as a whole by the investor. Investors could lose all or part of the invested capital. Where a claim relating to the information contained in an EU Growth prospectus is brought before a court, the plaintiff investor may, under the national law of the member states, have to bear the costs of translating the EU Growth prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the EU Growth prospectus, or where it does not provide, when read together with the other parts of the EU Growth prospectus, key information in order to aid investors when considering whether to invest in such securities.

KEY INFORMATION ON THE ISSUER

Information about InDex

The issuer's domicile, legal form and legislation

The Company is a Swedish public limited company and has its registered office in Stockholm. Its operations are conducted in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)). The CEO of the Company is Peter Zerhouni.

The issuer's principal activities

InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The Company's lead asset is the drug candidate cobitolimod, which InDex is now advancing into phase III, 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.

InDex major shareholders

As of 30 December 2020, the Company had around 3,550 shareholders. The table below shows shareholders with holdings of at least the equivalent of five (5) percent of the total number of shares and votes in the Company as of the same date based on information from Euroclear Sweden AB ("**Euroclear**") and subsequent known changes.

As of the date of publication of the Prospectus, as far as the Company is aware, there is no direct or indirect ownership that leads to control of the Company.

Name	Total number of shares and votes	Share 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%
The Fourth Swedish National Pension Fund	6,635,679	7.5%
Total	**41,370,992**	**46.6%**

Financial key information on Issuer

Financial key information for InDex regarding the financial years 2019 and 2018 as well as the financial periods 1 January – 30 September 2020 and 2019 is presented below. The information is based on the annual accounts as well as interim report of the Company.

The audited annual accounts and consolidated accounts for the financial year that ended on 31 December 2019 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union ("**EU**") and the interim report for the period 1 January – 30 September 2020, which has been reviewed by auditors, has been prepared in accordance with IAS 34 Interim financial reporting, as adopted by EU. The audited consolidated annual accounts for the financial year that ended on 31 December 2018 have been prepared in accordance the Swedish Annual Report Act (1995:1554) and the Swedish Financial Accounting Standard Council's recommendation (BFNAR) 2012 ("**K3**").

	1 January – 30 September		1 January – 31 December		
TSEK	2020	2019	2019	2018[1]	2018[2]
Total revenue	339	79	88	740	740
Operating loss	–47,269	–62,100	–87,712	–81,998	–82,365
Result for the period	–47,330	–62,138	–87,773	–82,148	–82,315
Cash and cash equivalents	62,252	117,585	126,790	83,034	83,034
Equity	59,415	88,500	106,503	64,492	59,906
Equity ratio, (%)	87	74	83	75	70
Cash flow from operating activities	–63,073	–50,885	–85,081	–78,567	–78,499
Cash flow from financing activities	–576	85,436	128,837	36,546	37,478
Cash flow for the period	–64,538	34,551	43,756	–42,021	–42,021
Weighted no of outstanding shares	88,781	69,138	73,875	63,692	63,692
Earnings per share (SEK) (before and after dilution)	–0.53	–0.90	–1.19	–1.29	–1.29

1 Unaudited financial information in accordance with IFRS and for the financial year 2018.

2 Prepared in accordance with the Swedish Annual Report Act (1995:1554) and the Swedish Financial Accounting Standard Council's recommendation (BFNAR) 2012 ("K3").

Specific key risks to InDex	• Cobitolimod is the Company's lead drug candidate. There is a risk that the planned phase III program for cobitolimod will not achieve a successful outcome resulting in the drug candidate not reaching the market, or that the program is delayed thus incurring additional costs for InDex. • The ongoing Covid-19 pandemic, may affect the accessibility of patients in order to conduct the phase III program, both as a result of hospitals being congested and as a result of restrictions imposed by authorities. • In order to carry out necessary clinical studies for InDex's drug candidates, such as cobitolimod, regulatory approval has to be granted. The Company must also obtain regulatory approvals in order to commercialise its drug candidates. The process for regulatory approval varies depending on the authority with which the process is initiated. There is a risk that regulatory approval will not be granted thus hindering or significantly delaying market approval of a drug. • Even if necessary approvals are obtained for cobitolimod, the economic outcome of cobitolimod is not guaranteed and is dependent on a number of factors such as clinical documentation and results, competing products, distribution channels, price and marketing efforts. • InDex's future sales are dependent on the competitive landscape. The market for pharmaceuticals is highly competitive and may thus impact InDex's market share as well as the price that InDex can charge for its products. • InDex's success is reliant on its ability to protect its current and future intellectual property, such as patents and know-how, from potential infringements or leaks. • Since InDex does not have any product on the market yet, the Company's business is dependent on funding by other means than revenue from sales. There is a risk that the Company will not be able to obtain funding when needed or on terms acceptable to the Company. • A large part of the Company's costs are denominated in foreign currencies. There is a risk that fluctuations in the exchange rates may impact the Company adversely.

KEY INFORMATION ON THE SECURITIES

Main features of the securities	**The shares** This Offer refers to new Shares in InDex Pharmaceuticals Holding AB (publ) with ISIN code SE0008966295. The share's short name (ticker) is INDEX. The Shares are denominated in Swedish kronor (SEK). As of the date of the Prospectus, the Company's share capital amounts to SEK 1,775,625.5 divided into 88,781,275 shares, implying a quota value (nominal value) per share of SEK 0.02. All shares are fully paid up. Through the Offer, a maximum of 443,906,375 new Shares may be added. **Rights attached to the securities** Shareholders are entitled to vote for their full number of shares and each share provide entitlement to one vote at the general meeting. All shares in the Company give an equal right to dividends, a share in the Company's profit and the Company's assets as well as any surplus in the event of liquidation. The new Shares carry the right to a dividend for the first time as of the record date for dividends that falls after the Shares have been registered with the Swedish Companies Registration Office (Sw. Bolagsverket) and entered in the share register kept by Euroclear. The Company's shares are issued in accordance with Swedish legislation and the shares' rights can only be changed by amending the articles of association in accordance with the Swedish Companies Act (2005:551). The Company has one share class and all shares have the same priority in the event of insolvency. There are no restrictions on the right to freely transfer shares in the Company. The board of directors has no intention to propose any dividend until InDex can forecast long term profit and sustainable positive cash flow.
Market for trading	The Company's shares are traded on the Nasdaq First North Growth Market. The Shares newly issued in the Rights Issue will also be admitted to trading on the Nasdaq First North Growth Market.

Key risks specific to the securities	• The market price of InDex's shares may fall below the subscription price in the Rights Issue. This would mean that any investment made in the Rights Issue would, at least in the short term, incur a loss for the investor. • Shareholders that cannot, or choose not to, participate in the Rights Issue will have a reduced share of InDex's share capital, and voting rights. • The Rights Issue is wholly covered by subscription commitments and guarantee commitments. These commitments are not secured by bank guarantee, blocked funds, pledges or similar arrangements. There is a risk that the Rights Issue is not fully subscribed and that the subscription undertakers and/or guarantee undertakers will not uphold their commitments. This would affect the subscription ratio of the Rights Issue as well as the need for additional funding for InDex. • There is a risk that trading in Subscription Rights and BTAs will be limited, the result of which is that the economic value of Subscription Rights and BTAs will decrease or that it will be difficult realize this value.

KEY INFORMATION ON THE OFFERING OF SECURITIES

Terms and timetable to invest in the securities

General terms

Those who on the record date are registered as shareholders in the share register, kept by Euroclear on behalf of the Company, have the preferential right to subscribe for new Shares in relation to the number of shares held on the record date.

For each existing share held on the record date, five (5) subscription rights are received (the "**Subscription Rights**"). The Subscription Rights entitle the holder to subscribe for new Shares with preferential rights, whereby one (1) Subscription Right gives the right to subscribe for one (1) new Share.

The subscription price is SEK 1.20 per share. Brokerage commission will not be charged.

Expected timetable

The record date at Euroclear for determining which shareholders are entitled to receive Subscription Rights is 21 January 2021. The last day for trading in the Company's shares, including the right to receive Subscription Rights, is 19 January 2021.

Subscription of new Shares with the support of Subscription Rights shall take place through simultaneous cash payment during the period from 22 January 2021 to 5 February 2021.

Subscription for new Shares can also be made without the support of Subscription Rights. Such subscription shall take place within the same time period that applies to subscription with the support of Subscription Rights, whereby payment shall be made in accordance with instructions received in connection with notification of allotment.

Trading in Subscription Rights will take place on the Nasdaq First North Growth Market during the period from 22 January 2021 to 3 February 2021. In order not to lose the value of the Subscription Rights, the holder must either use these to subscribe for new Shares within the subscription period or sell the Subscription Rights that are not to be exercised within the period for trading in Subscription Rights.

The board of directors reserves the right to extend the subscription period and the time for payment. Any extension will be announced by the Company through a press release no later than the last day of the subscription period.

Trading in paid-up subscribed shares (Sw. "**BTAs**") will take place on the Nasdaq First North Growth Market during the period from 22 January 2021 until the rights issue is registered with the Swedish Companies Registration Office.

Dilution as a result of the Offer

Upon full subscription, the Offer increases the number of shares in the Company from 88,781,275 shares to 532,687,650 shares, which corresponds to a dilution of approximately 83.3 percent of the total number of shares and votes in the Company calculated after the Rights Issue.

Costs as a result of the Offering

The Offering costs are estimated to be approximately MSEK 45.

Reasons for the Offering and use of issue proceeds

Motives and use of the issue proceeds

The Company's lead drug candidate, cobitolimod, is a first-in-class Toll-like receptor 9 (TLR9)[3] agonist that can provide an anti-inflammatory effect locally in the large intestine, which may induce mucosal healing and relief of the clinical symptoms in ulcerative colitis. Cobitolimod met the primary endpoint in the phase IIb study CONDUCT with an 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.

Upon full subscription, InDex will be provided approximately MSEK 533 before deduction of costs related to the issue. From the net proceeds of approximately MSEK 488, approximately 90 percent will be used to fund an initial induction study in a sequential phase III program for the Company's lead drug candidate, cobitolimod, including drug manufacturing. Approximately 10 percent of the net proceeds will be used for general corporate purposes and financial flexibility.

Guarantee and subscription commitments

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

Conflicts of interest

In connection with the Rights Issue, InDex has appointed Barclays Bank Ireland PLC ("**Barclays**") and Carnegie Investment Bank AB ("**Carnegie**") as Joint Global Coordinators and Joint Bookrunners. These advisers (as well as companies related to them) have provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company for which they have received, or may receive, compensation.

3 TLR9 is a member of the Toll-like receptor family and recognises DNA from bacteria and viruses.

Responsible persons, third party information and approval

RESPONSIBLE PERSONS

The board of directors of the Company is responsible for the content in this Prospectus. According to the board's knowledge, the information contained in the Prospectus corresponds to the facts and no information likely could to affect its import has been omitted. As of the date of the Prospectus, the Company's board of directors consists of the chairman of the board of directors Wenche Rolfsen and the board members Marlene Forsell, Uli Hacksell, Lennart Hansson, Yilmaz Mahshid and Stig Lökke Pedersen, who are presented in more detail in the section "Board of directors and executive management".

APPROVAL FROM COMPETENT AUTHORITY

The Prospectus has been approved by the Swedish Financial Supervisory Authority as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). The Swedish Financial Supervisory Authority approves the Prospectus only insofar that it meets the standards of completeness, comprehensibility and consistency set out in the Prospectus Regulation. The approval should not be taken as any form of endorsement of the Company referred to in this Prospectus or of the quality of the securities referred to in the Prospectus. Investors should make their own assessment on whether it is appropriate to invest in the securities offered in the Rights Issue. The Prospectus has been prepared as an EU Growth prospectus in accordance with Article 15 of the Prospectus Regulation.

INFORMATION FROM THIRD PARTY

The Prospectus contains information from third parties. The Company has reproduced third party information correctly and, as far as the Company's board of directors knows and can ascertain from information published by third parties, no facts have been omitted that would make the reproduced information incorrect or misleading.

SOURCES

- Article: Knowles SR, Graff LA, Wilding H, Hewitt C, Keefer L, Mikocka-Walus, A. Quality of Life in Inflammatory Bowel Disease: A Systematic Review and Meta-analyses-Part I. *Inflammatory Bowel Diseases*. Vol 24, no. 4, 2018: 742-751. doi: 10.1093/ibd/izy015
- Article: Kobayashi, T, Siegmund, B, Le Berre, C, Chen Wei, S, Ferrante, M, Shen, B, Bernstein, CN, Danese, S, Peyrin-Biroulet, L, Hibi, T. Ulcerative colitis. *Nature reviews disease primers*. Vol 6, no. 74, 2020. https://doi.org/10.1038/s41572-020-0205-x
- Article: Cohen RD, Yu AP, Wu EQ, Xie J, Mulani PM, Chao J. Systematic review: the costs of ulcerative colitis in Western countries. *Alimentary Pharmacology & Therapeutics*. Vol 31, no. 7, 2010: 693-707. doi: 10.1111/j.1365-2036.2010.04234.x
- Article: Constantin, J, Atanasov, P, Wirth, D, Borsi, A. Indirect costs associated with ulcerative colitis: a systematic literature review of real-world data. *BMC Gastroenterology*. Vol 19, no. 179, 2019. doi: 10.1186/s12876-019-1095-9.
- Report: The Crohn's & Colitis Foundation of America (CCFA). *The facts about Inflammatory Bowel Diseases*. 2014.
- Article: Danese S, Allez M, Bodegraven A, Dotan I, Gisbert J, Hart A, Lakatos P, Magro F, Peyrin-Biroulet L, Schreiber S, Tarabar D, Vavricka S, Halfvarson J, Vermeire S; Unmet Medical Needs in Ulcerative Colitis: An Expert Group Consensus, Dig Dis. 2019;37(4):266-283.
- Article: Altwegg R, Vincent, T. TNF Blocking Therapies and Immunomonitoring in Patients with Inflammatory Bowel Disease. *Mediators of Inflammation*. Vol 2014, 2014: Article ID 172821. https://doi.org/10.1155/2014/172821
- Article: Sandborn WJ, Su C, Sands BE, D'Haens GR, Vermeire S, Schreiber S, Danese S, Feagan BG, Reinisch W, Niezychowski W, Friedman G, Lawendy N, Yu D, Woodworth D, Mukherjee A, Zhang H, Healey P, Panés J; OCTAVE Induction 1, OCTAVE Induction 2, and OCTAVE Sustain Investigators. Tofacitinib as Induction and Maintenance Therapy for Ulcerative Colitis. *The New England Journal of Medicine*. Vol 19, no. 179, 2017. https://doi.org/10.1186/s12876-019-1095-9
- Article: Agrawal, M, Soo Kim, E, Colombel, JF. JAK Inhibitors Safety in Ulcerative Colitis: Practical Implications. *Journal of Crohn's and Colitis*. Vol 14, Issue Supplement 2, 2020: 755–760. https://doi.org/10.1093/ecco-jcc/jjaa017
- Article: Hay, M, Thomas, D, Craighead, J, Economides, C, Rosenthal, J. Clinical development success rates for investigational drugs. *Nature Biotechnology*. Vol 32, 2014: 40–51. https://doi.org/10.1038/nbt.2786
- Chapter: Taylor, D. The Pharmaceutical Industry and the Future of Drug Development. In *Pharmaceuticals in the Environment*. 2015: 1-33. doi: 10.1039/9781782622345-00001.
- Article: Atreya, R, Peyrin-Biroulet, L, Klymenko, A, Augustyn, M, Bakulin, I, Slankamenac, D, Miheller, P, Gasbarrini, A, Hébuterne, X, Arnesson, K, Knittel, T, Kowalski, J, Neurath, MF, Sandborn, WJ, Reinisch, W. Cobitolimod for moderate-to-severe, left-sided ulcerative colitis (CONDUCT): a phase 2b randomised, double-blind, placebo-controlled, dose-ranging induction trial. *The Lancet Gastroenterology & Hepatology*. Vol 5, no. 12, 2020: 1063-1075. https://doi.org/10.1016/S2468-1253(20)30301-0.
- Article: Holmer, A, Singh, S. Overall and comparative safety of biologic and immunosuppressive therapy in inflammatory bowel diseases. *Expert Review of Clinical Immunology*. Vol 15, no. 9, 2019: 969-979. https://doi.org/10.1080/1744666X.2019.1646127
- Article: Schmitt, H, Ulmschneider, J, Billmeier, U, Vieth, M, Scarozza, P, Sonnewald, S, Reid, S, Atreya, I, Rath, T, Zundler, S, Langheinrich, M, Schüttler, J, Hartmann, A, Winkler, T, Admyre, C, Knittel, T, Dieterich Johansson, C, Zargari, A, Neurath, MF, Atreya, R. The TLR9 Agonist Cobitolimod Induces IL10-Producing Wound Healing Macrophages and Regulatory T Cells in Ulcerative Colitis. *Journal of Crohn's and Colitis*. Vol 14, no. 4, 2020: 508–524. https://doi.org/10.1093/ecco-jcc/jjz170

- Article: Rutgeerts P, Sandborn WJ, Feagan BG, Reinisch W, Olson A, Johanns J, Travers S, Rachmilewitz D, Hanauer SB, Lichtenstein GR, de Villiers WJ, Present D, Sands BE, Colombel JF. Infliximab for induction and maintenance therapy for ulcerative colitis. *The New England Journal of Medicine*. Vol 23, no. 353, 2005: 2462-76. doi: 10.1056/NEJMoa050516
- Article: Sandborn WJ, van Assche G, Reinisch W, Colombel JF, D'Haens G, Wolf DC, Kron M, Tighe MB, Lazar A, Thakkar RB. Adalimumab induces and maintains clinical remission in patients with moderate-to-severe ulcerative colitis. *Gastroenterology*. Vol 2, no. 142, 2011: 257-65. doi: 10.1053/j.gastro.2011.10.032
- Article: Sandborn WJ, Feagan BG, Marano C, Zhang H, Strauss R, Johanns J, Adedokun OJ, Guzzo C, Colombel JF, Reinisch W, Gibson PR, Collins J, Järnerot G, Hibi T, Rutgeerts P; PURSUIT-SC Study Group. Subcutaneous golimumab induces clinical response and remission in patients with moderate-to-severe ulcerative colitis. *Gastroenterology*. Vol 1, no. 146, 2014: 85-95. doi: 10.1053/j.gastro.2013.05.048
- Article: Feagan BG, Rutgeerts P, Sands BE, Hanauer S, Colombel JF, Sandborn WJ, Van Assche G, Axler J, Kim HJ, Danese S, Fox I, Milch C, Sankoh S, Wyant T, Xu J, Parikh A; GEMINI 1 Study Group. Vedolizumab as induction and maintenance therapy for ulcerative colitis. *The New England Journal of Medicine*. Vol 8, no. 369, 2013: 699-710. doi: 10.1056/NEJMoa1215734
- Article: Sands BE, Sandborn WJ, Panaccione R, O'Brien CD, Zhang H, Johanns J, Adedokun OJ, Li K, Peyrin-Biroulet L, Van Assche G, Danese S, Targan S, Abreu MT, Hisamatsu T, Szapary P, Marano C; UNIFI Study Group. Ustekinumab as Induction and Maintenance Therapy for Ulcerative Colitis. *The New England Journal of Medicine*. Vol 13, no. 381, 2019: 1201-1214. doi: 10.1056/NEJMoa1900750
- Article: Atreya R, Bloom S, Scaldaferri F, Gerardi V, Admyre C, Karlsson Å, Knittel T, Kowalski J, Lukas M, Löfberg R, Nancey S, Petryka R, Rydzewska G, Schnabel R, Seidler U, Neurath MF, Hawkey C. Clinical Effects of a Topically Applied Toll-like Receptor 9 Agonist in Active Moderate-to-Severe Ulcerative Colitis. *Journal of Crohn's and Colitis*. Vol 11, no. 10, 2016: 1294-1302. doi: 10.1093/ecco-jcc/jjw103
- Article: Macaluso FS, Renna S, Orlando A, Cottone M. The biologics of ulcerative colitis. *Expert Opinion on Biological Therapy*. Vol 2, no. 17, 2017: 175-184. doi: 10.1080/14712598.2017.1271871

Background and rationale

REASONS FOR THE RIGHTS ISSUE

InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The Company's lead asset is the drug candidate cobitolimod, which InDex is developing as a novel therapy for moderate to severe ulcerative colitis. Given the outstanding combination of efficacy and safety, InDex is now advancing cobitolimod into phase III, which is the final stage of development before application for market approval. The important initial phase III induction study is planned to start in the second quarter of 2021.

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

The Company's lead drug candidate, cobitolimod, is a first-in-class Toll-like receptor 9 (TLR9)[4] 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 directly to the inflamed colon via the rectum using an enema.

Cobitolimod met the primary endpoint in the phase IIb study CONDUCT, and demonstrated an outstanding combination of efficacy and safety. CONDUCT was a randomised, double blind, placebo-controlled, exploratory study where different doses of cobitolimod were evaluated in patients with left-sided moderate to severe active ulcerative colitis not responding to conventional treatment. The study objective was to identify the most efficacious dose and dose regimen for further development. The 213 patients were divided into four treatment arms that received different doses of cobitolimod and one arm receiving placebo. The primary endpoint of the study was induction of clinical remission at week 6. The highest dose, 250 mg given twice, was the most effective with a remission rate of 21.4 percent and a delta to placebo of 14.6 percent (p=0.0247, predefined one-sided test where the significance limit was set to <0.10). Cobitolimod was well tolerated at all dose levels and no differences in the safety profile were observed compared to placebo. The results were recently published in the reputable medical journal, The Lancet Gastroenterology & Hepatology.

Following the results of the phase IIb study CONDUCT, InDex received positive response from the US Food and Drug Administration ("**FDA**") and the European Medicines Agency ("**EMA**") regarding phase III development, and both authorities endorse the advancement of cobitolimod into phase III in patients with moderate to severe left-sided ulcerative colitis.

Based on regulatory 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, which is intended to be financed through the Rights Issue, is planned to include approximately 400 patients. The primary endpoint of clinical remission is to be measured at week 6. In addition to the 250 mg dose, the study is also planned to evaluate a higher dose, 500 mg, in an adaptive study design. This higher dose has the potential to provide an even better efficacy than what was observed in the phase IIb study CONDUCT. The Company estimates that the first induction study will take 18 to 24 months to complete from initiation. Upon a positive read-out of the first study, InDex plans to initiate the second induction study.

With cobitolimod's novel and unique mechanism of action, competitive efficacy and excellent safety profile, InDex estimates that the drug candidate has significant commercial potential.

The Rights Issue aims at raising approximately MSEK 533 before deduction of transaction costs, which are estimated at approximately MSEK 45. From the net proceeds of approximately MSEK 488, approximately 90 percent will be used to fund the important initial induction study in a sequential phase III program for the Company's lead drug candidate, cobitolimod, including drug manufacturing. Approximately 10 percent of the net proceeds will be used for general corporate purposes and financial flexibility.

Stockholm, 21 January 2021
InDex Pharmaceuticals Holding AB (publ)
The board of directors

ADVISORS

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

CONFLICTS OF INTEREST

In connection with the Rights Issue InDex has appointed Barclays and Carnegie as Joint Global Coordinators and Joint Bookrunners. These advisers (as well as companies related to them) have provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company for which they have received, or may receive, compensation.

The Rights Issue is covered by subscription undertakings from existing shareholders. Further, the Company has received undertakings from certain existing shareholders and investors to acquire and utilise subscription rights which other shareholders have undertaken to sell. In addition, the Rights Issue is covered by guarantee commitments amounting to approximately MSEK 235, which have been provided by an external guarantee consortium, which has been convened by, and also includes, Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ).

4 TLR9 is a member of the Toll-like receptor family and recognises DNA from bacteria and viruses.

Description of business and market

MARKET OVERVIEW

Introduction to ulcerative colitis

Inflammatory bowel disease (**"IBD"**) refers to chronic inflammation of all or parts of the gastrointestinal tract. The term IBD is commonly used to describe two conditions, ulcerative colitis and Crohn's disease. Ulcerative colitis is limited to the colon and rectum. Crohn's disease can affect any part of the gastrointestinal tract, most commonly the most distal part of the small bowel. Ulcerative colitis causes long-lasting inflammation that gives ulceration in the innermost lining of the colon and rectum, and for many patients it is very debilitating to live with. Ulcerative colitis is characterised by blood- and mucus-mixed diarrhea, frequent stools, pain, fever, weight loss, and anemia. The disease can, despite lifelong medication, complicate all parts of life and make it impossible to work, as severely affected patients always need to be close to a toilet. Studies show that patients suffering from ulcerative colitis have a significantly lower quality of life than the general population.[5] In addition, patients suffering from ulcerative colitis have a significantly elevated risk of developing colon cancer.[6]

Today, about 0.2 percent of the population in developed countries has ulcerative colitis, which corresponds to more than 800,000 ulcerative colitis patients in Europe's five largest countries[7] and more than 1,100,000 in the US.[8] Market research studies predict that the prevalence of ulcerative colitis will increase at an annual rate of 0.8 percent.[9] The increasing global burden of ulcerative colitis is already posing societal challenges due to high costs of the disease. Annually, the economic burden, i.e. the overall costs for society, of ulcerative colitis has been estimated to between EUR 12.5 billion and EUR 29.1 billion in Europe and between USD 8.1 billion and USD 14.9 billion in the US.[10] In addition to this, a 2019 systematic literature review[11] estimated the indirect costs of ulcerative colitis per patient and year to be between EUR 1,362 and EUR 2,470, including absence from work, early retirement, and loss of productivity.

The total annual sales of pharmaceuticals for ulcerative colitis was estimated in 2016 to be approximately USD 6.3 billion and is expected to grow to about USD 8 billion by 2023.[12] Biologic drugs, approved for third line treatment, represent the largest market segment in terms of value with annual sales in 2016 estimated to be more than USD 5 billion.[13]

Cobitolimod in short

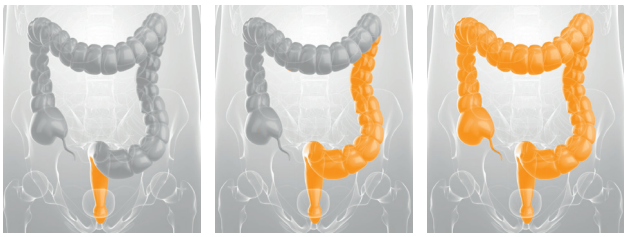
- InDex's lead drug candidate for moderate to severe left-sided ulcerative colitis.
- Under development as an efficacious and safer alternative to the current drugs in third line.
- Novel and unique mechanism of action, competitive efficacy and excellent safety profile.

For further information on cobitolimod, see section "Description of Business".

Most commonly, ulcerative colitis debuts between 15 and 30 years of age. Typically, the course of ulcerative colitis is intermittent; periods of disease aggravation (relapses) are followed by periods of remission (absence of symptoms). Almost half of the patients are estimated to have active disease at a given time.[14] The underlying cause of ulcerative colitis is not known, nor is it known what triggers the disease to recur between its inactive and active forms. However, research strongly suggests that genetic susceptibility and environmental factors, together with an abnormal immune response, contribute to the development of the disease.

Ulcerative colitis varies in severity based on the intensity of the symptoms, and is categorised as mild, moderate or severe disease.[15] The extent of the inflammation may also differ and is usually divided into proctitis (only the rectum), left-sided colitis (from the rectum up to the splenic flexure, i.e. the first curve of the colon on the left side of the abdomen) and total colitis, so-called pancolitis (the whole colon). The severity and extent of the inflammation is assessed by the physician looking inside the rectum and colon using an endoscope (endoscopy).

Proctitis *Left-sided colitis* *Pancolitis*



Treatments for ulcerative colitis available today

There is no cure for ulcerative colitis and most patients will require lifelong treatment. The aim of treatment in ulcerative colitis is to induce remission by induction therapy, followed by maintenance therapy to reduce the risk of future relapses. The standard treatment for ulcerative colitis depends on the extent of the disease and how severe the symptoms are. The current first and second line treatment options are amino-salicylates and corticosteroids, respectively. Corticosteroids are generally used to treat active disease in the relapse setting

5 Knowles et al Quality of Life in Inflammatory Bowel Disease: A Systematic Review and Meta-analyses-Part I. Inflamm Bowel Dis. 2018 Mar 19;24(4):742-751.

6 Kobayashi et al, Nat Rev Dis Primers. 2020 Sep 10;6(1):74.

7 France, Germany, Italy, Spain and the UK.

8 Global data Ulcerative colitis prevalence.

9 Ulcerative Colitis Disease Coverage, Datamonitor Healthcare 2016.

10 Cohen RD et al. (2010), Systematic review: the costs of ulcerative colitis in Western countries, Aliment Pharmacol Ther. 31(7):693-707.

11 Constantin, J., Atanasov, P., Wirth, D., & Borsi, A. (2019), Indirect costs associated with ulcerative colitis: a systematic literature review of real-world data. BMC gastroenterology, 19(1), 179.

12 Ulcerative Colitis Disease Coverage, Datamonitor Healthcare 2016.

13 Ulcerative Colitis Disease Coverage, Datamonitor Healthcare 2016.

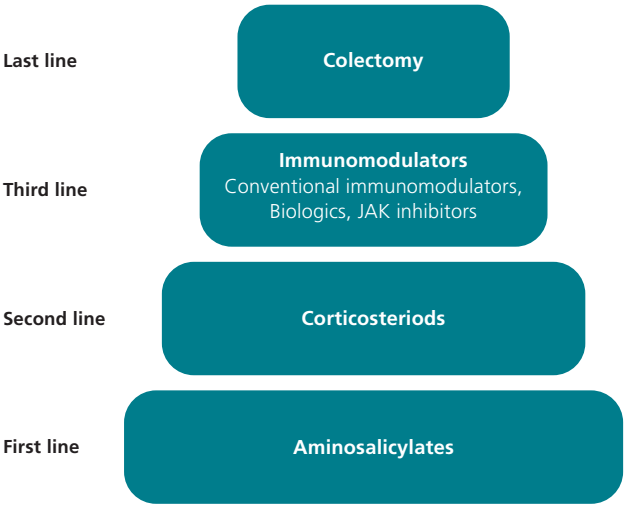
14 The facts about Inflammatory Bowel Diseases, The Crohn's & Colitis Foundation of America (CCFA).

15 Kobayashi et al, Nat Rev Dis Primers. 2020 Sep 10;6(1):74.

and are not recommended for maintenance treatment due to the risks associated with long-term use. In the significant portion of patients who fail to respond to these first and second line treatments, the addition of immunomodulatory drugs is the next option in order to induce remission. These third line options include:

- ***Conventional immunomodulators*** (e.g. azathioprine, 6-mercaptopurine, methotrexate and ciclosporine) – These types of small molecule drugs modulate or suppress the body's immune system, reduce inflammation and can be useful in reducing or eliminating the need for corticosteroids and maintaining remission in patients. However, these drugs may take several months to start working and are not efficacious as induction agents[16];
- ***Biological therapies*** (e.g. TNF-alpha inhibitors, integrin inhibitors or IL12/IL23 inhibitors) – Biological therapies represent modern treatments used in patients who do not respond to or do not tolerate conventional drugs. They work by neutralizing a specific protein produced by the immune system. The drugs are injected intravenously or subcutaneously and they need to reach a certain concentration in the blood before the substance can exert the desired effect in the colon. The TNF-alpha inhibitors; infliximab (marketed under the name Remicade and as biosimilars), adalimumab (marketed under the name Humira and as biosimilars) and golimumab (marketed under the name Simponi) together with the integrin inhibitor vedolizumab (marketed under the name Entyvio) and the IL-12/IL-23 inhibitor ustekinumab (marketed under the name Stelara) are the biological therapies approved for treatment of ulcerative colitis today;
- ***JAK inhibitors*** – In 2018, the first JAK inhibitor tofacitinib (marketed under the name Xeljanz) was approved in Europe and the US. This small molecule drug inhibits the activity of certain enzymes, interfering with the signalling pathway and dampening inflammation.

CURRENT TREATMENT PARADIGM FOR ULCERATIVE COLITIS



Colectomy, i.e. surgical removal of the colon, is the last option for patients with severe ulcerative colitis who do not respond to medical treatment. It is estimated that approximately 10 percent of patients will eventually require surgery.[17] During colectomy, the small intestine is surgically connected to an opening in the abdominal wall (stoma) through which faecal waste is collected in stoma bags. It can also be achieved by using a part of the small intestine to surgically create an internal pouch that is connected to the anus. Colectomy entails risks such as infections, abdominal pain, infertility and even death. Patients also experience a low quality of life post-surgery, which is associated with physiological and psychological co-morbidities, high unemployment rates and high rates of sick leave.

Challenges with current third-line therapies

The third-line options for treatment of moderate to severe ulcerative colitis have several limitations. Some of the challenges with current third-line therapies are set out below.

Limited efficacy and the development of tolerance – Although the medical management of ulcerative colitis has changed significantly since the introduction of biological therapies 20 years ago, a significant proportion of patients do not respond to these therapies or will eventually develop tolerance and thus stop responding. For example, TNF-alpha inhibitors have long-term therapeutic effects in only about 30 percent of patients.[18] The only approved JAK-inhibitor, tofacitinib, did not show a better effect in its phase III program than the marketed biological drugs.[19]

The systemic administration of the current third-line therapies also gives a delayed onset of action and can cause off-target effects compared to locally administered therapies given directly to the inflamed colon avoiding systemic exposure.

Serious side effects – Conventional immunomodulators such as 6-mercaptopurine, azathioprine, methotrexate or ciclosporine have been used extensively in the past but are used less frequently nowadays in view of their side-effect profile and toxicity issues in prolonged treatment regimens and at high doses.[20] TNF-alpha inhibitors affect the patient's immune system and patients face increased risk of developing severe side-effects such as infections, cancer and skin diseases.[21] The integrin inhibitor vedolizumab and the IL12/IL23 inhibitor ustekinumab are also associated with an increased risk of severe side effects such as infections, hypersensitivity reactions and joint pain for vedozilumab, and infections, hypersensitivity

16 Danese S et al. Dig Dis 2019, 37:266.

17 Fumery et al. Clinical Gastroenterology and Hepatology 2018;16:343–356.

18 Altwegg R et al. TNF Blocking Therapies and Immunomonitoring in Patients with Inflammatory Bowel Disease. Hindawi Publishing Corporation, Mediators of Inflammatory Bowel Disease. Hindawi Publishing Corporation, Mediators of Inflammation, Vol. 2014, Article ID 172821.

19 Sandborn WJ et al, Tofacitinib as Induction and Maintenance Therapy for Ulcerative Colitis. N Engl J Med. 2017 Aug 3;377(5):496-7.

20 Mowat C, et al (2011) Gut 60:571-607.

21 Macaluso FS, Renna S, Orlando A, Cottone M. Expert Opin Biol Ther. 2017 Feb;17(2):175-184.

reactions and malignancies for ustekinumab.[22] Finally, the JAK-inhibitor tofacitinib is associated with severe side effects such as serious infections, cancer, immune system problems and perforation in the stomach or intestine, as well as pulmonary embolism.[23]

Safety Concerns with current Drug Classes

Drug class	*Safety profile*
TNF-alfa inhibitors	Infections, cancer, skin diseases
Integrin inhibitors	Infections, hypersensitivity reactions, joint pain
JAK inhibitors	Infections, cancer, immune system problems, perforation in the stomach or intestines, pulmonary embolism
IL-23 inhibitors	Infections, hypersensitivity reactions, malignancies

New therapies in late stage clinical development

A substantial percentage of patients with moderate to severe ulcerative colitis will not respond to or cannot tolerate available therapies. Often, these patients require periods of medium to long-term hospitalisation, and there is an enduring high unmet medical need for new treatment options. Cobitolimod, InDex's lead drug candidate for treatment of ulcerative colitis, is under development as an efficacious and safer alternative to the current drugs in third line.[24] The initial intended application is for moderate to severe left-sided ulcerative colitis.

There are several other companies conducting drug development in IBD. Many of the substances in late stage development for moderate to severe ulcerative colitis are new variants of anti-integrins (i.e. the same mechanism of action as vedolizumab), JAK inhibitors (i.e. the same mechanism of action as tofacitinib) or IL-23 inhibitors (i.e. similar mechanism of action as ustekinumab). Substances with a new mechanism of action for moderate to severe ulcerative colitis that are in phase III are ozanimod and etrasimod (S1P receptor modulators). The patient population which all these compounds seek to target is similar to what InDex is addressing with cobitolimod, but their reported mechanisms of action are significantly different and they are systemic based approaches, while cobitolimod has a local effect. Several of the compounds in development for moderate to severe ulcerative colitis can cause serious side effects.

Development process for pharmaceutical drugs

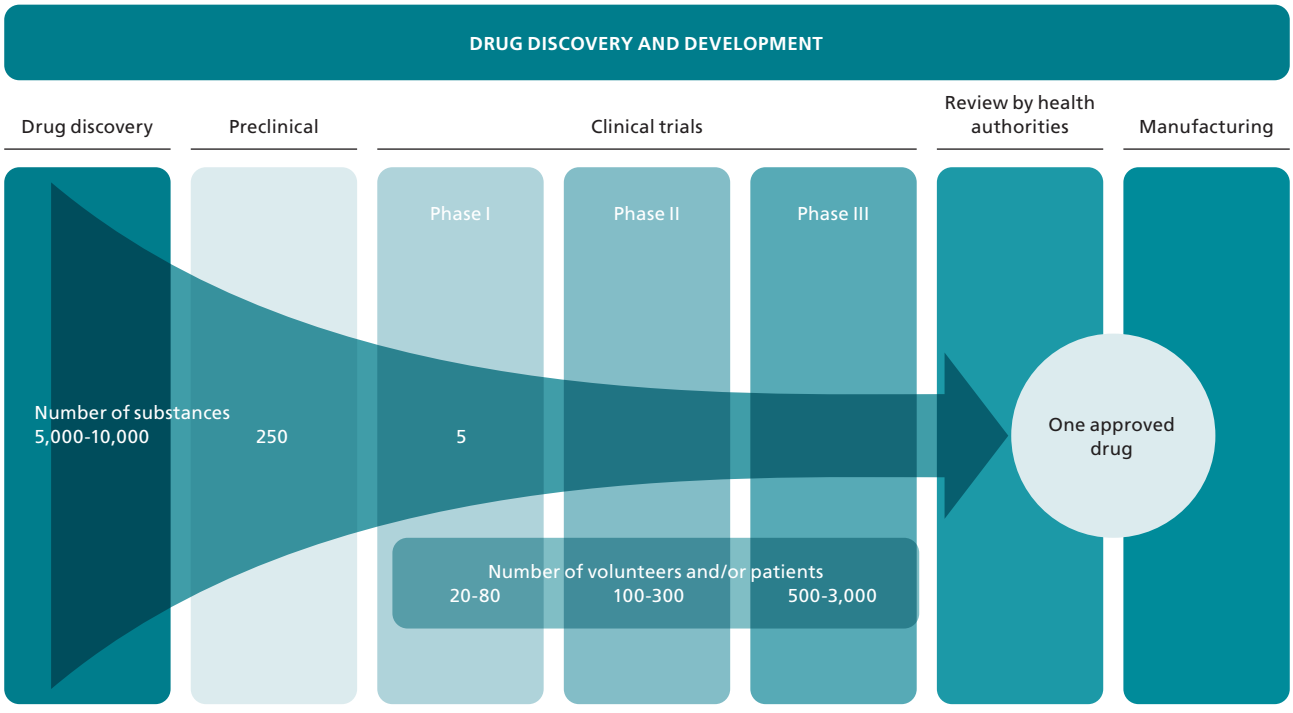
Preclinical development

Preclinical studies evaluate the chemistry, toxicity and effects through appropriate laboratory trials and animal models. Once the initial preclinical requirements of the substance are fulfilled, the substance may proceed to clinical development.

22 https://www.accessdata.fda.gov/drugsatfda_docs/label/2019/761044s003lbl.pdf, https://www.accessdata.fda.gov/drugsatfda_docs/label/2014/125476s000lbl.pdf

23 Agrawal et al. JAK Inhibitors Safety in Ulcerative Colitis: Practical Implications. Journal of Crohn's and Colitis, 2020, S755–S760.

24 In the phase IIb and earlier studies, cobitolimod demonstrated virtually no adverse effects.



The figure shows the drug development from the early substance to an approved drug.

Clinical development
Clinical development is typically conducted in four sequential phases where the prior phase needs to show promising results including safety in order to move into the next phase:

Phase I: Phase I trials are most often conducted in healthy volunteers but may also be performed in patients with the targeted disease. The goal is to determine the safety of the substance and how it is absorbed, distributed, metabolized and excreted from the body.

Phase II: Phase II trials are conducted in patients with the disease concerned, with the aim to establish an appropriate dosage for the phase III program. The phase II studies also aim to obtain preliminary data on the efficacy of the substance. Safety is also carefully monitored. Phase II is usually divided into early phase (phase IIa) and late phase (phase IIb).

Phase III: Phase III trials, the basis for the marketing approval application, are conducted in patients to document statistically significant treatment efficacy, safety and tolerance. Sometimes different populations and different dosages are studied.

Phase IV: After the approval of a new drug the development usually continues through so-called phase IV studies. More information from large groups of patients being treated for a long time is collected, whereby rare side effects may be discovered and further treatment effects can be evaluated. Sometimes efficacy and tolerance are compared between different drugs for a particular disease.

Development of pharmaceutical drugs is a strictly regulated process, with many control steps along the way. During and after each phase the results are evaluated to decide if the development project will continue into the next stage. Approximately 10-20 percent of the substances that reach clinical development and begin a phase I study become an approved product.[25] The likelihood that the substance reaches the market generally increases the further into the development process the substance has come.

Trends
The Company's assessment is that no known significant trends with respect to production, sales, inventory, costs and selling prices have emerged from and including 31 December 2019 until the date of the Prospectus.

DESCRIPTION OF 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 InDex is developing as a novel therapy for moderate to severe ulcerative colitis. Given the outstanding combination of efficacy and safety, InDex is now advancing cobitolimod into phase III, which is the final stage of development before application for market approval. The important initial phase III induction study is planned to start in the second quarter of 2021.

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 colon and rectum. 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 competitive efficacy and a more favourable safety profile than what has been reported for the currently approved third line therapies for moderate to severe ulcerative colitis.

Cobitolimod is a first-in-class Toll-like receptor 9 (TLR9)[26] 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 of clinical remission with a superior efficacy of 14.6 percent (delta) for patients treated with the highest dose of cobitolimod (i.e. 250 mg x 2) compared to placebo. Cobitolimod was well tolerated at all dose levels and no differences in the safety profile were observed compared to placebo. In October 2020, the CONDUCT results were published in the reputable medical journal, The Lancet Gastroenterology & Hepatology which also included a positive independent expert commentary.[27]

25 Hay M, et al., Nature biotechnology, Clinical development success rates for investigational drugs, vol 32, Nr 1, 2014 and David Taylor, The Pharmaceutical Industry and the Future of Drug Development, in Pharmaceuticals in the Environment, 2015, pp. 1-33.

26 TLR9 is a member of the Toll-like receptor family and recognises DNA from bacteria and viruses.

27 Atreya et al Cobitolimod for moderate-to-severe, left-sided ulcerative colitis (CONDUCT): a phase 2b randomised, double-blind, placebo-controlled, dose-ranging induction trial. Lancet Gastroenterol Hepatol. 2020 Dec;5(12):1063-1075.

InDex has 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, stool frequency, and endoscopic assessment of inflammation, respectively.

Cobitolimod

Cobitolimod is a potential new medication for patients with moderate to severe ulcerative colitis. Many of the current treatment options have problems with side effects.[28] In addition, a substantial percentage of the patients with moderate to severe ulcerative colitis does not respond to available therapies or will eventually develop tolerance to the treatment and stop responding. For this patient group there is a high unmet medical need. Cobitolimod is planned to be positioned as an efficacious and safer alternative to the therapies used today for moderate to severe ulcerative colitis.

Cobitolimod provides several unique and innovative features that have the potential to surpass current solutions for patients suffering from left-sided disease. Key features of cobitolimod include:

1. Efficacy – Cobitolimod has demonstrated a statistically significant, clinically relevant and competitive efficacy in the phase IIb study CONDUCT. The observed effect size is comparable to what marketed products and other compounds in phase III development have reported in their clinical studies.

2. Safety profile – Cobitolimod has demonstrated an excellent safety profile to date, with virtually no serious adverse effects of the treatment reported in the phase IIb and earlier studies where in total 416 IBD patients were treated with cobitolimod. This is an important benefit as the existing modern drugs are associated with increased risks of serious side effects like infections, malignancies, and skin disorders, perforation in the stomach and intestines, and pulmonary embolisms. In market research conducted in 2016 and 2020 surveying in total more than 200 physicians and patients, the safety profile was one of the most attractive features of cobitolimod in combination with a clinically relevant efficacy.

3. Mechanism of action – The novel and unique approach behind cobitolimod relies on the mechanism of modulating the body's own immune system via TLR9, to regulate the immunological imbalance caused by the disease. There is no other therapeutic option on the market or in active development for ulcerative colitis based on targeting TLR9. Advantages with a novel and unique mechanism of action include no competition for the specific mechanism of action and the opportunity to address patients that have failed treatments with other mechanisms of action.

4. Administration and low dosing frequency – Cobitolimod is administered via the rectum as a 50 ml solution using an enema. After administration, the patient is asked to lie down on the side for at least 30 minutes for the solution to cover the left side of the colon, i.e. up to the splenic flexure. This mode of administration allows cobitolimod to come in contact directly with the target cells in the inflamed mucosa, allowing a rapid onset of action without systemic exposure and off-target effects. Patients surveyed viewed the site-specific effect of cobitolimod as a significant advantage. Cobitolimod is designed to be self-administered by the patient at home. To induce remission, cobitolimod is given as two applications over a three-week period and is intended to be given every three weeks as maintenance therapy, in order to reduce the risk of future relapses. Rectal administration is not uncommon in ulcerative colitis treatment in general, but the dosing of cobitolimod (every 3 weeks) is infrequent compared to other enemas used in ulcerative colitis such as corticosteroids and aminosalicylates which are usually administered daily or several times per week.

5. Therapy used in combination with others – As other third line medications for moderate to severe ulcerative colitis are systemically administered and are associated with severe side effects, there is a risk of adverse reactions from combining them. Cobitolimod's unique and site-specific mechanism of action and excellent safety profile means cobitolimod can potentially be used in combination with other third line medications to offer treatment to an even broader range of patients with ulcerative colitis. This is viewed as a significant advantage by physicians in market research.

Addressable market for cobitolimod

Approximately 2,200,000 patients[29] suffer from ulcerative colitis in the US, the five largest European countries and Japan, with 1,100,000 in the US, 800,000 in EU-5[30] and 260,000 in Japan.[31] Of these, approximately 1,320,000 patients (60 percent) suffer from moderate to severe ulcerative colitis.[32] Furthermore, approximately 726,000 patients suffer from moderate to severe left-sided ulcerative colitis, which is roughly 55 percent of the population with moderate to severe ulcerative colitis.[33] Of these 726,000 patients, approximately 400,000 patients, equivalent to roughly 55 percent, is failing conventional therapy.[34] Assuming an annual price per patient in line with the most recently approved products for moderate

28 Agrawal et al. JAK Inhibitors Safety in Ulcerative Colitis: Practical Implications. Journal of Crohn's and Colitis, 2020, S755–S760. And Holmer et al. Overall and comparative safety of biologic and immunosuppressive therapy in inflammatory bowel diseases, Expert Rev Clin Immunol. 2019 Sep;15(9):969-979.

29 Only including persons above 18 years of age.

30 Including the top five largest countries in Europe (France, Germany, Italy, Spain and the UK).

31 Global Data Ulcerative Colitis prevalence.

32 Apex Healthcare Consulting. Evaluation of cobitolimod for the treatment of ulcerative colitis. HCP Research Report March 2020.

33 Rutgeerts et al. N Engl J Med 2005;353:2462-76, Sandborn et al. Gastroenterology 2012;142:257–265, Sandborn et al. Gastroenterology 2014;146:85–95, Feagan et al. N Engl J Med 2013;369:699-710, Sandborn et al. N Engl J Med 2017;376:1723-36, Sandborn et al N Engl J Med 2019;381:1201-14 and Atreya et al. JCC 2016 Nov;10(11):1294-1302.

34 Apex Healthcare Consulting. Evaluation of cobitolimod for the treatment of ulcerative colitis. HCP Research Report March 2020.

to severe ulcerative colitis of USD 35,000[35] in US and USD 11,000[36] in EU-5 and Japan, cobitolimod has an estimated addressable market of USD 9.1 billion market with 400,000 patients. However, this should be interpreted as a theoretical addressable market. For a number of reasons not all eligible patients will access cobitolimod.

Cobitolimod's market potential

With cobitolimod's unique mechanism of action, competitive efficacy and excellent safety profile, InDex believes there is significant market potential for the product. 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.[37]

InDex conducted in 2016 a first market research study for cobitolimod among doctors and patients in the US and the five largest European markets (France, Germany, Italy, Spain and the UK). A total of 65 physicians specialised in IBD and 148 patients with ulcerative colitis participated in the study. The overall perception of cobitolimod's product profile was positive from both physicians and patients, and characteristics such as quick onset of action, efficacy and safety were highly valued.

These findings were further confirmed in physician and payer market research performed in early 2020. The research was conducted in three European countries (UK, France and Germany) and the US by in-depth telephone interviews. A total of 40 senior level gastroenterologists were interviewed and 13 payer interviews were conducted with individuals who had been involved in the evaluation of recent ulcerative colitis market entrants. Both physicians and payers recognised the medical need for new safe and effective treatments. Cobitolimod's combination of efficacy and safety was considered unsurpassable by the gastroenterologists and they said that they were likely to prescribe cobitolimod to a significant proportion of their patients. In addition, many of the gastroenterologists would want to use cobitolimod before TNF-alpha inhibitors, and in preference to late stage clinical pipeline therapies. Payers confirmed that cobitolimod can be priced in line with recently launched third line ulcerative colitis therapies.

The results of this primary market research support a future market acceptance and commercial potential for cobitolimod in both the US and Europe, provided that future clinical studies confirm the target product profile.

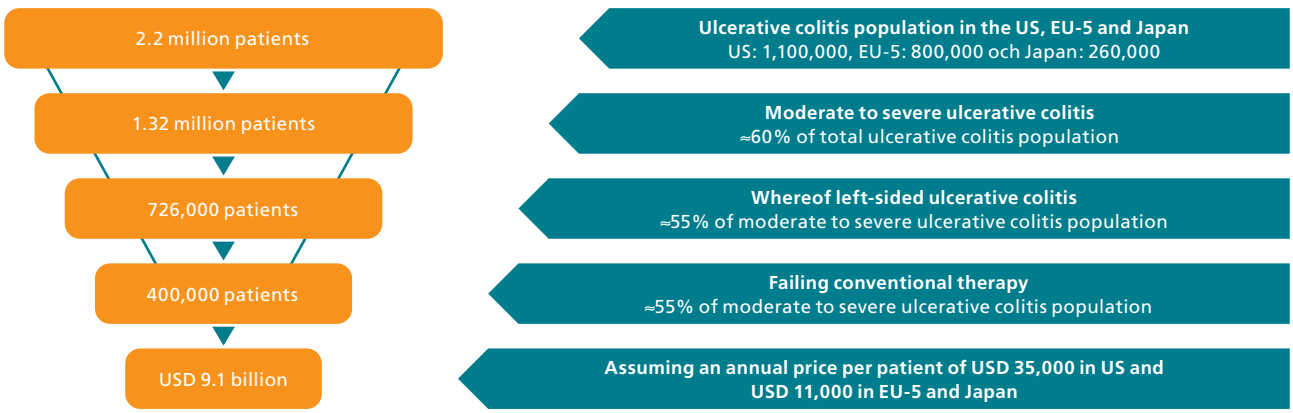
Cobitolimod's mechanism of action

The intestinal mucosa acts as a barrier to the outside world and constitutes an important part of the body's immune system. It is rich in immune cells that protect the body from disease organisms and harmful substances in the intestinal tract. A healthy intestinal mucosa responds to potential threats with a balanced immune response. However, an imbalance in the immune system of the intestinal mucosa can cause a vicious

35 Apex Healthcare Consulting. Evaluation of cobitolimod for the treatment of ulcerative colitis. Payer Research Report March 2020.

36 Apex Healthcare Consulting. Evaluation of cobitolimod for the treatment of ulcerative colitis. Payer Research Report March 2020.

37 The Company's estimate is based on an annual price per patient in line with the most recently approved products for moderate to severe ulcerative colitis of approximately USD 35,000 in US and approximately USD 11,000 in EU-5 and Japan, as well as the epidemiological data described in the section "Addressable market for cobitolimod", together with annual increases in the number of patients and the price until assumed market launch and thereafter, in addition to the Company's proprietary market research and the market share assumed as a result of the market research.



Addressable market for cobitolimod.

circle where the immune response is amplified and leads to chronic inflammation. In ulcerative colitis, an increased production of the cytokine interleukin (IL)-23 is seen, which stimulates the production of pro-inflammatory cytokines such as IL-1, TNF-alpha and IL-6, as well as IL-17, where IL-17 stimulates additional production of inflammatory mediators. Research has also demonstrated an increased proportion of inflammatory T helper 17 cells (Th17 cells) and Th2 cells, but a reduced number of regulatory T cells (Treg cells), creating an immunological imbalance in the intestinal mucosa.

Cobitolimod has a novel and unique mechanism of action. It is a so-called TLR9 agonist. TLR9 is a receptor that is expressed by certain immune cells and is the immune system's receptor for recognising DNA from bacteria and viruses. Cobitolimod is a synthetically manufactured oligonucleotide which by mimicking microbial DNA binds to TLR9 and can thereby modulate the immune system. Cobitolimod has in both experimental models of ulcerative colitis as well as in patients with ulcerative colitis been able to stimulate immune cells to produce beneficial anti-inflammatory cytokines like IL-10 and increase the number of Treg cells. At the same time cobitolimod decreases the production of inflammatory cytokines such as IL-17 (refer to the figure below). By increasing the number of Treg cells and reducing the number of Th17 cells, cobitolimod helps to restore the balance of the immune system. In this way, cobitolimod can provide a local anti-inflammatory effect, which may lead to healing of the mucosa in the large intestine and relief of the clinical symptoms in ulcerative colitis. A comprehensive scientific paper with these mechanistic data was published in the medical journal Journal of Chrohn's and Colitis (JCC) in 2019.[38]

The phase IIb study CONDUCT

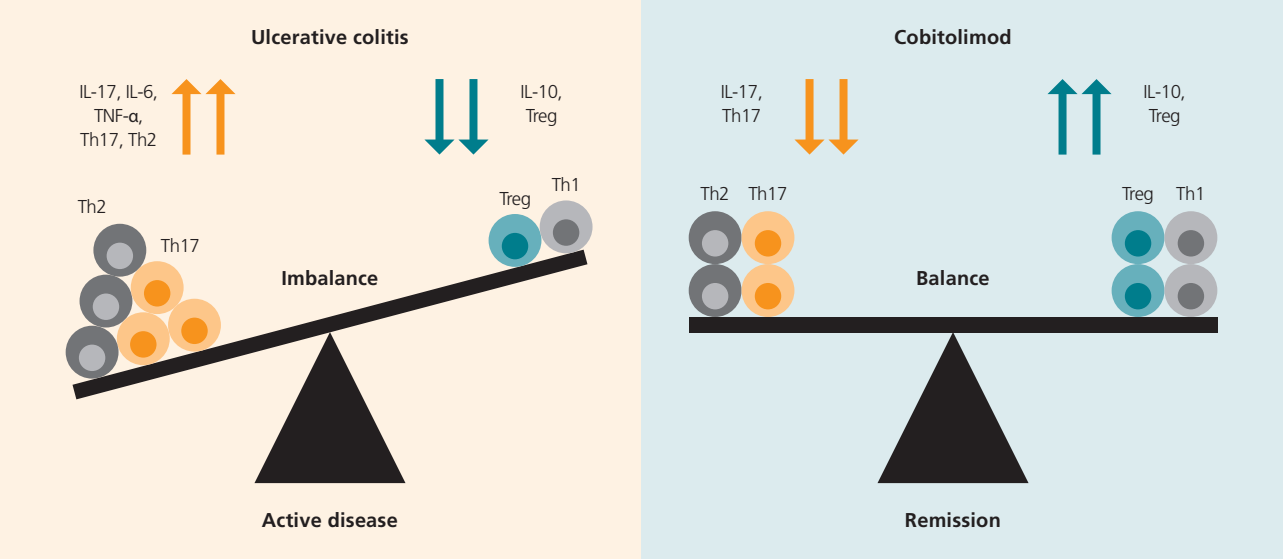
The CONDUCT study was a randomised, double-blind, placebo-controlled, exploratory phase IIb study where different doses of cobitolimod were evaluated in patients with left-sided moderate to severe active ulcerative colitis not responding to conventional treatment. The study objective was to identify the most efficacious dose and dose regimen for further development. The study included 213 patients divided into four treatment arms that received different doses of cobitolimod and an arm receiving placebo. In addition to cobitolimod or placebo, all patients continued with their standard of care treatment. The study was conducted at 91 sites in 12 different European countries from June 2017 to August 2019. The primary endpoint of the study was induction of clinical remission at week 6.

The study met the primary endpoint and clearly demonstrated that it was the highest dose of cobitolimod, 250 mg x 2, that was the most effective. Clinical remission at week 6 was achieved in 21.4 percent of patients treated with two doses of 250 mg cobitolimod, which was statistically significantly better (p-value = 0.0247[39]) than patients treated with placebo where only 6.8 percent of the patients achieved

38 Schmitt H. et al. The TLR9 agonist cobitolimod induces IL10 producing wound healing macrophages and regulatory T cells in ulcerative colitis. Journal of Crohn's and Colitis, 2019 Oct 20:508-24.

39 Predefined one-sided test where the significance limit was set to <0.10. Two-sided test gives p=0.0495.

MECHANISM OF ACTION



In ulcerative colitis, there is an imbalance in the immune system leading to a chronic inflammation of the colon. Cobitolimod helps to restore the balance in the immune system by reducing the number of inflammatory Th17 cells and increasing the number of regulatory T cells, which reduces the inflammation in the colon

clinical remission, i.e. a difference (delta) of 14.6 percent. No statistically significant difference was noted between the other doses of cobitolimod and placebo. The results in secondary endpoints also confirm the efficacy of the highest dose.[40] Thus, the CONDUCT study fulfilled its objectives in both the primary and a number of clinically relevant secondary endpoints. Cobitolimod was well tolerated in all dose groups and no differences in safety profile were noted compared to placebo.

Summary of phase IIb study CONDUCT

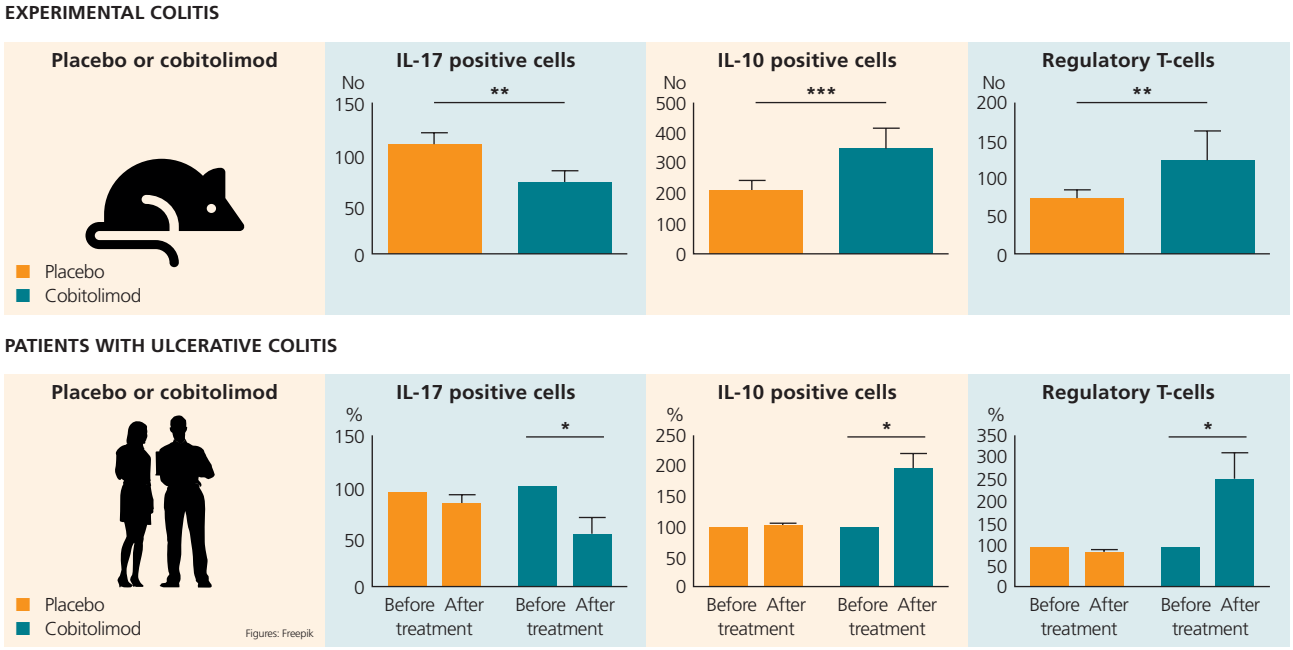
- Met the primary endpoint of clinical remission
- Supportive findings in secondary endpoints
- Clinically relevant efficacy
- Excellent safety profile
- Identified dose for further development
- Published in The Lancet Gastroenterology & Hepatology October 2020

InDex has 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 ulcerative colitis. These endpoints include the key clinical symptoms such as blood in stool, stool frequency, and mucosal healing respectively.

Competitive efficacy and excellent safety profile compared to the competitors

Comparisons to drugs tested in other clinical studies (so-called indirect comparisons) should always be made with caution, as both the patient population, time point, endpoints etc. may differ between the studies. If, however, the results in the CONDUCT study are put into perspective with the results in the phase III studies for the drugs that are currently on the market for moderate to severe ulcerative colitis, cobitolimod has a competitive profile. The approved drugs reported around 17 percent of the patients in clinical remission in their respective phase III studies. The proportion of patients in the placebo group that went into remission differs between the studies and leads to a delta ranging from 7.2 to 13.0 percent between the studies and substances (refer to the top figure below). Cobitolimod also has a competitive profile when compared to the clinical results for other drugs that are currently in phase III development for moderate to severe ulcerative colitis (refer

40 Atreya et al, Cobitolimod for moderate-to-severe, left-sided ulcerative colitis (CONDUCT): a phase 2b randomised, double-blind, placebo-controlled, dose-ranging induction trial, Lancet Gastroenterol Hepatol, 2020 Dec;5(12):1063-1075.



*Cobitolimod decreases the pro-inflammatory cytokine IL-17 and increases the anti-inflammatory cytokine IL-10 as well as increases the number of regulatory T-cells in the colonic mucosa both in an experimental model of ulcerative colitis as well as in ulcerative colitis patients. * P<0.05; **P<0.001. The information presented in the lower row in the above figure is taken from the COLLECT study.*

to the bottom figure below). The exact effect size of cobitolimod remains to be determined in a larger patient sample in phase III. Something that really differentiates cobitolimod from its competitors is the safety profile. The biological drugs are associated with serious side effects such as infections and cancer. One of the substances that recently came to the market for ulcerative colitis, the JAK inhibitor, tofacitinib, has an increased risk of infections and cancer as well as an increased risk of perforation in the stomach and intestines and an increased risk of blood clots in the lung. All the TNF-alfa inhibitors and the JAK inhibitor tofacitinib have black box warnings, which alerts the public and healthcare providers to serious side effects, such as injury or death. Several of the classes of substances now being tested in phase III are also associated with serious side effects. In contrast, cobitolimod has demonstrated an excellent safety profile in five clinical studies across a total of 416 IBD patients.

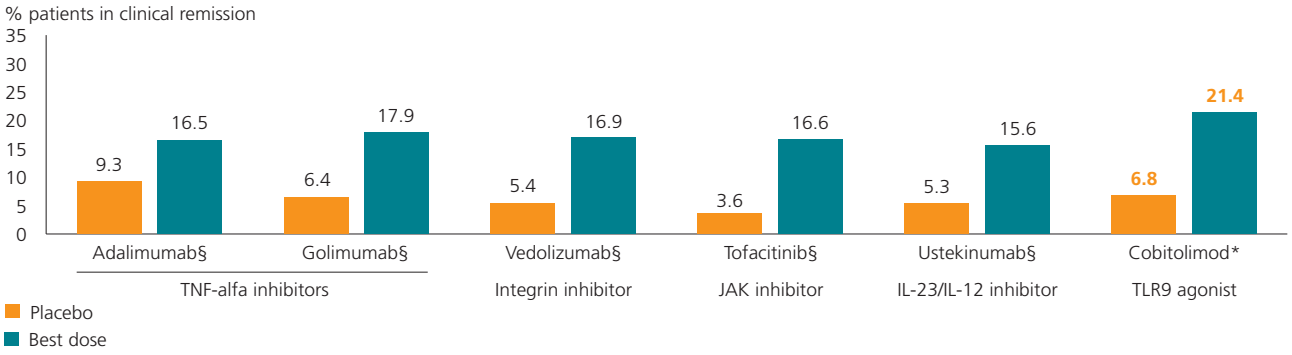
Advancing cobitolimod into phase III

InDex is now advancing cobitolimod into phase III, which is the final stage of development before application for market approval. Following the results of the phase IIb study CONDUCT, InDex received positive response from both FDA and EMA regarding phase III development, and both authorities endorse the advancement of cobitolimod into phase III in patients with moderate to severe left-sided ulcerative colitis.

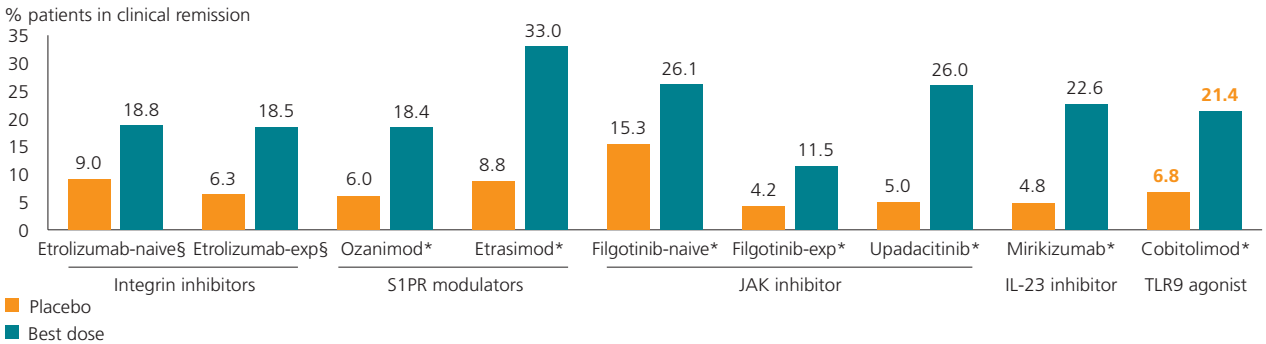
The important initial phase III induction study is planned to start in the second quarter of 2021, subject to the Covid-19 pandemic. It will be a global study including a few hundred clinics. The Company estimates this first induction study will take 18 to 24 months to complete from initiation.

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 phase III program will form the basis for market approval by confirming the overall efficacy and safety of cobitolimod in a sufficiently large sample of patients with moderate to severe, left-sided ulcerative colitis with an inadequate response or failure to tolerate conventional therapy, biological therapy or JAK inhibitors.

VS. MARKETED PRODUCTS



VS. PIPELINE PRODUCTS



*§ Full Mayo Score ≤2; * 3-component Mayo Score ≤2. Caution advised when comparing data across clinical studies. The patient population in the studies included a mix of both biological naïve and biological experienced patients, except for etrolizumab and filgotinib where separate studies were performed. Infliximab excluded from comparison as not comparable phase III patient population. The results presented in the rightmost column in the above figure is taken from the CONDUCT study.*

The first induction study, where the effect is measured at week 6, will include approximately 400 patients. 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. This higher dose has the potential to provide an even better efficacy than what was observed in the CONDUCT study.

When a sufficient number of the participants in the study have been randomised and have eligible data for the primary endpoint (i.e. induction of clinical remission at week 6), 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. This is referred to as an adaptive study design.

The participants in the study will receive treatment with cobitolimod or placebo in a double-blinded fashion. This means that neither the participant, nor doctor giving the treatment or study personnel, the CRO personnel or InDex know which treatment is administered. All study drugs will be identical in appearance, packaging and labelling. The study will remain blinded until all data have been confirmed and "clean file" has been prepared. Only then will the results be compiled by treatment group.

Upon a positive read-out of the first induction study, InDex plans to initiate the second induction study with the best dose. Reading out the outcome of the first induction study before the next study is started, will reduce the development risk of the program. The results of the first induction study will constitute a significant value inflection point and the remaining program can be optimised accordingly.

A wide range of phase III preparatory activities have already been completed and InDex is well on its way of advancing cobitolimod into phase III. InDex has for example already manufactured study drug for the first part of the phase III program. Manufacturing of additional study drug is planned for 2022. Furthermore, all preclinical studies required prior to phase III have been completed. It remains to finalize the agreement with the leading global contract research organisation ("**CRO**") that InDex have selected to conduct the study. The clinical study must then be formally approved by the authorities in each participating country.

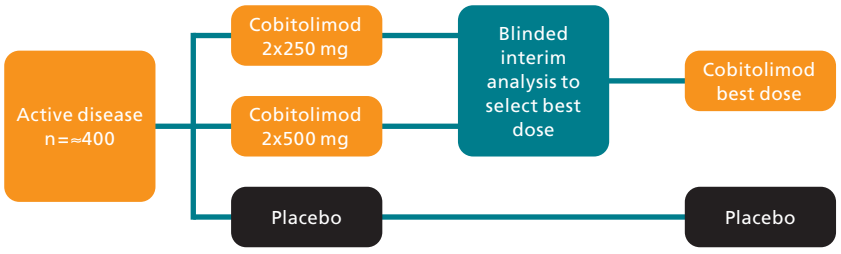
InDex has a well-developed network of European key opinion leaders and has more recently established a North American advisory board. These networks bolster the strong InDex team, ensure the clinical relevance of InDex's studies, support increased awareness and allow outreach for wide patient recruitment. Several key opinion leaders are also involved in the development of the design and will be involved in the conduct of the phase III program.

InDex's key focus is to start phase III as soon as possible on the back of the positive results in the phase IIb study CONDUCT, the positive regulatory response and the supportive findings in market research commissioned by InDex underpinning the Company's belief in the market potential of cobitolimod.

Oral formulation of cobitolimod

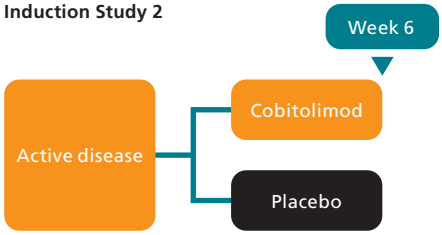
InDex has developed a prototype of a novel formulation of its lead drug candidate cobitolimod for oral administration, with targeted drug substance release or delivery to the

PHASE III DESIGN
Induction Study 1 – adaptive design

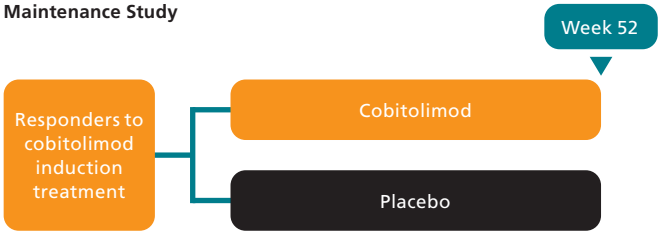


- Moderate to severe, left-sided ulcerative colitis
- Patients failed conventional treatment and/or biologics/ JAK inhibitor
- Dosing at week 0 and 3
- Primary endpoint clinical remission at week 6

Induction Study 2



Maintenance Study



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 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.

The prototype oral formulation consists of a core matrix in a capsule with a pH sensitive coating. Different parts of the gastrointestinal tract have different pH, and by using a coating that dissolves at a specific pH, one can direct the release of a substance to a specific part of the intestine. The capsule with cobitolimod is designed to initiate release of cobitolimod in the end of the small intestine for controlled delivery to the colon. Additionally, the release profile can be adjusted to target other parts of the gastrointestinal tract, both by modifying the composition of the core matrix and the coating of the capsule.

Other applications of cobitolimod

InDex's strategy is to first launch cobitolimod as a rectal enema for treatment of moderate to severe left-sided ulcerative colitis, with the oral formulation as a follow-on product for life cycle management.

In addition, there are also market expansion possibilities for the enema formulation of cobitolimod to include ulcerative colitis patients with milder disease, with inflammation only in rectum (proctitis) as well as patients with pouchitis, in which there is inflammation of the pouch created during surgery of ulcerative colitis patients.

In summary, cobitolimod has several market expansion possibilities as illustrated in the figure below.

DIMS COMPOUNDS UNDER DEVELOPMENT

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.

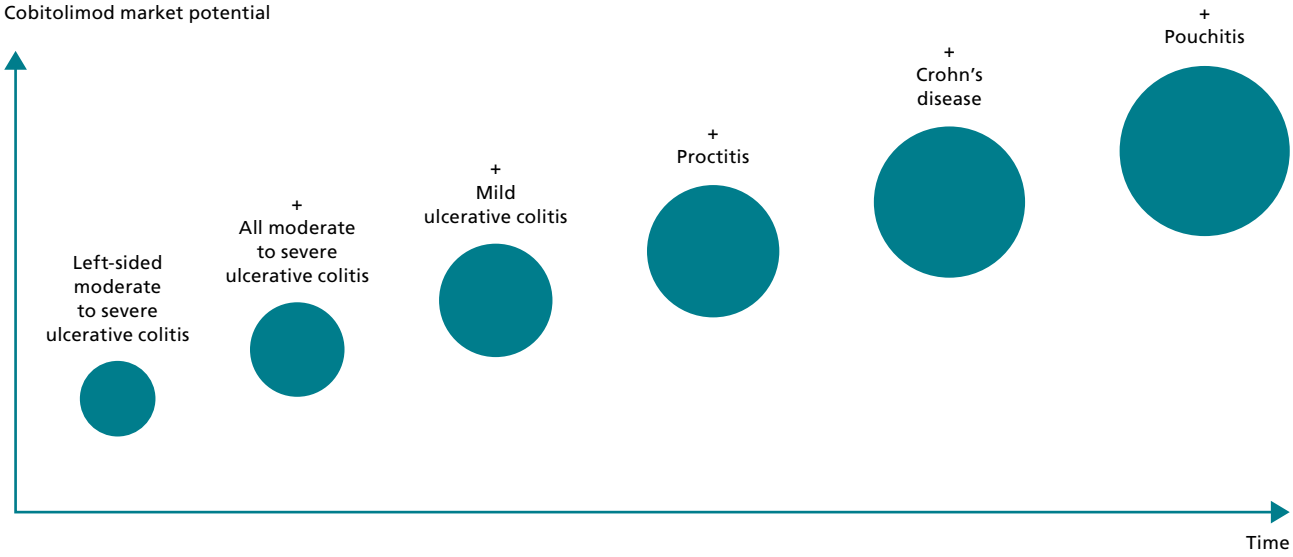
VISION

InDex's vision is to be an innovation driven company focused on bringing drugs from the DIMS platform for immune mediated conditions to market approval, alone or in collaboration with partners, starting with the lead drug candidate cobitolimod.

MISSION

InDex's mission is to significantly improve the lives of patients suffering from immunological disorders by providing effective and safe drugs for diseases with high unmet medical needs.

HIGH MARKET POTENTIAL WITH MARKET EXPANSION POSSIBILITIES



The above figure schematically shows the accumulated market potential for cobitolimod.

PRESENTATION OF INDEX'S PATENTS

InDex's policy is to protect its own proprietary position by seeking patent protection related to the Company's proprietary technology. The Company's patent portfolio covers use of cobitolimod in the treatment of various inflammatory diseases, as well as composition of matter patents for other DIMS compounds and their methods of use.

The use of cobitolimod in treatment of patients afflicted with an inflammatory condition, such as ulcerative colitis, and that have a history of steroid use is covered by two granted patent families. This portfolio provides a broad method of use patent protection in the US, Europe, Japan, Canada, Hong Kong and Australia until at least 2026, with the possibility of up to five years term extension after marketing approval. Furthermore, the use of cobitolimod for treatment of active ulcerative colitis in a patient that is refractory or responds insufficiently or is intolerant to anti-inflammatory therapy, with or without history of steroid use, is covered by a third patent family. This patent family has been granted in the US, Europe and Japan and is being prosecuted in Canada, Hong Kong and as divisional patent in Europe. It will protect cobitolimod until 2032 with the possibility of up to five years term extension after marketing approval.

In addition, further patent applications have been filed or are contemplated in the light of advances in the formulation and clinical development of cobitolimod, to provide exclusivity beyond the term of InDex's already granted patents. The further patent applications filed would potentially provide protection until 2041 if granted. Cobitolimod will also be subject to data protection as a new chemical entity for ten years from marketing approval in Europe, eight years in Japan and five years in the US.

GRANTED COBITOLIMOD PATENTS IN IBD

Patent family	Geographic area	Granted	Expire*
Modulating responsiveness to steroids W02007004979	US/EP/JP	EP1904077	2026-06-30
		EP2179737	2026-06-30
		US8148341	2027-05-31
		US8569257	2026-06-30
		JP5208734	2026-06-30
		JP5886699	2026-06-30
Immunostimulatory method WO2007004977	US/EP/JP/ AUS/CA	EP1901759	2026-06-29
		EP2269622	2026-06-29
		EP2380584	2026-06-29
		US8258107	2027-05-31
		US8592390	2026-06-29
		JP5074392	2026-06-29
		JP5945176	2026-06-29
		AU2006266503	2026-06-29
		AUS2012200661	2026-06-29
		CA 2612162	2026-06-29
Method for prevention of colectomy WO2013076262	US/EP/ JP/CA/HK	EP2782602	2032-11-23
		US9492516	2032-11-23
		US9795627	2032-11-23
		JP6193248	2032-11-23
		JP6318221	2032-11-23

** Supplementary Protection Certificate (SPC) or Patent Term Extension (PTE) is not included and may give up to five years extension in Europe and the US.*

FINANCING

The Company's business has historically mainly been financed by shareholder contributions, such as proceeds from rights issues or directed share issues. The Rights Issue aims at raising approximately MSEK 533 before deduction of transaction costs, which are estimated at approximately MSEK 45. From the net proceeds of approximately MSEK 488, approximately 90 percent will be used to fund the important initial induction study in a sequential phase III program for the Company's lead drug candidate, cobitolimod, including drug manufacturing. Approximately 10 percent of the net proceeds will be used for general corporate purposes and financial flexibility. Additional capital will be required to complete the phase III program.

MATERIAL CHANGES IN THE COMPANY'S BORROWING AND FUNDING STRUCTURE SINCE 30 SEPTEMBER 2020

There have been no material changes in the Company's borrowing and funding structure since 30 September 2020.

SIGNIFICANT INVESTMENTS SINCE 30 SEPTEMBER 2020

The Company's has not made any significant investments since 30 September 2020. There are, as per the day of the Prospectus, no ongoing or decided significant investments.

ORGANISATION

InDex is the parent company in the Group, which consists of InDex Pharmaceuticals Holding AB and its subsidiaries InDex Pharmaceuticals AB and InDex Diagnostics AB.

COMPANY INFORMATION AND LEGAL STRUCTURE

InDex is a Swedish public limited company incorporated in Sweden on 12 December 2015 and registered with the Swedish Companies Registration Office on 27 June 2016. The Company's name, as well as trade name, is InDex Pharmaceuticals Holding AB. The Company's registration number is 559067-6820 and its LEI code is 54930047C4A74IBXR037. The Company has its registered office in Stockholm municipality and the general meeting shall be held in the municipality of Stockholm where the board of directors also has its registered seat. The Company conducts its operations in accordance with the Swedish Companies Act and the object of the Company's operations is to directly or indirectly through subsidiaries, conduct research, development of technology and commercialisation of scientific discoveries within the field of biomedicine and activities compatible therewith.

The Company's address is Berzelius väg 13, SE-171 65 Solna, Sweden and the Company's telephone number is +46 (0)8 122 038 50.

Please note that the information on the Company's or third party's website is not included in the Prospectus unless the information has been incorporated into the Prospectus by reference. Information on the Company's or third party's website has not been reviewed or approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

GLOSSARY

Definition	Meaning
Biological drug	A biological drug is a drug whose active substance has been produced in or purified from materials of biological origin.
Clinical study/trial	Is a study on healthy or ill people to investigate the effect and safety of a drug or treatment method.
Colectomy	A surgical procedure performed to remove the large intestine.
CRO (Contract research organisation)	Contract research organisation.
Crohn's disease	Inflammatory bowel disease that may occur throughout the whole gastrointestinal tract.
Cytokines	Cytokines are a group of proteins and peptides whose function is to carry chemical signals within the body. They attach to specific receptors on the target cells and are produced only when needed. They have many different kinds of target cells. Some cytokines contribute to the immune system.
DIMS	DNA-based ImmunoModulatory Sequence. Synthetically manufactured oligonucleotide that is immunomodulatory through binding to Toll-like receptor 9.
Endoscopy	Endoscopy is a term for examinations in which a so-called endoscope, which is entered into the patient's body through an opening such as the rectum, is used. The doctor can see the inside of the body using the instrument.
Gastroenterology	Gastroenterology is the study of the digestive system and its disorders.
Inflammatory bowel disease (IBD)	Inflammatory bowel disease includes a number of conditions with inflammation of the digestive system, especially the intestine, such as Crohn's disease and ulcerative colitis.
Mechanism of action	The way in which a treatment achieves the desired effect.
Oral formulation	A formulation of a drug taken by mouth.
Placebo	Inactive substance.
Preclinical development	Laboratory tests and documentation of a drug candidate's characteristics in model systems.
Rectal administration	Administration through rectum.
Remission	Remission is a medical diagnostic term for when the symptoms have partially subsided or temporarily disappeared completely in chronic diseases.
Safety profile	The side effects that a drug may cause.
Stoma	An opening in the abdominal wall which is surgically created.
Subcutaneous injection	Injection under the skin.
Toll-like receptor (TLR9)	TLR9 is a member of the Toll-like receptor family and recognises DNA from bacteria and viruses.

Working capital statement

It is the Company's assessment that the existing working capital, as of the date of the Prospectus, is insufficient for the Company's needs during the coming twelve month period, based on the Company's capital need in connection with commencement of the phase III program for cobitolimod. As of 30 September 2020, the Company's cash and cash equivalents amounted to MSEK 62. The Company estimates that the working capital deficit arises in the second quarter of 2021 and the deficit for the coming twelve-month period is estimated at approximately MSEK 200.

Upon full subscription in the Rights Issue, the Company will receive MSEK 533 before issue costs, which are estimated to amount to approximately MSEK 45. Subscription undertakings amount to approximately MSEK 143, corresponding to approximately 27 percent of the Rights Issue, of which the largest subscription undertakings (in terms of amount) have been provided by Linc and The Fourth Swedish National Pension Fund, who have undertaken to subscribe for their respective pro rata share, corresponding to 10 and 7.5 percent of the Rights Issue respectively. Undertakings from certain existing shareholders as well as external parties to acquire and utilise subscription rights amounts to approximately MSEK 155, corresponding to approximately 29 percent of the Rights Issue, of which the largest undertakings (in terms of amount) have been provided by HBM Healthcare Investments, Handelsbanken Funds, Linc and The Fourth Swedish National Pension Fund. SEB Venture Capital and Stiftelsen Industrifonden have undertaken to sell a corresponding number of subscription rights to the aforementioned parties. In addition, guarantee commitments amount to approximately MSEK 235, corresponding to approximately 44 percent of the Rights Issue. These guarantee commitments have been provided by an external guarantee consortium, which was convened by, and also includes, Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ). Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ), acting as Joint Global Coordinators and Joint Bookrunners, have entered into an underwriting agreement with respect to their respective guarantee commitments. However, the commitments described above are not secured by a bank guarantee, blocking funds, pledges, or similar arrangements.

If the Rights Issue, despite subscribed commitments and guarantee commitments entered into, is not subscribed to a sufficient extent, the Company may be forced to seek alternative financing in the form of loan financing or additional capital raising, or be forced to delay or change the design of the Company's development program for cobitolimod. It is not certain that the Company will succeed in securing alternative financing, or that the change of the development program is achievable.

Risk factors

An investment in securities is associated with risk. When assessing the future development of InDex, it is important to consider the risk factors associated with the Company and its share. These include risks related to the Company's business and industry, legal risks, financial risks and risks related to the share and the Rights Issue. The risk factors that are deemed to be of material importance for the Company's future development are described below. The Company has assessed the risks based on the probability of their occurrence and the potential negative impact if a risk were to materialize and the materiality of the risk factors has been graded under the scale (i) low, (ii) medium and (iii) high. The risk factors are presented in a limited number of categories, in which the most significant risks according to the Company's assessment as described above are stated first. The description below is based on information available on the date of the Prospectus.

BUSINESS AND INDUSTRY RELATED RISKS

Risks related to the phase III program for cobitolimod

Drug development is a complicated and capital intense process involving a substantial degree of risk. The research and development required for a drug is subject to risks such as delays in product development and/or costs becoming higher than expected or that the products do not have the anticipated effect or that they turn out to have unexpected and/or unwanted side effects. Prior to launching a drug on the market, its safety and efficacy for treatment of patients with a certain disease must be ascertained by performing an extensive number of preclinical studies (evaluation of the drug candidate in laboratory and animal studies) and clinical studies (patient studies). In August 2019 InDex announced results from the phase IIb dose optimisation study CONDUCT, which evaluated cobitolimod for the treatment of moderate to severe left-sided ulcerative colitis. The study met the primary endpoint of clinical remission. Phase III trials are the basis for marketing approval applications and are conducted in patients to document statistically significant treatment efficacy and safety.

The Company's clinical studies of cobitolimod completed prior to CONDUCT have not reached statistical significance in the primary endpoint of each study, but studies have indicated a clinical effect of the treatment which the Company believes supports continued development. Results in previous clinical studies are not necessarily predictive of the results in future studies. The Company cannot predict when planned clinical studies can start or be completed since several different factors that are crucial, such as approvals from authorities including ethics committees, the entering into agreements with e.g. CROs and clinics as well as access to patients are partly outside the Company's control. Patient access refers to the participating clinics' ability to identify and include patients in the Company's studies (for further information please refer to headings "Risks related to the Covid-19 pandemic" and "InDex operates in a highly competitive market"). Patient access is vital to how long a study will take and there is a risk that the Covid-19 pandemic may adversely affect participating clinics' ability to identify and include patients which can lead to a delay of the phase III program (see in more detail under the heading "Risks related to Covid-19"). Accordingly, delays in completing the Company's phase III program for cobitolimod could incur increased product development costs as well as delays in introducing the product on the market.

The Company's assessment is that the probability of the phase III program not reaching a successful outcome, in whole or in part, is medium, and that the negative impact of the risk, if it were to materialize, would be high.

Risks related to the Covid-19 pandemic

At the end of December 2019, a new coronavirus was detected in the city of Wuhan in Hubei Province, China. Coronavirus is a family of viruses that in humans can cause anything from mild cold symptoms to more serious diseases. The new virus, which is related to SARS coronavirus, has been named SARS-coronavirus-2 (SARS-CoV-2) and the disease from the new virus is called Covid-19. On 11 March 2020, the WHO (World Health Organisation) declared Covid-19 a pandemic. At the end of February 2020, the Covid-19 pandemic spread rapidly also outside of China. The outbreak of the Covid-19 pandemic has led to authority decisions to shut down cities, to governments closing national borders and to companies closing various businesses activities. A second wave of the Covid-19 pandemic was reported in November 2020 in many countries, as a result new restrictions were implemented in numerous countries around the globe and many of the restrictions imposed during the first half of 2020 are still being applied.

The Covid-19 pandemic affects healthcare systems and investor sentiment globally and must be taken into account in the Company's strategic planning. As of the date of this Prospectus, InDex has not experienced any significant disruption due to the Covid-19 pandemic as InDex has no ongoing clinical trials. If the spread of Covid-19 does not subside, InDex may experience difficulties in conducting its planned phase III program for cobitolimod since it may affect patient access. This impact may both be a result of governments or authorities imposing restrictions in order to limit the spread of the Covid-19 pandemic limiting patients' access to hospitals as well as hospitals being congested by Covid-19 related patients. If the patients in InDex's upcoming

phase III program are prohibited access to hospitals this may result in these patients not receiving their doses of cobitolimod according to the dose-schedule, which may prevent these patients from participating or continuing their participation in the program. Any such limitations in patient access may result in delays in the planned phase III program for cobitolimod. Furthermore, if InDex's staff or persons engaged by InDex, such as scientists, are infected by Covid-19 this may limit their possibilities to work with the planned phase III program, which in turn could delay the program.

Furthermore, the demand for oligonucleotide raw materials from the Covid-19 mRNA vaccine manufacturers may affect InDex's access to oligonucleotide raw material needed to produce cobitolimod, which may delay or increase the cost of the production of study drug for the phase III program.

The Company's assessment is that the overall probability of the above described risks related to the Covid-19 pandemic occurring, in whole or in part, is medium, and that the negative impact of the risk, if it were to materialize, would be medium.

Risks related to commercialisation, market acceptance and reimbursement systems

In the event that the phase III program for cobitolimod is successful (see in more detail under the heading "Risks related to the phase III program for cobitolimod") and cobitolimod – or any other product – later is approved by FDA in the United States and/or by EMA in the EU/EEA and other applicable authorities, there is a risk that sales do not meet expectations and that the product is not commercially successful. The level of market acceptance and sales of a drug depend on a number of factors, including product properties, clinical documentation and results, competing products, distribution channels, physician accessibility, availability, price, subsidization/reimbursement and sales and marketing efforts. Cobitolimod is administered to the inflamed large intestine (colon) via the rectum. There is a risk that administration via the rectum may be perceived negatively in some markets, which could affect the commercialisation of the product and thereby have a material adverse effect. Sales of prescription drugs are affected by the price set and obtained from the responsible authorities (such as the Dental and Pharmaceutical Benefits Agency in Sweden), from reimbursement payers and by healthcare payers, including insurance companies, hospitals and nationally responsible authorities. There is a risk that the prices achieved are lower than expected. The reimbursement rate that from time to time applies for a drug often depends on the value that the product is deemed to add for the patient and the healthcare system. There is a risk that the products do not qualify for subsidies from privately and publicly financed healthcare programs or that reimbursement is lower than expected, which e.g. may affect the market acceptance of the product or the operating margin. Reimbursement systems may also change from time to time, making it more difficult to predict the benefit and reimbursement that a prescription product may obtain. Such changes could result in fewer reimbursement possibilities and lower reimbursement levels in some markets.

The Company's assessment is that the overall probability of the risks occurring, in whole or in part, is medium, and that the negative impact of the risks, if they were to materialize, would be medium.

InDex operates in a highly competitive market

The pharmaceutical industry is a highly competitive industry characterised by global competition, rapid technological development and extensive investments. The Company is facing competition from e.g. large pharmaceutical companies, including multinational companies, other companies active in the healthcare sector and universities. Some of the competitors have great financial resources and there is a risk that the Company's competitors develop similar drugs or alternative medicinal products which prove more successful. As of the date of this Prospectus, the Company faces competition for cobitolimod from competing therapies approved for the treatment of moderate to severe ulcerative colitis such as, AbbVie's product adalimumab (marketed under the name Humira and as biosimilars), Johnson & Johnson's products infliximab, golimumab and ustekinumab (marketed under the names Remicade and as biosimilars, Simponi and Stelara respectively), Takeda's product vedolizumab (marketed under the name Entyvio) and Pfizer's product tofacitinib (marketed under the name Xeljanz). Further, other companies are currently developing drugs that compete with or may compete with cobitolimod, InDex may also have to compete with these companies over patients to conduct necessary studies.

Furthermore, the highly competitive market may lead to that InDex is forced to take measures due to high competition, such as lowering its prices, or if the Company is unable to compete successfully this may lead to a negative impact on the Company's profitability and a future market share, or a loss of the Company's ability to establish relationships with potential new customers.

The Company's assessment is that the probability of the aforementioned risk occurring, in whole or in part, is medium, and that the negative impact of the risk, if it were to materialize, would be medium.

Risks related to manufacturers and suppliers

The Company engages external manufacturers (Contract Manufacturing Organisations "**CMO**"), such as Avecia Nitto Denko and Vifor, for all of its required active pharmaceutical ingredients, such as cobitolimod substance, and finished products for preclinical and clinical studies. The Company has collaborated with some of its external manufacturers for a long time. The Company has entered into two framework agreements but these agreements does not guarantee the delivery of products. The Company has not entered into any other agreements that runs over a longer period of time with a manufacturer in addition to the aforementioned two agreements.

The Company also engages external suppliers (e.g. CROs) for conducting preclinical and clinical studies. The suppliers, in turn, contracts clinics specialised in the therapeutic area and/or clinical trials that can provide access to patients, but the Company has not entered into any agreement with a supplier at the time of the publication of the Prospectus that runs over a longer period of time.

There is a risk that current and future manufacturers and suppliers, who in turn might have contractual obligations towards third parties (e.g. sub-suppliers) which are out of the Company's control, fail to deliver according to agreement, which could lead to delays and increased costs affecting an entire development project. None of the Company's current manufacturers or suppliers are considered material in the sense that they cannot be replaced, but the Company is dependent on such manufacturers and suppliers as changing manufacturers and suppliers might be both costly and time consuming. There is a risk that the Company will not be able to find suitable manufacturers and suppliers offering the same quality and quantities on similar terms and conditions. In addition, InDex's manufacturer's and supplier's operations are subject to laws and regulations. Should the manufacturer's and supplier's fail to comply with applicable laws and regulations in this regard, InDex could be negatively affected. Further, the Company does not have any current agreements for the manufacture of commercial supplies of any active pharmaceutical ingredients or drug candidates if they are approved. There is a risk that the Company will not find suitable manufacturers offering the required quality and quantities on terms and conditions satisfactory to the Company.

The Company's assessment is that the probability of the risk occurring, in whole or in part, is low, and that the negative impact of the risk, if it were to materialize, would be medium.

Risks related to key employees and key consultants

InDex has a small number of employees with core competences and cooperates with experienced consultants within different areas of the development process. As of the day of the Prospectus, the Company's has seven full time employees and has established cooperation with nine qualified consultants each specialised in different areas, such as clinical trials, regulatory affairs, statistics, medicine, preclinical, manufacturing, business development and finance in order to ensure that the necessary competences and experiences are covered. InDex's management and the board of directors have together large and documented highly qualified international experience from the pharmaceutical industry and publicly listed companies. This covers the vast majority of the functions involved in the process to develop and commercialise new and innovative drugs. The Company is dependent on its employees and consultants, especially on its executive management and other key individuals, and on its ability to recruit and retain highly qualified personnel. In the event a key employee or a key consultant would leave the Company, this could have an adverse effect on the Company's ongoing projects. The Company's ability to recruit and retain qualified personnel is thereby crucial for its future success and growth.

The Company's assessment is that the probability of the aforementioned risk occurring, in whole or in part, is low, and that the negative impact of the risk, if it were to materialize, would be low.

Risks related to development of other DIMS

Prior to launching a drug on the market, its safety and efficacy for treatment of patients with a certain disease must be ascertained by performing an extensive number of preclinical studies (evaluation of the drug candidate in laboratory and animal studies) and clinical studies (patient studies). InDex has a preclinical portfolio of more than 150 DNA-based ImmunoModulatory Sequences (DIMS). 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. The preclinical studies evaluate the chemistry, toxicity and effects through appropriate laboratory trials and animal models. Once the preclinical requirements of the substance are fulfilled the substance may proceed to clinical development. The research and development required for the DIMS candidates is subject to risks such as delays in product development and/or costs becoming higher than expected or that the products do not have the anticipated effect or that they turn out to have unexpected and/or unwanted side effects. There is a risk that the preclinical studies for the DIMS candidates will not be successful and that the candidates will not reach clinical studies.

The Company's assessment is that the probability of the risk occurring, in whole or in part, is high, and that the negative impact of the risk, if it were to materialize, would be low. If successful studies were to be conducted for a DIMS candidate it is likely that other risk factors, such as those stated under headings "Risks related to manufacturers and suppliers", "InDex operates in a highly competitive market" and "Risks related to commercialisation, market acceptance and dependence on reimbursement systems", would become relevant for the applicable DIMS candidate as well.

LEGAL RISKS

Risks related to regulatory approvals, licenses and registrations with authorities

In order to develop, manufacture, market and sell drugs, regulatory approvals or licenses must be obtained from, and registrations must be made with, relevant authorities e.g. the FDA and EMA and/or national authorities, which can be both time consuming and expensive. Prior to starting the first phase III induction study, the Company will apply for clinical trial approvals with national authorities, such as FDA, in the countries that will participate in the study. If the Company do not receive clinical trial approvals in time (which can be a result due to both rejection from the applicable authority as well as an inquiry from the applicable authority for changes or additions to InDex's submission), delays in the Company's phase III program for cobitolimod could arise.

Further, the authorities might make different assessments as regards e.g. the need for additional studies, and interpretation of data from performed studies. The requirements for approvals may differ between authorities in different countries and the actual registration procedures may require extensive work.

Further, current rules and interpretations for drug approval may change in the future, which could adversely affect the Company's ability to obtain the necessary regulatory approvals, which, in turn, could have a material adverse effect on the Company's business and profits in the future. Subsequent to the approval of a drug, the Company will still be obliged to

meet certain regulatory requirements, such as requirements for safety reporting and supervision of marketing of drugs. In the event the Company fails to meet post-approval regulatory requirements, previously obtained regulatory approvals may be withdrawn. The Company could also be subject to other sanctions, such as fines, operational restrictions or criminal sanctions.

The Company's assessment is that the overall probability of the risks occurring, in whole or in part, is medium, and that the negative impact of the risks, if they were to materialize, would be medium.

InDex rely on intellectual property rights and know-how
The future success of InDex is dependent on the Company being able to protect its current and future intellectual property rights. The Company's intellectual property rights are mainly protected through granted patents and patent applications and the Company's patent portfolio covers use of cobitolimod in the treatment of various inflammatory diseases, as well as composition of matter patents for other DIMS compounds and their methods of use. InDex only has method of use patents, but no composition of matter patent for cobitolimod. Generally, a method of use patent is deemed to give a more narrow protection compared to the protection given by a composition of matter patent.

There is a risk that the Company's patents are challenged by third parties, which could result in the patents being declared null and void by a patent court, adversely affecting the Company. Further, there is a risk that the Company's patents, trademarks and other intellectual property rights are intentionally or unintentionally infringed by third parties. In addition to being time consuming and thus disrupting the Company's operations, patent infringements or challenges of intellectual property rights could entail considerable legal costs for defending the Company's intellectual property rights. There is also a risk of the Company unintentionally infringing intellectual property rights held by third parties, or wrongfully being alleged to do so, which also could entail considerable legal costs. Patents are only granted for a limited period of time. After a patent has expired, there is a risk that the Company's products are copied by third parties, adversely affecting the sale of the Company's own products. The Company is also dependent on the protection of know-how, including information related to inventions for which patent applications have not yet been filed. Unlike patents and other intellectual property rights, know-how is not protected by exclusive rights by registration or similar. There is a risk that unauthorised disclosure or use of the Company's know-how would render it impossible to obtain a patent or depriving the Company of competitive advantages.

The Company assesses that the probability of the risk that the Company's intellectual property rights or know-how would be lost or limited, or that the Company otherwise will not be able to maintain required protection of its intellectual property, occurring, in whole or in part, is low, and that the negative impact of the risk, if it were to materialize, would be high.

41 The International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use.

Risks related to product liability and insurance
In the event that any of the Company's drug candidates or products – such as cobitolimod – turn out (during phase III program for cobitolimod or subsequent to obtaining approval and launching the product on the market) to cause illness, injury, disability or death, this could lead to compensation claims against the Company from patients participating in clinical studies and/or patients using the products. If product liability claims are made against the Company, the Company may also be required to stop further sales of and prevent the use of its products. There is a risk that the applicable insurance policies will not provide sufficient coverage in the event of a product liability claim (e.g. in connection with phase III program for cobitolimod) or any other claim against the Company. There is also a risk that the Company could fail to obtain or maintain adequate insurance coverage at acceptable terms in the future. Any and all uninsured losses could have a material adverse effect on the Company.

The Company's assessment is that the overall probability of the risks occurring, in whole or in part, is low, and that the negative impact of the risks, if they were to materialize, would be medium.

InDex is subject to safety regulations and ethical standards
InDex's operations are subject to reporting requirements on safety and will upon potential future market approval be subject to additional requirements. The Company need to comply with current Good Clinical Practice ("**GCP**"), which is an international ethical and scientific quality standard for designing, conducting, recording and reporting trials that involve the participation of human subjects. The aim of the standard is to provide a unified standard for the ICH[41] regions to facilitate the mutual acceptance of clinical data by the regulatory authorities in these jurisdictions. If the Company would not comply with the relevant GCP, this could mean that the Company would face problems with national and regional authorities that uses the GCP standard when it comes to approval to commence clinical trials.

Further, should the Company fail to comply with applicable laws and regulations in this regard, InDex could be subject to criminal sanctions and extensive damages or become obliged to cease or alter its activities. In addition, some of the Company's employees could prove guilty of unethical or criminal conduct or conduct that would otherwise be in conflict with applicable laws and regulations, as well as internal guidelines. Such conduct would also damage the Company's reputation. The corresponding conduct of partners could also have a material adverse effect.

The Company's assessment is that the probability of the risk occurring, in whole or in part, is low, and that the negative impact of the risk, if it were to materialize, would be low.

FINANCIAL RISKS
Risks related to funding
Pharmaceutical development is generally very costly and InDex has incurred losses each year since the Company was formed. The drug development programs are expected to generate significant costs and to lead to net losses until the Company generates revenues in the form of sales of drugs

on the market, potential upfront and milestone payments and/or royalties from license and collaboration agreements.

There is a risk that InDex will not have sufficient revenue or positive cash flows in the future to finance its operations. It is the Company's assessment that the existing working capital, as of the date of the Prospectus, is insufficient for the Company's needs during the coming twelve month period, based on the Company's capital need in connection with commencement of the phase III program for cobitolimod. As of 30 September 2020, the Company's cash and cash equivalents amounted to MSEK 62. The Company estimates that the working capital deficit arises in the second quarter of 2021 and the deficit for the coming twelve-month period is estimated at approximately MSEK 200.

Upon full subscription in the Rights Issue, the Company will receive MSEK 533 before issue costs, which are estimated to amount to approximately MSEK 45. Subscription undertakings amount to approximately MSEK 143, corresponding to approximately 27 percent of the Rights Issue, of which the largest subscription undertakings (in terms of amount) have been provided by Linc and The Fourth Swedish National Pension Fund, who have undertaken to subscribe for their respective pro rata share, corresponding to 10 and 7.5 percent of the Rights Issue respectively. Undertakings from certain existing shareholders as well as external parties to acquire and utilise subscription rights amounts to approximately MSEK 155, corresponding to approximately 29 percent of the Rights Issue, of which the largest undertakings (in terms of amount) have been provided by HBM Healthcare Investments, Handelsbanken Funds, Linc and The Fourth Swedish National Pension Fund. SEB Venture Capital and Stiftelsen Industrifonden have undertaken to sell a corresponding number of subscription rights to the aforementioned parties. In addition, guarantee commitments amount to approximately MSEK 235, corresponding to approximately 44 percent of the Rights Issue. These guarantee commitments have been provided by an external guarantee consortium, which was convened by, and also includes, Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ). Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ), acting as Joint Global Coordinators and Joint Bookrunners, have entered into an underwriting agreement with respect to their respective guarantee commitments. However, the commitments described above are not secured by a bank guarantee, blocking funds, pledges, or similar arrangements.

If the Rights Issue, despite subscribed commitments and guarantee commitments entered into, is not subscribed to a sufficient extent, the Company may be forced to seek alternative financing in the form of loan financing or additional capital raising. The Rights Issue is intended to finance the important initial induction study in a sequential phase III program for cobitolimod. Additional capital will be required in order to complete the phase III program. There is a risk that new capital cannot be raised when needed or on satisfying terms or that capital raised would not be sufficient to finance operations in accordance with established development plans and objectives. This could result in the Company being forced to delay or change the design of the Company's development program for cobitolimod.

Should the Company manage to secure additional funding when required, there is a risk that the Company's future capital requirements may differ from the management's estimates. The future capital requirements depend on several factors, including the costs of development and commercialisation of drug candidates, sales of products on the market, when payments are received and the size of upfront, milestone and royalty payments from license and collaboration agreements.

In light of this, the Company's assessment is that the overall probability of the risks related to InDex's future capital requirements occurring, in whole or in part, is medium, and that the negative impact of the risks, if they were to materialize, would be high.

Risks related to global economic factors and currency fluctuations

Foreign exchange risks arise from future transactions, primarily payment outflows, and recognised assets and liabilities in a currency that is not the Company's functional currency, known as transaction exposure. The Company's financial accounting and functional currency is SEK but a larger part of the Company's operating costs in the next few years will be denominated in e.g. EUR and USD. As a result, the Company could be subject to risks relating to currency exchange rates in respect of cash flows inside and outside Sweden such as fluctuations where the exchange rate changes from when entering into an agreement until payment pursuant to the agreement. Currency fluctuations could cause currency transaction losses which the Company cannot predict. The Company does not currently use derivative instruments, such as currency swaps, to manage currency risk.

In addition, the Company's operations can be adversely affected by world economic factors and the Company is exposed to market factors such as supply and demand, inflation and interest rate fluctuations, upswings and downturns and the will to invest etc. The last financial crisis caused extreme volatility and disruptions in the capital and credit markets, and the markets are now facing another form of crisis because of the continued development of the Covid-19 pandemic (see in more detail under the heading "Risks related to the Covid-19 pandemic"). As the pandemic continues, it is uncertain to what extent the economic downturn will continue, and to have an adverse effect on the pharmaceuticals market and consequently have a negative effect on the Company's operations in the future. A weak or declining economy could also strain the Company's suppliers, possibly resulting in supply disruptions. Any of the foregoing could harm the Company's operations and the Company cannot anticipate all of the ways in which the future economic climate and financial market conditions could adversely affect the Company's operations.

In light of this, the Company's assessment is that the overall probability of the risks occurring, in whole or in part, is medium, and that the negative impact of the risks, if they were to materialize, would be medium.

RISKS RELATED TO THE SHARES AND THE RIGHTS ISSUE

Market price of the share

Since an investment in shares may both increase and decrease in value, there is a risk that an investor will not recover the

invested capital. The market price of InDex's share could fall below the subscription price in the Rights Issue. Anyone who chooses to subscribe for new Shares in the Rights Issue would then make a loss on the sale of such Shares. During the period 1 January 2020 – 1 January 2021, the Company's share price was at its minimum SEK 3.83 and at its maximum SEK 9.54. Consequently, the price of the Company's share may be volatile. The development of the share price depends on a number of factors, some of which are company-specific and others linked to the stock market as a whole. Such factors can also increase the volatility of the share price. An investment decision regarding the new Shares should therefore be preceded by a thorough analysis.

Risks related to dilution
Shareholders who wholly or partly choose not to use their Subscription Rights to subscribe for new Shares in the Rights Issue will have a reduced share of InDex's share capital, and voting rights, as a result of the total number of shares and votes in the Company increasing in connection with allocation of new Shares in the Rights Issue. Upon full subscription in the Rights Issue, the total number of shares in the Company will increase from 88,781,275 to 532,687,650 shares. The dilutive effect for shareholders who choose not to participate in the Rights Issue thus amounts to approximately 83.3 percent of the total number of shares and votes in the Company after the Rights Issue.

Subscription commitments and guarantee commitments are not secured
Subscription undertakings amount to approximately MSEK 143, corresponding to approximately 27 percent of the Rights Issue, of which the largest subscription undertakings (in terms of amount) have been provided by Linc and The Fourth Swedish National Pension Fund, who have undertaken to subscribe for their respective pro rata share, corresponding to 10 and 7.5 percent of the Rights Issue respectively. Undertakings from certain existing shareholders as well as external parties to acquire and utilise subscription rights amounts to approximately MSEK 155, corresponding to approximately 29 percent of the Rights Issue, of which the largest undertakings (in terms of amount) have been provided by HBM Healthcare Investments, Handelsbanken Funds, Linc and The Fourth Swedish National Pension Fund. SEB Venture Capital and Stiftelsen Industrifonden have undertaken to sell a corresponding number of subscription rights to the aforementioned parties. In addition, guarantee commitments amount to approximately MSEK 235, corresponding to approximately 44 percent of the Rights Issue. These guarantee commitments have been provided by an external guarantee consortium, which was convened by, and also includes, Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ). Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ), acting as Joint Global Coordinators and Joint Bookrunners, have entered into an underwriting agreement with respect to their respective guarantee commitments. However, the commitments described above are not secured by a bank guarantee, blocking funds, pledges, or similar arrangements. Consequently, there is a risk that one or more of the shareholders will not be able to meet its respective guarantee or subscription undertaking. If the above-mentioned undertakings are not fulfilled this could have an adverse effect on InDex's ability to successfully implement the Rights Issue.

The Company's assessment is that the probability of the risk occurring, in whole or in part, is low, and that the negative impact of the risk, if it were to materialize, would be high.

Trading in subscription rights and BTAs may be limited
Those who are registered as shareholders in InDex on the record date on 21 January 2021 will receive Subscription Rights in proportion to their existing shareholdings. The Subscription Rights are expected to have an economic value that can only benefit the holder if he or she either exercises them for subscription for new Shares no later than 5 February 2021 or sells them no later than 3 February 2021. After 5 February 2021, unexercised Subscription Rights will be removed, without prior notification, from the holder's securities account and the holder will thus, in full, be deprived of the economic value of the Subscription Rights. Both Subscription Rights and BTAs which, after payment, are booked into the securities accounts of those who have subscribed for new Shares, will be subject to trading on the Nasdaq First North Growth Market for a limited period. Trading in these instruments may be limited, which may cause difficulties for individual holders to sell their Subscription Rights and/or BTAs and thereby entail that the holders will not be able to compensate themselves for the dilution effect that the Rights Issue entails (see in more detail under the heading "Risks related to dilution"), or that they will not be able to realise the value of their BTAs. Such circumstances would constitute a significant risk for individual investors. Limited liquidity could also enhance fluctuations in the market price of Subscription Rights and/or BTAs. Consequently, pricing of these instruments risks to be misleading.

Risk related to issues of new shares or share related instruments
In order to, inter alia, raise capital or enable corporate acquisitions, the Company may issue additional shares or share related instruments in the future. Development of drugs, including the Company's development of cobitolimod, is capital intensive and requires, given a lack of revenue, financing by external investors or lenders. The Company has historically primarily financed its business activities with capital investments. Such issues of new shares could reduce the proportional ownership and share of voting power as well as profit per share of the shareholders in the Company. Moreover, such issues of new shares may adversely affect the market price of the Company's shares.

The Company's assessment is that the overall probability of the risks occurring, in whole or in part, is medium, and that the negative impact of the risks, if they were to materialize, would be medium.

Risks specific to shareholders outside of Sweden
InDex's shares will only be listed in SEK and any dividend will be paid in SEK. Since InDex has shareholders both within and outside of Sweden this means that shareholders outside of Sweden potentially will experience negative effects on the value of their holdings and possible dividends when these are converted into other currencies if SEK decreases in value against the relevant currency.

If InDex issues new shares in the event of a cash issue, the shareholders generally have a preferential right to subscribe for new shares in relation to the number of shares held before the issue. Shareholders in certain jurisdictions other than Sweden may, however, be subject to restrictions which mean that they cannot participate in such rights issues, or that participation is otherwise restricted, for example due to registration requirements for securities offerings in or to certain jurisdictions. The Company has no obligation to apply for registration or approvals under the legislation of any jurisdiction outside Sweden with respect to such shares and subscription rights and to do so in the future may be impractical and costly. To the extent that the Company's shareholders in jurisdictions outside Sweden cannot exercise their rights to subscribe for new shares in any rights issues, their proportional ownership in the Company will decrease.

Rights attached to the securities

GENERAL INFORMATION
The Company's shares have been issued in accordance with Swedish law, are denominated in SEK and freely transferable. All shares have been fully paid and entail a quota value of SEK 0.02. The Company's articles of association contains a so called CSD provision for electronic registration and the Company's shares are connected to the electronic securities system with Euroclear Sweden AB, (P.O. Box 191, SE-101 23 Stockholm, Sweden) as central securities depository. The shares are registered in the name of the shareholder. No share certificates have been issued for the shares or will be issued for the new Shares. The ISIN code for the Company's shares is SE0008966295. The investors are hereby informed that the tax legislation in the investor's member state and in Sweden can influence the income from the shares.

RIGHTS ISSUE
The board of directors of the Company resolved on 14 January 2021, with support from an authorisation from an extraordinary general meeting held on the 12 January 2021, to increase the Company's share capital through a new issue of shares with preferential rights for existing shareholders. The Offering involves subscription of new Shares in the Company with preferential rights for existing shareholders. The currency for the rights issue will be SEK, and the new Shares are expected to be registered with the Swedish Companies Registrations Office around 12 February 2021.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES
Shareholders are entitled to vote for their full number of shares and each share entitles to one vote at the shareholders' meeting. All shares in the Company give equal rights to dividends; share in the Company's profits and the Company's assets and any surplus in the event of liquidation.

The right to receive dividend payment belongs to the person who is registered as a holder of shares in the share register kept by Euroclear on the dividend record day as determined by the general meeting.

The Company's shares have been issued in accordance with Swedish law and the rights associated with the Company's shares, including rights pursuant to the articles of association, may only be amended in accordance with the procedures set out in the Swedish Companies Act. If the Company decides to issue new shares, warrants or convertible bonds by means of a cash issue or offset issue, the shareholders will, as a general rule, have preferential Subscription Rights in proportion to the number of shares they already own. In accordance with the provisions of the Swedish Companies Act, it is possible to deviate from shareholders' preferential rights. The articles of association does not contain any provisions on redemption obligation or regarding conversion linked to the shares. The Company has one class of shares and all shares have the same priority in case of insolvency.

DIVIDENDS
Resolutions regarding dividends are made by the general meeting. Right to dividend rests with a person who, on the record date as determined by the general meeting or by the board of directors in accordance with an authorisation from the general meeting, is registered as owner of shares in the share register kept by Euroclear.

If a shareholder cannot be reached through Euroclear, the shareholder's claim against the Company regarding the dividend amount remains, and is only limited in time pursuant to provisions of statutory limitation of ten years. Upon limitation, the dividend amount is allocated to the Company.

Neither the Swedish Companies Act nor the Company's articles of association contain any restrictions regarding the right to dividend for shareholders domiciled outside of Sweden. With the exception of any restrictions imposed by banks or clearing systems in concerned jurisdictions, payments to such shareholders are made in the same manner as to shareholders domiciled in Sweden.

PUBLIC TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES
The Company's shares are subject to the takeover rules for certain trading platforms issued by the Swedish Corporate Governance Board (*Takeover Rules for certain trading platforms*). A public takeover bid may apply to all or part of the shares of a company, and can be voluntary or mandatory. The obligation to make an offer to acquire the remaining shares in the Company is triggered for shareholders who, alone or together with a closely related party, have a holding that represents three-tenths or more of the total voting rights in the Company.

A company may only, after a decision by the general meeting, adopt measures that are intended to impair the conditions for the submission or implementation of a bid, if the board of directors or the managing director of the company has good reason to assume that such a bid is imminent, or if such a bid has been made.

In case of a public takeover bid, a shareholder must decide either to accept or reject the offering during the term of acceptance. A shareholder who accepts a public takeover bid is bound by the acceptance; however, a shareholder may under certain circumstances revoke the acceptance, e.g. if it has been conditional on the fulfilment of certain conditions.

A shareholder who alone, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company (the "**Majority shareholder**") is entitled to redeem the remaining shares in the target company. Owners of the remaining shares (the "**Minority shareholders**") are, correspondingly, entitled to have their shares redeemed by the Majority shareholder. The procedure for redemption of the Minority shareholders' shares is further governed by the Swedish Companies Act.

The Company's shares are not subject to any offer made as a result of mandatory bid, redemption rights or redemption obligation. The Company's shares have not been and are not subject to any public takeover offer.

Terms and conditions

PREFERENTIAL RIGHTS AND SUBSCRIPTION RIGHTS
Those parties registered as shareholders in the share register maintained by Euroclear for InDex at 21 January 2021, have preferential rights to subscribe for new Shares in relation to the number of shares held on the record date.

Those parties registered as shareholders in the Company on the record date, are entitled to five (5) Subscription Rights for each share. One (1) Subscription Right entitle the holder to subscribe for one (1) new Share.

The holdings of shareholders who choose not to participate in the Rights Issue and subscribe for Shares will become diluted by 83.3 percent in relation to the number of shares outstanding.[42]

SUBSCRIPTION PRICE
The new Shares will be issued at a subscription price of SEK 1.20 per share. No commission will be charged.

RECORD DATE
The record date at Euroclear for determining which parties are entitled to receive Subscription Rights under the Rights Issue is 21 January 2021. The Company's shares will trade together with Subscription Rights until 19 January 2021. The Company's shares will be traded ex-Subscription Rights in the Rights Issue from 20 January 2021.

SUBSCRIPTION PERIOD
Subscription for new Shares under the Subscription Rights is carried out through payment during the period starting on 22 January 2021 and ending on 5 February 2021. During this period, it is also possible to apply to subscribe for Shares without Subscription Rights. The board of directors of the Company reserves the right to extend the subscription period, which if it becomes relevant will be announced by the Company in a press release no later than 5 February 2021. The press release will be available on InDex's website, www.indexpharma.com.

ISSUE STATEMENT
Directly registered shareholders
A pre-printed issue statement with an attached payment form will be sent to shareholders, or representatives of shareholders, in the Company who, on the record date of 21 January 2021, are registered as shareholders in the Company. The pre-printed issue statement sets forth, inter alia, the number of Subscription Rights received and the full number of Shares that may be subscribed for. No separate notification will be sent regarding the registration of Subscription Rights in shareholders' securities accounts. Those parties included in the separate list of pledge holders and trustees maintained in connection with the share register will not receive any issue statement and will be informed separately.

Nominee registered holdings
Shareholders whose holdings of shares in the Company are nominee-registered at a bank or other nominee will not receive any issue statement from Euroclear. Instead, application for subscription and payment should be carried out in accordance with the instructions from the respective nominee.

Shareholders resident in certain unauthorised jurisdictions
The allotment of Subscription Rights and the issue of new Shares through the exercise of the Subscription Rights to shareholders who are resident outside of Sweden may be affected by securities legislation in such countries; please refer to the "Important information to investors" section. Consequently, subject to certain exceptions, shareholders whose existing shares are directly registered in a securities account and whose registered address is in Australia, Canada, Hong Kong, Japan, Singapore, US or any other jurisdiction where participation would require additional prospectus, registration or action other than those arising from Swedish law, will not receive any Subscription Rights to their respective securities accounts or be allowed to subscribe for new Shares. Subscription Rights that would have been registered to such shareholders will be sold and the sales proceeds, less a deduction for costs, will be paid to such shareholders. However, amounts less than SEK 100 will not be paid out.

TRADING IN SUBSCRIPTION RIGHTS
Subscription Rights will be traded on the Nasdaq First North Growth Market during the period starting on 22 January 2021 and ending on 3 February 2021. Carnegie and other securities institutions with the requisite licenses will provide brokerage services in connection with the purchase and sale of Subscription Rights. The ISIN code for the Subscription Rights is SE0015503370.

SUBSCRIPTION FOR NEW SHARES WITH THE SUBSCRIPTION RIGHTS
Subscription for new Shares with the Subscription Rights is carried out through payment during the period starting on 22 January 2021 and ending on 5 February 2021. Upon expiry of the subscription period, unexercised Subscription Rights will lapse and become worthless. After 5 February 2021, unexercised Subscription Rights will be deleted from holders' securities accounts, without notice from Euroclear.

To ensure that the value of the Subscription Rights to subscribe for new Shares is not lost, the holder must either:
- exercise the Subscription Rights to subscribe for new Shares no later than 5 February 2021, or according to instructions received from the respective trustee; or
- sell the Subscription Rights that are not intended to be exercised no later than 3 February 2021.

A subscription of new Shares with the Subscription Rights is irrevocable and the subscriber cannot withdraw or change such subscription of new Shares.

[42] Calculated on the basis of the maximum number of shares that could come into existence through the Rights Issue in relation to the maximum number of outstanding shares in the Company after the Rights Issue.

Directly registered shareholders resident in Sweden
Subscription for new Shares with the Subscription Rights is carried out through cash payment, either by use of the pre-printed payment form or a separate application form, with concurrent payment in accordance with one of the following options:

- the payment form is to be used if all Subscription Rights in the issue statement from Euroclear are to be exercised. No additions or changes may be made to the payment form, and
- the application form named "Subscription of shares with subscription rights" is to be used if Subscription Rights have been purchased, sold or transferred from another securities account, or if, for some other reason, the number of Subscription Rights to be exercised for subscription of new Shares differs from the number on the pre-printed issue statement. Payment for the subscribed Shares must be made concurrent to submitting the completed application form, which can be carried out in the same way as for other bank giro payments, for example through an internet bank, by giro transfer or at a bank branch office. The number of the securities account that holds the Subscription Rights must be stated together with the payment.

Application forms in accordance with the above may be ordered from Carnegie during office hours by telephone: +46 (0)8-5886 8510 or downloaded from Carnegie's website www.carnegie.se. Application forms and payments must be received by Carnegie no later than 3:00 p.m. on 5 February 2021.

Directly registered shareholders not resident in Sweden who are eligible to subscribe of new shares with subscription rights
Directly registered shareholders who are eligible to subscribe for new Shares with Subscription Rights and who are not resident in Sweden, and who are not subject to the restrictions described above under "Shareholders resident in certain unauthorised jurisdictions" and who cannot use the pre-printed payment form, can pay in SEK through a foreign bank in accordance with the instructions below:

Carnegie Investment Bank AB (publ)
Transaction Support
SE-103 38 Stockholm, Sverige
SWIFT adress: ESSESESS
IBAN: SE3850000000052211000363
Bankkontonummer: 5221 10 003 63

Upon payment, the subscriber's name, address, securities account number and the reference number on the issue statement must be stated. The final day for payment to be received is 5 February 2021.

If the subscription pertains to another number of Shares than stated in the issue statement, the following form should be used instead: "Application form for subscription of shares with subscription rights", which can be ordered from Carnegie during office hours by telephone: +46 (0)8-5886 8510 or downloaded from Carnegie's website www.carnegie.se. Payment is to be made in accordance with the instructions above with the number of the securities account that holds the Subscription Rights as reference. Application forms (in accordance with the above address) and payments must be received by Carnegie no later than 3:00 p.m. on 5 February 2021.

Nominee-registered shareholders
Nominee-registered shareholders who wish to subscribe for new Shares with Subscription Rights must apply to subscribe for Shares in accordance with the instructions from their respective nominee or nominees.

PAID SUBSCRIBED SHARES
After subscription and payment, Euroclear will distribute a securities notification confirming the registration of the BTAs in the securities account.

New Shares will be registered as BTAs in the securities account until such time as the Rights Issue has been registered with the Swedish Companies Registration Office. Registration of new Shares subscribed for with Subscription Rights is expected to take place at the Swedish Companies Registration Office around 12 February 2021. Thereafter, BTAs will be converted to Shares, which is expected to take place around 17 February 2021 without special notification from Euroclear. Holders of nominee-registered depository accounts will receive BTAs and information in accordance with the procedures of the respective nominee. BTAs will be admitted for trading on the Nasdaq First North Growth Market from 22 January 2021 to 11 February 2021. Carnegie and other securities institutions with the requisite licenses will provide brokerage services in connection with the purchase and sale of BTAs. The ISIN code for the BTAs is SE0015503388.

SUBSCRIPTION FOR NEW SHARES WITHOUT SUBSCRIPTION RIGHTS
The new Shares may also be subscribed for without Subscription Rights.

Directly registered shareholders and others
Application for subscription for new Shares without Subscription Rights must be made on the special application form "Subscription without Subscription Rights". More than one application may be submitted; however, only the most recently dated application will be considered.

If the application concerns another person than signed, a special form "Guardians and authorised agents" must also be filled in and sent together with the application form "Subscription without subscription rights".

Application forms and other forms may be obtained from any of Carnegie's offices in Sweden or downloaded from Carnegie's website www.carnegie.se as well as from InDex's website www.indexpharma.com. The application form may either be sent by post to Carnegie Investment Bank AB, Transaction Support, SE-103 38 Stockholm or be handed in at one of Carnegie's branch offices in Sweden. The application form must be received by Carnegie no later than 3:00 p.m. on 5 February 2021.

LEI-number
As of 3 January 2018, all corporations need a global identification code, a so called Legal Entity Identifier (LEI), to conduct a securities transaction. In order to be entitled to participate in the Rights Issue and to be allocated new Shares subscribed for without Subscription Rights, a corporation must have and state a LEI-number.

Nominee-registered shareholders
Holders of depository accounts that wish to subscribe for new Shares without Subscription Rights must apply to subscribe in accordance with the instructions from their nominee or nominees, who will also process allotment notifications and other questions.

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

- firstly to those who subscribed for new shares with subscription rights, regardless if the subscriber was a shareholder on the record date or not, and in the case of oversubscription, pro rata to the number of shares subscribed for with subscription rights;
- secondly, to those who applied for new shares without subscription rights, and in the case of oversubscription, pro rata to the new number of shares subscribed for in the application; and
- lastly, to those who have entered into guarantee commitments with the Company. Allotment shall be pro rata in relation to their respective underwriting amounts.

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

Around 9 February 2021, a settlement note will be sent to the subscriber as confirmation of the allotment of new Shares subscribed for without Subscription Rights. Shareholders whose holdings are nominee-registered will receive confirmation of the allotment in accordance with the procedure of the respective nominee. No confirmation will be sent to subscribers who received no allotment. Payment for subscribed for and new Shares is to be made in cash in accordance with the instructions on the settlement note sent to the subscriber.

After payment of subscribed and allotted new Shares has been made and the new Shares have been registered with the Swedish Companies Registration Office, Euroclear will send a notice as confirmation that the new Shares have been registered to the securities account. The subscriber receives new Shares directly and no BTAs will be posted to the subscriber's securities account. Registration of the new Shares subscribed for without Subscription Rights are expected to be registered with the Swedish Companies Registration Office around 12 February 2021. The registration of new Shares on securities accounts is expected to take place around 17 February 2021.

SUBSCRIPTION UNDERTAKINGS AND GUARANTEE COMMITMENTS
Subscription undertakings amount to approximately MSEK 143, corresponding to approximately 27 percent of the Rights Issue, of which the largest subscription undertakings (in terms of amount) have been provided by Linc and The Fourth Swedish National Pension Fund, who have undertaken to subscribe for their respective pro rata share, corresponding to 10 and 7.5 percent of the Rights Issue respectively. Undertakings from certain existing shareholders as well as external parties to acquire and utilise subscription rights amounts to approximately MSEK 155, corresponding to approximately 29 percent of the Rights Issue, of which the largest undertakings (in terms of amount) have been provided by HBM Healthcare Investments, Handelsbanken Funds, Linc and The Fourth Swedish National Pension Fund.[43] SEB Venture Capital and Stiftelsen Industrifonden have undertaken to sell a corresponding number of subscription rights to the aforementioned parties. In addition, guarantee commitments amount to approximately MSEK 235, corresponding to approximately 44 percent of the Rights Issue. These guarantee commitments have been provided by an external guarantee consortium, which was convened by, and also includes, Barclays Bank Ireland PLC and Carnegie Investment Bank AB (publ). Neither subscription undertakings nor guarantee commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. For the guarantee commitments, there is a customary guarantee commission, conforming to the prevailing market conditions, of five (5) percent of the guaranteed amount. The guarantee agreements were entered into in January 2021. No compensation is paid to the parties that have provided subscription undertakings. The Rights Issue is thus fully covered through subscription undertakings and guarantee commitments. The table below sets forth subscription commitments and guarantee commitments that have been entered into.

[43] HBM Healthcare Investments' undertaking corresponds to 11.9 percent and Handelsbanken Funds' undertaking corresponds to 5.6 percent of the Rights Issue.

SUBSCRIPTION COMMITMENTS AND GUARANTEE COMMITMENTS	Subscription commitment (preferential right), proportion of the Rights Issue	Guarantee commitment, SEK	Guarantee commitment, proportion of the Rights Issue	Commitments in total, proportion of the Rights Issue, excluding commitments due to acquired rights
Shareholder				
Linc	10.0%			10.0%
Thedor Jeansson[44]	1.4%	40,000,000	7.5%	8.9%
The Fourth Swedish National Pension Fund	7.5%			7.5%
Carl Rosvall[45]	2.6%	20,000,000	3.8%	6.4%
Ponderus Invest AB[46]	1.1%	15,000,000	2.8%	3.9%
Family Pettersson[47]	1.4%	4,000,000	0.8%	2.2%
SEB-stiftelsen	2.0%			2.0%
Denali AB[48]	0.5%	8,000,000	1.5%	2.0%
Johan Thorell[47]	0.4%	8,000,000	1.5%	1.9%
External investors				
Barclays[49]		50,000,000	9.4%	9.4%
Modelio Equity AB[50]		20,000,000	3.8%	3.8%
Fredrik Lundgren[47]		7,500,000	1.4%	1.4%
Wilhelm Risberg[47]		7,500,000	1.4%	1.4%
John Fällström[47]		7,500,000	1.4%	1.4%
Anavio Capital Partners LLP[51]		7,500,000	1.4%	1.4%
Maven Investment Partners Ltd.[52]		7,500,000	1.4%	1.4%
Nyenburgh Holding B.V.[53]		7,500,000	1.4%	1.4%
Carnegie[54]		5,000,000	0.9%	0.9%
Jacob Ryer[47]		4,500,000	0.8%	0.8%
AB Stena Metall Finans[55]		3,500,000	0.7%	0.7%
John Bäck[47]		3,000,000	0.6%	0.6%
Alexander Shaps[47]		2,000,000	0.4%	0.4%
Tommy Ure[47]		1,500,000	0.3%	0.3%
Myacom Investment AB[56]		1,500,000	0.3%	0.3%
Short Capital AB[57]		1,500,000	0.3%	0.3%
Ulti AB[58]		1,500,000	0.3%	0.3%
Birger Jarl 2 AB[59]		1,000,000	0.2%	0.2%
TOTAL	**26.8%**	**235,000,000**	**44.1%**	**70.9%**

44 The subscription commitment (preferential right) has been provided via the company Originat AB, Birger Jarlsgatan 2, 114 34 Stockholm, Sweden, while the guarantee commitment has been provided by Theodor Jeansson as a natural person. Can be contacted via the Company's address: Berzelius väg 13, 171 65 Solna, Sweden.

45 Holdings through endowment insurance. Can be contacted via the Company's address: Berzelius väg 13, 171 65 Solna, Sweden.

46 Engelbrektsgatan 7, 114 32 Stockholm, Sweden.

47 Can be contacted via the Company's address: Berzelius väg 13, 171 65 Solna, Sweden.

48 Blockvägen 19, 192 51 Sollentuna, Sweden.

49 One Molesworth Street, Dublin 2, D02 RF29, Ireland.

50 Riddargatan 35, 114 57, Stockholm, Sweden.

51 11A Regent St, St. James's, London SW1Y 4LR, United Kingdom.

52 Bevis Marks, England, London, EC3A 7BA, 6, United Kingdom.

53 Beursplein 5, 1012 JW Amsterdam, Netherlands.

54 Regeringsgatan 56, 103 38 Stockholm, Sweden.

55 Box 4088, 400 40 Gothenburg, Sweden.

56 c/o Per Vasilis, Torstenssonsgatan 3 114 56 Stockholm, Sweden.

57 Nybrogatan 8, 114 34 Stockholm, Sweden.

58 c/o Tidholm, Floragatan 14, 114 31 Stockholm, Sweden.

59 Birger Jarlsgatan 2, 114 34 Stockholm, Sweden.

LOCK-UP
The Company has, in connection with the Rights Issue, undertaken not to issue, sell, transfer or otherwise dispose of shares or other similar securities in the Company for a period of 180 days from the settlement date of the Rights Issue, subject to customary carve-outs. Each shareholding member of the Company's board of directors and executive management has also 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. These transfer restrictions are subject to customary limitations and exceptions, for example acceptance of an offer to all shareholders in the Company or when transfer of shares is required due to legal, administrative and judicial requirements. The Joint Bookrunners may, in their discretion, allow exemptions from these undertakings and transfer restrictions.

TRADING IN NEW SHARES
The Company's issued shares are traded on the Nasdaq First North Growth Market. After the Swedish Companies Registration Office has registered the Rights Issue, the new Shares will be admitted for trading on the Nasdaq First North Growth Market. Trading in new Shares subscribed for with Subscription Rights is expected to take place around 17 February 2021. Trading in new Shares that have been subscribed for without Subscription Rights is expected to commence around 17 February 2021.

RIGHT TO DIVIDEND ON SHARES
Dividends are paid following a resolution by the general meeting of shareholders. Payment of dividends will be administered by Euroclear or, for nominee-registered shareholdings, in accordance with the procedures of the respective nominee. Entitlement to receive a dividend is limited to shareholders registered in the share register maintained by Euroclear on the record date. The new Shares carry the right to participate in the distribution of dividends for the first time on the dividend record date that occurs immediately following the registration of the new Shares with the Swedish Companies Registration Office.

IRREVOCABLE SUBSCRIPTION
The Company is not entitled to revoke the Rights Issue. Subscription of new Shares, with or without Subscription Rights, is irrevocable and the subscriber may not withdraw or change a subscription for new Shares, unless otherwise stated in this Prospectus or applicable law.

ANNOUNCEMENT OF THE OUTCOME OF THE RIGHTS ISSUE
The outcome of the Rights Issue is expected to be announced around 9 February 2021 through a press release from the Company.

INFORMATION ABOUT THE PROCESSING OF PERSONAL DATA
Parties who subscribe for, or apply to subscribe for, new Shares will submit personal data to Carnegie. Personal data that is submitted to Carnegie, for example contact information and personal identification number, or which is otherwise registered in connection with the preparation or administration of the offer, is processed by Carnegie, as controller of the personal data, for the administration and execution of the offer. Processing of personal data also takes place to enable Carnegie to comply with its statutory duties.

Personal data may for a defined purpose, in observance of bank secrecy rules, occasionally be disclosed to other companies within the Carnegie Group or to undertakings which co-operate with Carnegie, within and outside the EU/EEA in accordance with EU's approved and appropriate protective measures. In certain cases Carnegie is also under a statutory duty to provide information, e.g. to the Swedish Financial Supervisory Authority and Swedish Tax Agency.

Similarly to the Securities Market Act, the Banking and Financing Business Act contains confidentiality provisions according to which all of Carnegie's employees are bound by a duty of confidentiality with regard to clients of Carnegie and other parties to whom services are provided. The duty of confidentiality also applies between and within the various companies in the Carnegie Group.

Information regarding what personal data is processed by Carnegie, deletion of personal data, limitation on the processing of personal data, data portability or the rectification of personal data can be requested from Carnegie's Data Protection Officer. It is also possible to contact the data protection officer to obtain further information about how Carnegie processes personal data. If the investor wishes to make a complaint regarding Carnegie's processing of personal data, the investor is entitled to turn to the Swedish Data Protection Authority in its capacity as supervisory authority.

Personal data shall be deleted if it is no longer needed for the purposes for which it was originally collected or otherwise processed, provided that Carnegie has no legal obligation to preserve the personal data. The normal storage time for personal data is 10 years.

Address to Carnegie's data protection officer:
dpo@carnegie.se

OTHER INFORMATION
Carnegie is the issuing institution in connection with the Rights Issue. The fact that Carnegie is the issuing institution does not imply that Carnegie views any party that applies to subscribe under the Rights Issue as a customer of Carnegie. In the event that a larger amount than necessary has been paid by a subscriber for new Shares, Carnegie will arrange for the excess amount to be refunded. No interest will be paid on excess amounts. Incomplete or incorrectly completed application forms may be disregarded. If the subscription payment is made late, is insufficient or is paid incorrectly, the subscription application may be disregarded entirely or allotment may be for a lower amount, in which case, any excess amount will be refunded. No interest will be paid on any such excess amount. Amounts less than SEK 100 will not be refunded.

Board of directors and executive management

BOARD OF DIRECTORS

The Company's board of directors currently consists of six board members elected until the end of the annual general meeting planned to be held on 3 June 2021. The board of director's can be contacted through the Company's address Berzelius väg 13, SE-171 65 Solna, Sweden.

The table below sets forth the board members, their position, the year they were elected and their independence in relation to the Company, senior executives and major shareholders. Major shareholders are defined in accordance with the Swedish Code of Corporate Governance (Sw. *Svensk kod för bolagsstyrning*) as owners who directly or indirectly control 10 percent or more of the shares or votes in the Company.

			Independent in relation to:	
Name	Position	Member since	The Company and the executive management	Major shareholder
Wenche Rolfsen	Chairman	2016	Yes	Yes
Marlene Forsell	Board member	2020	Yes	Yes
Uli Hacksell	Board member	2016	Yes	Yes
Lennart Hansson	Board member	2016	Yes	Yes
Yilmaz Mahshid	Board member	2020	Yes	Yes
Stig Lökke Pedersen	Board member	2016	Yes	Yes

Below sets forth further information on the position, education and other relevant experience, other ongoing assignments, and ownership of shares and share related instruments in the Company (held in their own name as well as by affiliated natural and legal persons). Assignments in subsidiaries within the Group have been excluded under "Other ongoing assignments".

Wenche Rolfsen
Chairman in the Group since 2011 (whereof in the Company since 2016 and in InDex Pharmaceuticals AB during 2011-2020).

Education and other relevant experience: Wenche Rolfsen has 16 years' experience from leading positions within pre-clinical research and development at Pharmacia AB. She has been responsible for the early clinical organisation at Quintiles Europe and CEO of Quintiles Scandinavia for a total of 11 years. Moreover, she has been a board member of several listed companies since 2005. She holds a PhD in Pharmacology from Uppsala University where she also was associate professor during 9 years.

Other ongoing assignments: Wenche Rolfsen is chairman of the board of directors of BioArctic AB, as well as board member of Swedish Match AB, Cinclus Pharma Holding AB and Rolfsen Consulting AB (as of which she also is CEO). Rolfsen is partner in Serendipity Partners.

Holdings: 100,124 shares.

Marlene Forsell
Board member since 2020.

Education and other relevant experience: Marlene Forsell was CFO for Swedish Match AB in 2013-2018 and previously held several leading financial positions in the same company. Before Forsell was employed by Swedish Match AB in 2004, she worked at Ernst & Young with transaction consulting. Forsell holds a Master of Business Administration degree from the Stockholm School of Economics.

Other ongoing assignments: Marlene Forsell is board member of Nobia AB, STG Group AS, Kambi Group Plc och Lime Technologies AB.

Holdings: –

Uli Hacksell
Board member in the Group since 2015 (whereof in the Company since 2016 and in InDex Pharmaceuticals AB during 2015-2017).

Education and other relevant experience: Uli Hacksell has over 25 years of international R&D management experience from both large pharmaceutical and biotech companies as well as over 10 years of experience as public company CEO. Hacksell has been CEO and chairman of the board of directors of Cerecor. Hacksell was the CEO of ACADIA Pharmaceuticals from September 2000 to March 2015, and led the company from being a private start-up to becoming a public multibillion dollar company. He has previously held various senior executive positions at Astra AB and has held the position of professor in organic chemistry at Uppsala University. He has a PhD from Uppsala University.

Other ongoing assignments: Uli Hacksell is board member of Medivir AB, Active Biotech AB, SynAct Pharma AB and Beactica Therapeutics AB.

Holdings: 68,000 shares.

Lennart Hansson
Board member in the Group since 2011 (whereof in the Company since 2016 and in InDex Pharmaceuticals during 2011-2017).

Education and other relevant experience: Former head of Life Science Investments at Industrifonden. Previously Hansson has more than 25 years' experience from pharma and biotech industry in executive position at KabiGen AB, Symbicom AB, AstraZeneca AB, Karolinska Development AB and BioVitrum AB and as CEO for Arexis AB. He has a PhD in genetics from Umeå University.

Other ongoing assignments: Lennart Hansson is chairman of the board of directors of Cinclus Pharma Holding AB, Sixera Pharma AB and Ignitus AB as well as board member of Medivir AB and Calliditas Therapeutics AB.

Holdings: 72,000 shares.

Yilmaz Mahshid
Board member since 2020.

Education and other relevant experience: Yilmaz Mahshid was previously employed as CFO at PledPharma AB. He has previous experience from positions as Investment Manager at Industrifonden's Life Science Team, health care analyst at Pareto Securities and Öhman Fondkommission. He started his career as a researcher at Karolinska Institutet and then at the pharmaceutical companies Biolipox AB and Orexo AB. Mahshid has a PhD from the Department of Medical Biochemistry and Biophysics at Karolinska Institutet and a master's degree in toxicology from Karolinska Institutet.

Other ongoing assignments: Yilmaz Mahshid is CEO of Medivir AB and board member of Mahshid Advisors AB and Venaticus Capital AB.

Holdings: –

Stig Lökke Pedersen
Board member in the Group since 2012 (whereof in the Company since 2016 and in InDex Pharmaceuticals during 2012-2017).

Education and other relevant experience: Stig Lökke Pedersen was during a period of nearly 20 years part of the management team of the Danish pharmaceutical group H. Lundbeck A/S, including 10 years as executive VP and member of Lundbeck's group management. From 2005 to 2011, Pedersen was also Chief Commercial Officer and responsible for Lundbeck's global sales and marketing activities. The years prior to Lundbeck he worked for Ciba-Geigy AG (now Novartis) during a number of years in Denmark, Switzerland and South Africa. Pedersen has altogether worked for more than 30 years in the pharmaceutical industry and also has extensive experience from listed companies. He holds a Master's degree in economics from the University of Aalborg.

Other ongoing assignments: Stig Lökke Pedersen is chairman of the board of directors of Moksha8 Ltd, Union Therapeutics A/S, Stemform A/S and SSI-Diagnostica A/S as well as board member of Hasle Refractories A/S, TAP A/S, SkyBrands A/S and BroenLab A/S. Furthermore Stig Lökke Pedersen is operating partner of Catacap A/S.

Holdings: 63,962 shares.

EXECUTIVE MANAGEMENT

The Company's executive management consists of 4 persons. The Company's executive management can be contacted through the Company's address Berzelius väg 13, SE-171 65 Solna, Sweden. The table below sets forth the members of the executive management, their position, the year they were first employed or hired as consultant by the Company.

Name	Position	Employed since
Peter Zerhouni	Chief Executive Officer	2015*
Johan Giléus	Chief Financial Officer	2017
Thomas Knittel	Chief Medical Officer	2012**
Pernilla Sandwall	Chief Operating Officer	2012*

* Employed by the subsidiary InDex Pharmaceuticals AB prior to the registration of the Company in 2016, and since employed by the Company.

** Engaged as consultant by the subsidiary InDex Pharmaceuticals AB prior to the registration of the Company in 2016, and since engaged as consultant by the Company.

Below sets forth further information on the position, education and other relevant experience, other ongoing assignments, and ownership of shares and share related instruments in the Company (held in their own name as well as by affiliated natural and legal persons). Assignments in subsidiaries within the Group have been excluded.

Peter Zerhouni
Chief Executive Officer since 2015.

Education and other relevant experience: Peter Zerhouni has extensive experience in developing life science companies from both a scientific and commercial perspective. Peter joined InDex in 2015 from the listed company Diamyd Medical AB where he was CEO from 2011 and where he also had been head of business development. There he was a driving force behind one of the then largest biotech out-licensing deals in Sweden ever. Zerhouni has previously held various positions at ING Bank in Brussels and Amsterdam. He holds a Master of Science degree in Biology as well as a Bachelor of Science degree in Business Administration and Economics from Lund University (part of the course work was completed at University of California at Berkeley).

Other ongoing assignments: –

Holdings: 110,000 shares and 333,333 warrants.

Johan Giléus
Chief Financial Officer since 2017.

Education and other relevant experience: Johan Giléus is engaged as an independent financial advisor within M&A, external financial reporting and other stock market issues. He has broad experience from sectors like Life Science, Energy, Services and Manufacturing. During the last 25 years Giléus has worked with Swedish and international strategic and financial clients in acquisitions and divestments. Giléus was until May 2015 partner at Deloitte AB with a focus on M&A and stock market issues. Giléus was also on the board of Deloitte AB up until 2014. He has also been involved in some 75 IPOs. Giléus has studied business administration at Stockholm University.

Other ongoing assignments: Johan Giléus is a member of the board of Giléus Consulting AB and Giléus Invest AB and a member of the board and chairman of the audit committee of BHG Group AB. Giléus is also partner of Professionell ägarstyrning i Sverige AB.

Holdings: 40,000 shares and 133,333 warrants.

Thomas Knittel
Chief Medical Officer since 2012.

Education and other relevant experience: Thomas Knittel has over 15 years of clinical experience within medical gastroenterology as well as 20 years of experience in medical affairs and marketing management. Before joining InDex, he held positions as Business Unit Director and Director of Sales and Marketing at Novo Nordisk A/S for central Europe, as General Manager Pharmaceuticals at Harlan Laboratories Ltd, and as Vice President Corporate and Medical Affairs at Developen AG. He has a Medical degree from the University of Mainz with a specialist training in internal medicine and gastroenterology. He is an Associate Professor in Internal Medicine and Gastroenterology at the University Clinic Goettingen. In addition, he has an MBA from Kellogg School of Management/WHU.

Other ongoing assignments: Thomas Knittel is a board member of Heparegenix.

Holdings: 10,000 shares and 66,667 warrants.

Pernilla Sandwall
Chief Operating Officer since 2012.

Education and other relevant experience: Pernilla Sandwall has worked at Merck & Co. Inc./MSD for more than 20 years, both in the Swedish subsidiary and the headquarters in US, with the clinical operations organisation. She has experience in the field as CRA and project manager, as well as strategically as Clinical Research Manager. Her focus over the last years has been global patient recruitment, site selection strategies and execution. She also has experience in change management and Lean Six Sigma methodology. She holds a Master of Science in Pharmacy from Uppsala University.

Other ongoing assignments: Pernilla Sandwall is a board member of Alzinova AB och Innovativa Mindre Life science företag (IML, which is a part of the trade association Läkemedelsindustri-föreningen).

Holdings: 27,500 shares and 133,333 warrants.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

There are no family relationships between any board members or executive management of the Company. None of the Company's board members or executive management have during the past five years (i) been convicted of fraud-related offenses, (ii) been subject to accusations or sanctions by statutory or regulatory authorities (including recognised professional bodies) or (iii) been disqualified by a court from acting as a member of a company´s administrative, management or supervisory body or from holding any senior or overarching position in a company. There are no conflicts of interest through which the private interests of board members or executive management would be contrary to the Company's interests. As set out above, however, some members of the board of directors and the executive management have economic interests in the Company through holdings of shares and warrants.

REMUNERATION FOR BOARD MEMBERS AND EXECUTIVE MANAGEMENT

Board of directors

Remuneration for the board of directors is resolved by the general meeting. The table below sets forth the remuneration for board members during the period from 1 January 2020 until 31 December 2020, including any contingent or deferred compensation, as well as benefits in kind granted for services in all capacities performed by the Company, regardless of by whom or in what capacity the services have been performed. All amounts are expressed in TSEK.

Name	Board remuneration	Variable remuneration	Other benefits	Total
Wenche Rolfsen	400	–	–	400
Marlene Forsell[60]	134	–	–	134
Uli Hacksell	200	–	–	200
Lennart Hansson	200	–	–	200
Yilmaz Mahshid[61]	134	–	–	134
Stig Lökke Pedersen	200	–	–	200
Total	**1,268**	**–**	**–**	**1,268**

Executive management

Remuneration for the executive management may consist of fixed salary, variable remuneration, pension and other benefits. The table below sets forth the remuneration for executive management during the period from 1 January 2020 until 31 December 2020, including any contingent or deferred compensation, as well as benefits in kind granted for services in all capacities performed by the InDex, regardless of by whom or in what capacity the services have been performed. All amounts are expressed in TSEK.

Name	Basic salary	Variable remuneration	Other benefits	Pension expenses	Fees	Total
Peter Zerhouni	1,853	1,743[62]	–	563	–	4,159
Other senior executives (3 people)[63]	1,120	293[62]	–	396	3,279	5,088
Total	**2,973**	**2,036**	**–**	**959**	**3,279**	**9,247**

Pension and other benefits

Other than as disclosed in this section, InDex has not entered into any agreements with any member of the administrative, management or supervisory bodies pursuant to which any such member is granted any pension or other similar benefit upon termination of service.

The Group has not set aside or accrued amounts to provide pension, retirement or similar benefits upon termination of employment or assignment.

60 Marlene Forsell was elected as board member at the annual general meeting on 20 April 2020.

61 Yilmaz Mahshid was elected as board member at the annual general meeting on 20 April 2020.

62 Refers to remuneration for the financial year 2019, which has been paid out during the financial year 2020.

63 The group of senior executives includes COO, CFO and CMO, of which CFO and CMO are engaged as consultants.

Financial information and key figures

FINANCIAL REPORTS

The following pages in the below referred documents are incorporated into the Prospectus by reference and shall be read as a part hereof. The parts of the following documents which are not referred to are either not relevant for an investor or are covered elsewhere in this Prospectus.

The audited annual accounts and consolidated accounts the financial year that ended on 31 December 2019 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union ("**EU**") and the interim report for the period 1 January – 30 September 2020, which has been reviewed by auditors, has been prepared in accordance with IAS 34 Interim financial reporting, as adopted by EU. The audited consolidated annual accounts for the financial year that ended on 31 December 2018 have been prepared in accordance the Swedish Annual Report Act (1995:1554) and the Swedish Financial Accounting Standard Council's recommendation (BFNAR) 2012 ("**K3**").

- The Company's interim report for the period 1 January – 30 September 2020, including comparative figures for 2019, to which reference is made to the condensed consolidated statement of total comprehensive income on page 8, condensed consolidated balance sheet on page 9, condensed consolidated statement of changes in equity on page 10 and condensed consolidated cash flow on page 11.
- The Company's audited annual report for the financial year 2019, including comparative figures for 2018, to which reference is made to the consolidated statement of total comprehensive income on page 30, the consolidated balance sheet on page 31, the consolidated statement of changes in equity on page 32, the consolidated cash flow on page 33, notes on pages 34-55 and auditor's report on pages 66-67.
- The Company's audited annual report for the financial year 2018, to which reference is made to the consolidated income statement on page 30, the consolidated balance sheet on page 31, the consolidated statement of changes in equity on page 32, consolidated cash flow on page 33, notes on pages 38–48 and auditor's report on pages 50-51.

Other than stated above, no information in the Prospectus has been reviewed or audited by the Company's auditors.

KEY FIGURES

The selected key figures presented below include alternative key ratios or key ratios that are not defined in accordance with IFRS, and are thus not necessarily comparable to key ratios under similar names used by other companies. Those financial key figures that are not defined in accordance with IFRS are, together with key figures that are defined in accordance with IFRS, used to facilitate the management's and other stakeholders' analysis of the Group. See the heading "Definitions of alternative key figures" for definitions and objective of alternative key figures, and the heading "Reconciliation of alternative key figures" below for reconciliations of abovementioned key figures. The table below show the Group's key figures for financial years 2019 and 2018 and for the interim periods 1 January – 30 September 2020 and 2019.

	1 January – 30 September		1 January – 31 December		
TSEK	2020	2019	2019	2018[64]	2018[65]
Total revenue	339	79	88	740	740
Operating loss	–47,269	–62,100	–87,712	–81,998	–82,365
Result for the period	–47,330	–62,138	–87,773	–82,148	–82,315
Cash and cash equivalents	62,252	117,585	126,790	83,034	83,034
Equity	59,415	88,500	106,503	64,492	59,906
Equity ratio, (%)	87	74	83	75	70
Cash flow from operating activities	–63,073	–50,885	–85,081	–78,567	–78,499
Cash flow from financing activities	–576	85,436	128,837	36,546	37,478
Cash flow for the period	–64,538	34,551	43,756	–42,021	–42,021
Weighted no of outstanding shares	88,781	69,138	73,875	63,692	63,692
Earnings per share (SEK) (before and after dilution)	–0.53	–0.90	–1.19	–1.29	–1.29

DEFINITIONS OF ALTERNATIVE KEY FIGURES

64 Unaudited financial information in accordance with IFRS and for the financial year 2018.

65 Prepared in accordance with the Swedish Annual Report Act (1995:1554) and the Swedish Financial Accounting Standard Council's recommendation (BFNAR) 2012 ("K3").

Definitions of key figures that are not defined in IFRS (alternative key ratios) are included in the presentation of definitions below. Alternative key figures measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be adjusted correspondingly by the most comparable key ratio that has been defined in accordance with the Group's accounting principles. The alternative key figures are not audited. See the heading "Reconciliation of alternative key ratios" below for reconciliations of alternative key figures.

Key figure	Definition	Purpose
Equity ratio (%)	Equity divided by total assets	For investors to understand the capital structure of InDex
Weighted no of outstanding shares	Number of outstanding shares adjusted for any changes during the year	To be able to calculate earnings per share
Earnings per share (SEK) (before and after dilution)	Equity divided by the number of weighted number of shares, outstanding and after dilution effect	For investors to understand the earnings capacity of InDex
Operating loss	Total revenues minus total expenses	For investors to understand the expense structure (net) of InDex

RECONCILIATION OF ALTERNATIVE KEY FIGURES

The tables below reflect a reconciliation of alternative key ratios based on items, subtotals or total amounts included in the Group's audited financial reports for the financial years ended on 31 December 2019, and 2018, and the Group's reviewed interim report for the period 1 January – 30 September 2020 (including comparative numbers for the same period during 2019), which has been incorporated into this Prospectus by reference. The alternative key figure "Equity ratio (%)" below is not audited.

	1 January – 30 September		1 January – 31 December		
TSEK	2020	2019	2019	2018	2018
Equity	59,415	88,500	106,503	64,592	59,906
Total assets	67,919	119,391	129,087	86,421	85,028
Equity ratio (%)	87	74	83	75	70

DIVIDEND POLICY

The board of directors has no intention to propose a dividend until InDex can forecast long term profit and sustainable positive cash flow. No dividend has been resolved or paid during the period covered by the historical financial information in the Prospectus.

SIGNIFICANT CHANGES AFTER 30 SEPTEMBER 2020

There have not been any material changes to the Company's financial position or market position since 30 September 2020.

Legal consideration, ownership structure and supplementary information

SHARES AND SHARE CAPITAL

The Company's shares are denominated in SEK and have been issued in accordance with the Swedish Companies Act. All shares are fully paid up. The Company's articles of association, as of the day for the Prospectus, prescribe that the share capital shall be no less than SEK 1,775,625.5 and no more than SEK 7,102,502 and that the number of shares shall amount to no less than 88,781,275 and no more than 355,125,100. The Company's shares have only been issued as one share class, and each share entitle to one (1) vote at the general meeting. As the Company registers the Rights Issue with the Swedish Companies Registration Office, the Company will register a new articles of association, which was adopted at the extra-ordinary general meeting held on 12 January 2021. The Company's new articles of association prescribe that the share capital shall be no less than SEK 4,400,000 and no more than SEK 17,600,000 and that the number of shares shall amount to no less than 220,000,000 and no more than 880,000,000. As of 31 December 2019, 30 September 2020 and per the date of the Prospectus, the Company's registered share capital amounted to SEK 1,775,625.5 divided into 88,781,275 shares, each with a quota value of SEK 0.02.

MAJOR SHAREHOLDERS

As per 30 December 2020, the Company had approximately 3,550 shareholders. The table below shows shareholders which have more than five (5) percent of the shares of and votes in the Company per the same date based on the information from Euroclear and subsequent known changes.

Per the date of publication of the Prospectus, and as far as the Company is aware, there is no direct or indirect ownership of the Company that may lead to changed control of the Company.

Name	Number of shares and votes	Share 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%
The Fourth Swedish National Pension Fund	6,635,679	7.5%
Total	**41,370,992**	**46.6%**

WARRANTS

At the annual general meeting held on 20 April 2020, it was resolved to issue 3,965,000 warrants for transfer to employees and other key persons within InDex. Each warrant entitles the holder to subscribe for one (1) new share at a subscription price of SEK 20 per share. Subscription of shares by exercise of the warrants may take place during the period from and including 1 May 2023 up until and including 31 October 2023. The Company's share capital may increase with no more than SEK 79,300 by utilisation of the warrants. In July 2020, the board of directors allocated 958,333 warrants to employees and other key persons for a purchase price of 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. The warrants are subject to customary terms and conditions regarding recalculation.

If all the allocated warrants, i.e. 958,333 warrants, are exercised it would correspond to a dilution of approximately 1.1 percent of the total number of shares and votes in the Company per the date of this Prospectus and after exercise of all allocated warrants. If all 3,965,000 outstanding warrants are exercised it would correspond to a dilution of approximately 4.3 percent of the total number of shares and votes in the Company per the date of this Prospectus and after exercise of all outstanding warrants.

MATERIAL AGREEMENTS

Other than agreements entered into in the ordinary course of business, InDex has not entered into any agreements of major importance for the Company during the preceding year immediately before the date of the publication of the Prospectus.

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

The Company has not, in the past twelve months, been a party to any authority proceedings, legal proceedings or arbitration proceedings (including proceedings that are pending or deemed likely by the Company) that are deemed likely to have a significant effect on the Company's financial position or profitability.

INTERESTS AND CONFLICTS OF INTEREST

There are no conflicts of interest or potential conflicts of interest among the board of directors and executive management with regard to obligations toward the Company and their private interests and/or other assignments. As set out above, some board members and members of the executive management have economic interests through holding of shares and warrants. No board member or member of the executive management have been elected or appointed as a result of arrangements or agreements with major shareholders, customers, suppliers or other parties.

RELATED PARTY TRANSACTIONS

The related party transactions which have taken place since 1 January 2018 and up to the date of the Prospectus, all of which have been made on market terms, are presented below.

The Company has invoiced InDex Pharmaceuticals AB regarding group wide services. The sales amounted to MSEK 9.0 during 2018, MSEK 10.8 during 2019 and MSEK 11.1 during 2020. Furthermore, InDex has invoiced InDex Diagnostics AB regarding group wide services. The sales amounted to MSEK 0.1 during 2018, MSEK 0.2 during 2019 and MSEK 0.2 during 2020.

The CFO (Johan Giléus) and the CMO (Thomas Knittel) are engaged by InDex through consultancy agreements. The CFO's assignment is equivalent to approximately 60 percent of a full-time employment and the CMO's assignment is equivalent to approximately 33 percent of a full-time employment. However, from time to time when needed, and

mutually agreed, the CFO and CMO are engaged to a greater extent. Remuneration to Johan Giléus (through Giléus Consulting AB) amounted to MSEK 1.5 during 2018, MSEK 1.6 during 2019 and MSEK 1.8 during 2020. Remuneration to Thomas Knittel amounted to MSEK 1.1 during 2018, MSEK 1.4 during 2019 and MSEK 1.5 during 2020.

For more information see section "Board of directors and executive management" – "Remuneration for board members and executive management".

SELLING RESTRICTIONS

Other than with respect to the admission to listing, trading and/or quotation by Nasdaq First North Growth Market, no action has been or will be taken in any country or jurisdiction by the Company or the Joint Global Coordinators and Joint Bookrunners that would permit a public offering of the new shares, or possession or distribution of the Prospectus or any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Prospectus comes are required by the Company and the parties who have undertaken a guarantee commitment to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the new Shares or have in their possession or distribute the Prospectus or such offering material, in call cases at their own expense.

United States

The Subscription Rights and the new Shares have not and will not be registered under the Securities Act and may not be offered or sold within the United States. The Subscription Rights and the new Shares will be offered and sold only outside the United Sates in accordance with Rule 903 of Regulation S under the Securities Act. Notwithstanding the foregoing, independently from and without the participation of the Joint Global Coordinators and Joint Bookrunners, the Company may allow existing shareholders in the United States who are qualified institutional buyers as defined in Rule 144A under the Securities Act to exercise their Subscription Rights in reliance on exemptions provided for private placements under Section 4(a)(2) of the Securities Act.

In addition, until the expiration of the period beginning 40 days after the commencement of the Offering, an offer or sale of Subscription Rights or new Shares within the United States by a broker-dealer (whether or not it is participating in the Offering) may violate the registration requirements of the Securities Act.

Each holder of Subscription Rights or new Shares, by accepting delivery of the Prospectus, will be deemed to have represented, agreed and acknowledged that, among other things (terms used in this paragraph that are defined under Regulation S under the Securities Act ("**Regulation S**") are used herein as defined therein):

1. It is, and at the time of any exercise by it of Subscription Rights will be, outside the United States and is exercising such Subscription Rights in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of such Subscription Rights or new Shares into the United States).
2. It understands and acknowledges that neither the Subscription Rights nor any new shares issuable upon exercise of the Subscription Rights have been or will be registered under the Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 5 below.
3. It understands that the Subscription Rights may only be transferred, assigned or resold outside the United States in reliance on Regulation S under the Securities Act.
4. It is acquiring the new Shares as principal for its own account or for the account of one or more other persons who are outside the United States and exercising such rights in an "offshore transaction" for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to distribute and resell such new Shares.
5. It understands and agrees that if in the future it decides to offer, sell, deliver, hypothecate or otherwise transfer any Subscription Rights or new Shares issued upon the exercise of Subscription Rights, it and such other persons will do so only (i) pursuant to an effective registration statement under the Securities Act, (ii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of such Subscription Rights or new Shares into the United States) or (iii) in the case of new Shares issued upon the exercise of Subscription Rights, in accordance with Rule 144 or another available exemption under the Securities Act or any other securities laws and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. It understands that no representation can be made as to the availability of any exemption under the Securities Act or any other securities laws for the resale of the new Shares.
6. It understands and acknowledges that the Company, the Joint Global Coordinators and Joint Bookrunners and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Documents available for inspection

The Company's registration certificate and articles of association are available on the Company's website, https://www.indexpharma.com/en/about-us/corporate-governance/. The information on the website does not constitute a part of the Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority.

InDex
Pharmaceuticals