

Interim report
January-June 2023



License agreement signed with Viatris Japan

PERIOD APRIL-JUNE 2023

- Net sales amounted to SEK 97.5 (0.0) million
- Operating loss amounted to SEK 86.9 (-21.7) million
- Result after tax amounted to SEK 90.0 (-21.7) million, corresponding to SEK 0.17 per share (-0.04) before and after dilution
- Cash flow from operating activities amounted to SEK 80.0 (-53.0) million

SIGNIFICANT EVENTS DURING THE QUARTER

- InDex entered a license agreement with Viatris Japan to develop and commercialize cobitolimod in Japan

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex was granted a new patent in Europe for the commercial formulation of cobitolimod

PERIOD JANUARY-JUNE 2023

- Net sales amounted to SEK 97.5 (0.0) million
- Operating loss amounted to SEK 42.6 (-40.6) million
- Result after tax amounted to SEK 48.2 (-40.6) million, corresponding to SEK 0.09 per share (-0.08) before and after dilution
- Cash flow from operating activities amounted to SEK 56.9 (-71.4) million
- Cash and cash equivalents at the end of the period amounted to SEK 412.5 (395.6) million
- Number of employees at the end of the period was 7 (7)
- Number of shares at the end of the period was 532,687,650

OTHER EVENTS

- The annual general meeting in InDex Pharmaceuticals Holding AB was held on May 24, 2023

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

"We are thrilled to start our collaborative journey with Viatris Japan and work together to significantly improve the lives of patients suffering from ulcerative colitis," said Jenny Sundqvist, CEO of InDex Pharmaceuticals. "Viatris Japan's solid knowledge and presence in the gastroenterology therapy area will enable us to jointly maximize the potential of cobitolimod."

InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The company's lead asset is the drug candidate cobitolimod, which is being evaluated in the phase III program CONCLUDE as a novel treatment of moderate to severe ulcerative colitis – a debilitating, chronic inflammation of the large intestine. InDex has also developed a platform of patent protected discovery stage substances, so called DNA based ImmunoModulatory Sequences (DIMS), with the potential to be used in the treatment of various immunological diseases. InDex is based in Stockholm, Sweden. The company's shares (ticker INDEX) are traded on Nasdaq First North Growth Market Stockholm. Redeye AB is the company's Certified Adviser.

CEO statement

Q2 this year was dominated by our exciting license agreement with Viatris Japan that we signed on May 31. Viatris is a global pharmaceutical company with over 37,000 employees in >165 countries. Viatris was formed in 2020 through the combination of Mylan and Upjohn. Gastroenterology is one of Viatris Japan's three key therapy areas in which they have a solid knowledge and presence. This will enable us to jointly maximize the potential of cobitolimod. We are thrilled to start our collaborative journey with Viatris Japan and work together to significantly improve the lives of patients suffering from ulcerative colitis.

Our active outreach strategy for the Japanese market was based on the unique decision by the Japanese regulatory authority (PMDA) in August 2022 to allow us to include Japanese patients in our phase III program without conducting a pharmacokinetic study on Japanese patients beforehand. This decision is testimony to the PMDA's comfort with the safety profile of cobitolimod. Discussions with potential partners were further accelerated when we, in mid-March 2023, reported positive results from our pharmacokinetic study in Sweden confirming a low systemic uptake of cobitolimod. Even though it was a small-scale open-label study, it was encouraging that 4 out of 7 patients achieved clinical remission at week 6. From that point on, discussions with Viatris intensified, resulting in a common belief in cobitolimod's potential.

The license agreement gives Viatris Japan the right to register and commercialize cobitolimod in Japan for the treatment of ulcerative colitis. An upfront fee of USD 10 million was received the day after signing the agreement. In addition, the deal includes development and sales milestone payments of up to USD 40 million and up to double-digit percentage royalties based on net product sales. On May 9, we provided a general business update on InDex and our phase III program CONCLUDE. This was very well received by those who participated. If you did not have the chance to participate, you can see the presentations on <https://www.redeye.se/video/event-presentation/905259/index-pharmaceuticals-business-update-may-9-2023?embed>.

Looking forward to Q3, we are expecting to have recruited 30% of patients in Induction Study 1. This is the percentage needed to perform the dose selection analysis to be announced in Q4. I'm happy to say that our efforts to speed up our phase III program are paying off and we are proceeding according to plan towards the dose selection milestone.

There are two pieces of information that this milestone will give us:

1. Whether or not we can continue our phase III program as planned.
2. What dose (250 or 500 mg) of cobitolimod should be used for the remainder of the program.

Out of the above, the first one is by far the most important decision. Our goal is to launch a treatment that provides at least comparable efficacy to already approved drugs (10-15% delta in clinical remission) but doing so with a unique safety profile.

Cobitolimod has the potential to become the first advanced therapy for moderate to severe left-sided ulcerative colitis



with no serious adverse safety concerns. This would make us truly exceptional and would be our key selling point. As such, if we get the news to proceed with the study and that no safety concerns have been noted, we would be truly satisfied, irrespective of what dose is chosen.

It's important to point out the dose selection milestone is a blinded analysis. No efficacy data will be available to InDex nor to investigators or patients.

Upon finishing a highly successful Q2, I'm looking forward to an exciting second half of the year and working effectively towards our next milestone.

Jenny Sundqvist, CEO

Business overview

INTRODUCTION

InDex is a pharmaceutical development company focusing on immunological diseases where there is a high unmet medical need for new treatment options. The company's lead asset is the drug candidate cobitolimod, which is being evaluated in the phase III program CONCLUDE as a novel treatment of moderate to severe ulcerative colitis – a debilitating, chronic inflammation of the large intestine. InDex has also developed a platform of patent protected discovery stage substances, so called DNA based Immuno-Modulatory Sequences (DIMS), with the potential to be used in the treatment of various immunological diseases. InDex is based in Stockholm, Sweden. The company's shares are traded on Nasdaq First North Growth Market Stockholm.

COBITOLIMOD

Cobitolimod is a potential new medication for patients with moderate to severe ulcerative colitis. Ulcerative colitis is a chronic disease with no cure caused by inflammation of the colon. Today, about two million people in Europe and the US suffer from ulcerative colitis, a disease that has a major impact on the patient's quality of life. Ulcerative colitis is characterised by blood- and mucus-mixed diarrhea, frequent stools, pain, fever, weight loss, and anemia. Patients also have a significant elevated risk of developing colon cancer. Most commonly, ulcerative colitis debuts between 15 and 30 years of age and most patients require lifelong medication. Despite the currently available drugs on the market, many patients with ulcerative colitis still suffer from severe symptoms, and current therapies can cause serious side effects. For those patients who do not respond to medical treatment, the last resort is to surgically remove the colon.

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

Cobitolimod met the primary endpoint in the phase IIb study CONDUCT and demonstrated an outstanding combination of efficacy and safety. Data from four previous completed placebo-controlled clinical trials support the efficacy and safety demonstrated in the CONDUCT study. Given the outstanding combination of efficacy and safety, cobitolimod is now being evaluated in the pivotal phase III program CONCLUDE. Phase III is the final stage of development before application for market approval can be submitted to regulatory authorities.

Cobitolimod's market potential

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

THE MOST IMPORTANT ADVANTAGES WITH COBITOLIMOD



Illustrations: Freepik

20-30%, corresponding to global peak annual sales of more than USD 1 billion.

Phase III program – CONCLUDE

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

Induction Study 1 of the CONCLUDE program will include 440 patients and be conducted in over 30 countries in Europe, the Americas and the Asia-Pacific region. The first patient was enrolled into the study end of 2021. Induction Study 1 is a randomised, double-blind, placebo-controlled, phase III study to evaluate cobitolimod as a novel treatment for patients with moderate to severe left-sided ulcerative colitis. The primary endpoint will be clinical remission at week 6. Apart from the dosing 250 mg x 2, which was the highest dose and the one that showed the best efficacy in the phase IIb study CONDUCT, Induction Study 1 will also evaluate a higher dose, 500 mg x 2, in an adaptive study design. This higher dose has the potential

to provide an even better efficacy than what was observed in the phase IIb study.

When 30% of the participants in the study have been randomised and have eligible data for the primary endpoint, an analysis will be performed in a blinded fashion to select the best dose of 250 mg and 500 mg cobitolimod and the other dose will be dropped. The analysis will be conducted by a so-called DMC (Data Monitoring Committee) consisting of experts in the field, who will, based on pre-specified criteria, recommend which dose to continue with. To maintain the integrity of the phase III study, the analysis will be completely blinded to InDex, who will only receive information on which dose out of 250 mg and 500 mg cobitolimod that the DMC has recommended. Following the blinded dose selection, the additional patients to be randomised into the study will receive only the selected dose of cobitolimod or placebo. The outcome of the dose selection are expected Q4 2023.

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

InDex has entered into an agreement for services with the leading global clinical research organisation (CRO) Parexel Biotech for Induction Study 1 and its corresponding part of the Maintenance Study in the CONCLUDE program. Parexel Biotech has considerable experience managing phase III studies in inflammatory bowel disease. Parexel Biotech was the CRO that InDex successfully collaborated with in the phase IIb study CONDUCT.

Commercialisation strategy for cobitolimod

InDex has together with external experts analysed the commercialisation options for cobitolimod in the US and Europe. The conclusion is that the market potential, the

required commercial footprint, and the profitability profile in the US are well suited for self-commercialisation by a focused commercial organisation to be built closer to launch. The fragmented European market, as well as other regions, offer attractive opportunities to enter strategic collaborations as cobitolimod advances towards launch.

POSITIVE PK STUDY WITH COBITOLIMOD

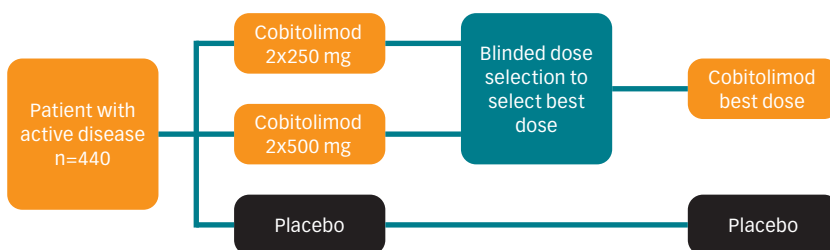
InDex has during 2023 completed a clinical pharmacokinetic study (PK study) with cobitolimod in Sweden. One of the potential advantages of a locally acting treatment in the colon is low systemic exposure, and the aim of the PK study was to confirm that the systemic uptake of rectally administered cobitolimod is limited, also for doses of 500 mg. The study results included PK data from 7 patients with active moderate to severe ulcerative colitis treated with doses of 500 mg of cobitolimod administered rectally. At week 6, after having received two doses of 500 mg cobitolimod, 4 out of the 7 patients achieved clinical remission, and for these patients a second PK-analysis was conducted to investigate the systemic uptake of cobitolimod in patients with remission. The results showed a limited systemic uptake following the 500 mg cobitolimod dose both for patients in a flare and in remission, with the majority of patients having undetectable levels of cobitolimod in the plasma after 8 hours. This is the first time patients have been treated with doses of 500 mg, and in line with previous studies cobitolimod was well tolerated. No serious adverse events were reported in the study. The positive results will support future regulatory applications for marketing approval.

OTHER DIMS

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

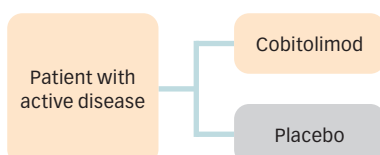
PHASE III DESIGN

Induction Study 1 – adaptive design (ongoing)



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

Induction Study 2



Maintenance Study (ongoing)



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

The DIMS candidates are oligonucleotides that differ in sequence and length but are all TLR9 agonists. DIMS mimic bacterial DNA, without being harmful, and stimulate immune cells to produce beneficial anti-inflammatory cytokines that help to reduce inflammation. This opens opportunities for the treatment of different inflammatory conditions, in which the immune responses are imbalanced. To capitalise on the historical investments in the DIMS portfolio and to take advantage of the expertise and experience built up during the development of cobitolimod in ulcerative colitis, InDex is testing a selected number of DIMS candidates in models of other inflammatory diseases. Positive signals have been observed, and InDex has the option to further develop these assets in-house or in collaboration with potential partners.

SIGNIFICANT EVENTS DURING THE QUARTER

- InDex announced on May 31, 2023 that a license agreement has been signed with Viatrix Pharmaceutical Japan Inc. to register and commercialise cobitolimod in Japan for the treatment of ulcerative colitis. The agreement including milestones is worth up to USD 50 million, excluding royalties.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex announced on August 2, 2023 that a new formulation patent for the drug candidate cobitolimod has been granted by the European Patent Office. The patent provides protection of the enema formulation of cobitolimod, that is currently under evaluation in the ongoing phase III program CONCLUDE. The patent will provide an exclusivity period until September 2042, with the possibility of up to five years extension upon market approval.

OTHER EVENTS

- The annual general meeting in InDex Pharmaceuticals Holding AB was held on May 24, 2023. Board members Wenche Rolfsen (also chairman), Karin Bernadotte af Wisborg, Marlene Forsell, Anna-Kajja Grönblad, Uli Hacksell and Lennart Hansson were re-elected for the time until the end of the next annual general meeting. The annual general meeting also resolved, in accordance with the Board's proposal, on the implementation of a long-term incentive program by way of granting employee stock options to senior executives and other key persons at InDex.



Financial overview

FINANCIAL SUMMARY FOR THE GROUP

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

FINANCIAL DEVELOPMENT DURING APRIL-JUNE 2023

Net sales for the period April to June 2023 amounted to SEK 97.5 (0.0) million. Net sales originate from the upfront fee from Viatris Japan related to the out-licensing of cobitolimod in Japan. For additional information see Note 5.

Other operating income SEK 13.2 (31.8) million refers mainly to foreign exchange gains of SEK 13.2 (31.3) million related to cash and cash equivalents in foreign currency.

Operating expenses for the period amounted to SEK 23.9 (53.5) million. The decrease is attributable to lower costs for Induction Study 1 of the phase III program CONCLUDE.

Other operating expenses SEK 0.0 (0.0) million refers foreign exchange losses of SEK 0.0 (0.0) million related to cash and cash equivalents in foreign currency.

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

Costs for the personnel during the reporting period amounted to SEK 3.9 (3.5) million. The increase is partly related to a higher number of employees during the quarter.

InDex has during the period accrued interest income of SEK 3.2 (0.0) million related to cash and cash equivalents in foreign currency.

Cash and cash equivalents as of June 30, 2023 amounted to SEK 412.5 million, which is SEK 93.0 million higher than as of March 31, 2023.

FINANCIAL DEVELOPMENT DURING JANUARY-JUNE 2023

Net sales for the period January to June 2023 amounted to SEK 97.5 (0.0) million. Net sales originate from the upfront fee from Viatris Japan related to the out-licensing of cobitolimod in Japan. For additional information see Note 5.

Other operating income SEK 11.1 (39.6) million refers mainly to foreign exchange gains of SEK 11.1 (39.0) million related to cash and cash equivalents in foreign currency.

Operating expenses for the period amounted to SEK 66.1 (80.2) million. The decrease is attributable to lower costs for Induction Study 1 of the phase III program CONCLUDE.

Other operating expenses SEK 0.0 (0.0) million refers foreign exchange losses of SEK 0.0 (0.0) million related to cash and cash equivalents in foreign currency.

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

Costs for the personnel during the reporting period amounted to SEK 6.1 (7.3) million. The decrease is partly related to fewer number of employees during the period.

InDex has during the period accrued interest income of SEK 5.7 (0.0) million related to cash and cash equivalents in foreign currency.

Cash and cash equivalents as of June 30, 2023 amounted to SEK 412.5 million, which is SEK 67.5 million higher than as of December 31, 2022.

FINANCIAL SUMMARY AFTER THE REPORTING PERIOD

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

The Board however, assess that there is no impact on the company's financial position as of June 30, 2023, due to events after the reporting period.

EXPECTED FUTURE DEVELOPMENT

The Board is reviewing the forecasted cash flow on an ongoing basis to determine InDex's capital requirements and resources required to conduct the business activities in accordance with the strategic direction decided by the Board.

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

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

PARENT COMPANY

The net sales amounted to SEK 6.3 (5.7) million during the period January to June 2023 and consisted of invoicing of group wide expenses to InDex Pharmaceuticals AB.

The operating expenses amounted to SEK 11.0 (8.9) million and consisted of personnel expenses and other operating expenses relating to the administration of InDex.

FINANCIAL SUMMARY					
SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net sales	97.5	–	97.5	–	–
Operating result	86.9	–21.7	42.6	–40.6	–103.2
Result after tax	90.0	–21.7	48.2	–40.6	–100.3
Earnings per share before and after dilution, SEK	0.17	–0.04	0.09	–0.08	–0.19
Cash flow from operating activities	80.0	–53.0	56.9	–71.4	–129.4
Cash and cash equivalents at the end of the period	412.5	395.6	412.5	395.6	344.9

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

Other information

EMPLOYEES

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

THE SHARE

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

LARGEST SHAREHOLDERS PER JUNE 30, 2023

	Number of shares	Percentage of capital and votes, %
Linc AB	69,920,567	13.1
HBM Healthcare Investments	52,916,667	9.9
Fjärde AP-fonden	52,314,074	9.8
Avanza Pension	22,367,458	4.2
SEB Life International	21,287,104	4.0
SEB-Stiftelsen	19,047,617	3.6
Staffan Rasjö	17,048,939	3.2
Stiftelsen Industrifonden	12,865,296	2.4
Swedbank försäkring AB	12,223,919	2.3
Nordnet Pensionsförsäkring	10,605,707	2.0
S-E-Bankens Utvecklingsstiftelse	10,000,000	1.9
Originat AB	7,000,000	1.3
Ponderus Invest AB	6,319,085	1.2
Försäkringsbolaget Skandia	5,629,288	1.1
Edward Thornberg	4,620,544	0.9
Other	208,521,385	39.1
Total	532,687,650	100.0

INCENTIVE PROGRAMMES

LTIP 2020

At the annual general meeting held on April 20, 2020 it was resolved to issue 3,965,000 warrants to transfer to employees and other key persons within InDex. The warrants had an exercise price of SEK 20 per share and can be exercised during May-October 2023. The Board allocated in July 2020 958,388 warrants to employees and other key persons that were purchased for SEK 0.2522 per warrant. A total of 13 employees and other key persons were offered to subscribe for warrants and 12 of these individuals subscribed for their full allotment.

After the completed rights issue in February 2021 the exercise price and the number of shares that each warrant represents have been recalculated in accordance with the applicable terms. The new exercise price amounts to SEK 7.804 and each warrant entitles the holder to subscribe for 2.5627 shares. The remaining warrants have been terminated.

The total number of outstanding warrants to employees and other key persons within InDex amounts 832,276 at end of the reporting period. Remaining warrants have been terminated.

LTIP 2021

At the annual general meeting held on June 3, 2021 it was resolved to issue 7,200,000 employee stock options to transfer to employees and other key persons within InDex. In addition, 2,262,240 warrants were issued to cover potential cash flow effects from social security costs arising from allotted employee stock options. The options have a strike price of SEK 4 per share and can be exercised during July-December 2024. In July 2021 the Board allocated 5,731,800 options to employees and other key persons free of charge. A total of 13 employees and other key persons were offered and subsequently subscribed for their allotted employee stock options. In October 2021 the Board allocated an additional 676,000 employee stock options to two new employees.

The total number of outstanding employee stock options to employees and other key persons within InDex amounts 3,517,867 at end of the reporting period. Remaining employee stock options have been terminated.

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

LTIP 2022

At the annual general meeting held on June 1, 2022 it was resolved to issue 8,000,000 employee stock options to transfer to employees and other key persons within InDex. In addition, 2,513,600 warrants were issued to cover potential cash flow effects from social security costs arising from allotted employee stock options. The options have a strike price of SEK 4 per share and can be exercised during July-December 2025. In July 2022 the Board allocated 5,500,200 options to employees and other key persons free of charge. A total of 15 employees and other key persons were offered and subsequently subscribed for their allotted employee stock options. In December 2022 the Board allocated an additional 1,930,700 employee stock options to the incoming CEO, which were subscribed in January 2023.

The total number of outstanding employee stock options to employees and other key persons within InDex amounts 5,982,600 at end of the reporting period. Remaining employee stock options have been terminated.

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

LTIP 2023

At the annual general meeting held on May 24, 2023 it was resolved to issue 8,000,000 employee stock options to transfer to employees and other key persons within InDex. In addition, 2,513,600 warrants were issued to cover potential cash flow effects from social security costs arising from allotted employee stock options. The options have a strike price of SEK 4 per share and can be exercised during July-December 2026. In July 2023 the Board allocated 6,658,600 options to employees and other key persons free of charge. A total of 15 employees and other key persons were offered and subsequently subscribed for their allotted employee stock options.

The remaining employee stock options not allocated during 2023 will be terminated together with the employee stock options not to be vested.

LTIP 2023 is accounted for in accordance with IFRS 2 – *Share-based payments*. IFRS 2 stipulates that the employee stock options should be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will in accordance with UFR 7 be expensed in the income statement during the vesting period.

REVIEW BY THE AUDITOR

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

FINANCIAL CALENDER

Interim report Q3	November 23, 2023
Year-end report 2023	February 21, 2024

Stockholm, August 23, 2023
Jenny Sundqvist, CEO

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The information in this interim report is information that InDex Pharmaceuticals Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the contact person stated above on August 23, 2023 at 8:00 CET.

This is an English translation of the Swedish interim report. In case of discrepancies between the English translation and the Swedish report, the Swedish report shall prevail.

Condensed consolidated statement of total comprehensive income

SEKK	Note	Apr 1-Jun 30, 2023	Apr 1-Jun 30, 2022	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Full year 2022
Revenues						
Net sales	5	97,505	–	97,505	–	–
Other operating income	6	13,244	31,803	11,126	39,642	47,887
Total revenues		110,749	31,803	108,631	39,642	47,887
Operating expenses						
Raw material and consumables		–1,089	–9,284	–1,476	–9,851	–10,287
Other external expenses		–18,590	–40,474	–57,843	–62,439	–126,530
Personnel costs		–3,897	–3,460	–6,136	–7,322	–13,231
Depreciations/amortisations of tangible fixed assets and right-of-use assets		–304	–314	–608	–630	–1,066
Other operating expenses	6	–	–	–	–	–
Total expenses		–23,880	–53,532	–66,063	–80,243	–151,114
Operating loss		89,869	–21,729	42,568	–40,601	–103,227
Result from financial investments						
Financial income		3,114	–	5,742	–	3,013
Financial expenses		–	–13	–123	–28	–120
Financial items – net		3,114	–13	5,619	–28	2,893
Earnings before tax		89,983	–21,742	48,187	–40,629	–100,333
Taxes for the period		–	–	–	–	–
RESULT FOR THE PERIOD		89,983	–21,742	48,187	–40,629	–100,333

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

SEK	Note	Apr 1-Jun 30, 2023	Apr 1-Jun 30, 2022	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Full year 2022
Earnings per share before and after dilution	8	0.17	–0.04	0.09	–0.08	–0.19

In the group there are no items reported in other comprehensive income. So total comprehensive income is consistent with profit/loss for the period. The profit/loss for the period and total comprehensive income are entirely attributable to the equity holders of the parent company.

Condensed consolidated balance sheet

SEKK	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
<i>Tangible fixed assets</i>			
Equipment, tools and installations	364	545	454
Total tangible fixed assets	364	545	454
Right-of-use assets	3,017	984	3,535
<i>Financial assets</i>			
Other financial assets	1	1	1
Total financial assets	1	1	1
Total fixed assets	3,382	1,530	3,990
Current assets			
<i>Current receivables</i>			
Other current receivables	1,057	2,906	2,129
Prepaid expenses and accrued income	10,463	7,362	286
Cash and cash equivalents	412,473	395,570	344,931
Total current receivables	423,993	405,838	347,346
Total current assets	423,993	405,838	347,346
TOTAL ASSETS	427,375	407,368	351,336
EQUITY AND LIABILITIES			
Equity			
Share capital	10,654	10,654	10,654
Additional paid-in capital	863,846	863,534	863,686
Retained earnings (including profit/loss for the period)	-412,193	-480,677	-540,381
Total equity attributable to the shareholders of the parent company	382,306	393,511	333,959
Provisions			
Other provisions	4	62	16
Total provisions	4	62	16
Liabilities			
<i>Non-current liabilities</i>			
Non-current lease liabilities	2,122	-	2,626
Total non-current liabilities	2,122	-	2,626
<i>Current liabilities</i>			
Current lease liabilities	681	737	626
Account payables	26,770	9,126	6,561
Other current liabilities	1,080	925	689
Accrued expenses and deferred income	14,412	3,007	6,859
Total current liabilities	42,943	13,795	14,735
Total liabilities	45,065	13,795	17,361
TOTAL EQUITY AND LIABILITIES	427,375	407,368	351,336

Condensed consolidated statement of changes in equity

SEKK	Equity attributable to the equity holders of the parent company			
	Share capital	Additional paid in capital	Retained earnings, including loss for the period	Total equity
Opening balance, January 1, 2022	10,654	863,433	-440,048	434,039
Profit/loss for the period equal to total comprehensive income	-	-	-40,629	-40,629
Total comprehensive income for the year	-	-	-40,629	-40,629
Transactions with shareholders of the parent company:				
Value of the employees' employment	-	101	-	101
Total transactions with shareholders of the parent company	-	101	-	101
Closing balance, June 30, 2022	10,654	863,534	-480,677	393,511
Opening balance, January 1, 2022	10,654	863,433	-440,048	434,039
Profit/loss for the period equal to total comprehensive income	-	-	-100,333	-100,333
Total comprehensive income for the year	-	-	-100,333	-100,333
Transactions with shareholders of the parent company:				
Value of the employees' employment	-	253	-	253
Total transactions with shareholders of the parent company	-	253	-	253
Closing balance, December 31, 2022	10,654	863,686	-540,381	333,959
Opening balance, January 1, 2023	10,654	863,686	-540,381	333,959
Profit/loss for the period equal to total comprehensive income	-	-	48,187	48,187
Total comprehensive income for the year	-	-	48,187	48,187
Transactions with shareholders of the parent company:				
Value of the employees' employment	-	160	-	160
Total transactions with shareholders of the parent company	-	160	-	160
Closing balance, June 30, 2023	10,654	863,846	-492,194	382,306

Condensed consolidated cash flow

SEKK	Apr 1-Jun 30, 2023	Apr 1-Jun 30, 2022	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Full year 2022
Operating activities					
Operating result	86,859	-21,729	42,568	-40,601	-103,227
<i>Adjustments for non-cash items:</i>					
Depreciations/amortisations	304	314	608	630	1,066
Interest paid and received	3,114	-13	5,619	-28	2,893
Income tax paid	-	-	-	-	-
Other adjustments	-13,175	-31,204	-10,978	-38,981	-46,517
Cash flow from operating activities before changes in working capital	77,112	-52,632	37,817	-78,980	-145,783
Changes in working capital					
Decrease/Increase of current receivables	-6,658	-1,959	-9,105	318	12,172
Decrease/Increase of current liabilities	9,516	1,588	28,208	3,230	4,169
Cash flow from changes in working capital	2,858	-371	19,103	7,548	16,341
Cash flow from operating activities	79,970	-53,003	56,920	-71,432	-129,442
Financing activities					
Amortisation of lease liabilities	-190	-191	-504	-475	-818
Cash flow from financing activities	-190	-191	-504	-475	-818
Cash flow for the period	79,780	-53,194	56,416	-71,907	-130,260
Decrease/increase of cash and cash equivalents					
Cash and cash equivalents at the beginning of the period	319,449	417,513	344,931	428,449	428,449
Currency translation difference in cash and cash equivalents	13,244	31,251	11,126	39,028	46,742
Cash and cash equivalents at the end of the period	412,473	395,570	412,473	395,570	344,931

Statement of comprehensive income for the parent company

SEKK	Apr 1-Jun 30, 2023	Apr 1-Jun 30, 2022	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Full year 2022
Revenues					
Net sales	3,655	2,853	6,275	5,670	10,735
Total revenues	3,655	2,853	6,275	5,670	10,735
Operating expenses					
Other external expenses	-4,584	-3,309	-7,538	-6,189	-12,367
Personnel costs	-2,243	-1,157	-3,351	-2,616	-4,209
Depreciations/amortisations of tangible fixed assets and right-of-use assets	-45	-45	-91	-94	-184
Total expenses	-6,872	-4,512	-10,979	-8,899	-16,760
Operating loss	-3,216	-1,659	-4,704	-3,229	-6,025
Net financial items					
Write-down of financial assets	-49,994	-28	-50,065	-47	-108
Financial costs	-	-	-	-	-
Financial income	1	-	4	-	27
Total net financial items	-49,993	-28	-50,061	-47	81
Profit or loss before tax	-53,209	-1,686	-54,765	-3,276	-6,106
Taxes for the period	-	-	-	-	-
PROFIT OR LOSS FOR THE PERIOD	-53,209	-1,686	-54,765	-3,276	-6,106

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

Balance sheet for the parent company

SEKK	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
<i>Tangible fixed assets</i>			
Equipment, tools and installations	364	545	454
Total tangible fixed assets	364	545	454
<i>Financial assets</i>			
Shares in subsidiary	247,030	247,030	247,030
Total financial assets	247,030	247,030	247,030
Total fixed assets	247,394	247,575	247,484
Current assets			
<i>Current receivables</i>			
Intercompany receivables	220,380	226,204	247,536
Other receivables	130	1,728	1,335
Prepaid expenses and accrued income	787	530	457
Total current receivables	221,297	228,462	249,328
Cash and cash equivalents	17,613	65,812	42,490
Total current assets	238,910	294,274	291,818
TOTAL ASSETS	486,304	541,849	539,302
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	10,654	10,654	10,654
Total restricted equity	10,654	10,654	10,654
<i>Non-restricted equity</i>			
Share premium reserve	1,109,562	1,109,249	1,109,401
Retained earnings	-582,666	-576,561	-576,560
Profit or loss for the period	-54,766	-3,276	-6,106
Total non-restricted equity	472,130	529,412	526,734
Total equity	482,784	540,066	537,389
Provisions			
Other provisions	2	38	7
Total provisions	2	38	7
Liabilities			
<i>Current liabilities</i>			
Accounts payable	923	168	861
Other liabilities	878	297	415
Accrued expenses and deferred income	1,718	1,280	630
Total current liabilities	3,518	1,745	1,906
TOTAL EQUITY AND LIABILITIES	486,304	541,849	539,302

Statement of change in equity parent company

SEKK	Restricted equity	Non-restricted equity			Total equity
	Share capital	Share premium	Retained earnings	Net result	
Opening balance, January 1, 2022	10,654	1,109,148	-369,014	-207,546	543,241
Disposition of last year's result	-	-	-207 546	207 546	-
Net results and total comprehensive income for the year	-	-	-	-3,276	-3,276
Total comprehensive income for the year	-	-	-	-3,276	-3,276
Transactions with shareholders of the parent company:					
Value of the employees' employment	-	101	-	-	101
Total transactions with shareholders of the parent company	-	101	-	-	101
Closing balance, June 30, 2022	10,654	1,109,249	-576,561	-3,276	540,066
Opening balance, January 1, 2022	10,654	1,109,148	-369,014	-207,546	543,241
Disposition of last year's result	-	-	-207,546	207,546	-
Net results and total comprehensive income for the year	-	-	-	-6,106	-6,106
Total comprehensive income for the year	-	-	-	-6,106	-6,106
Transactions with shareholders of the parent company:					
Value of the employees' employment	-	253	-	-	253
Total transactions with shareholders of the parent company	-	253	-	-	253
Closing balance, December 31, 2022	10,654	1,109,401	-576,560	-6,106	537,389
Opening balance, January 1, 2023	10,654	1,109,401	-576,560	-6,106	537,389
Disposition of last year's result	-	-	-6,106	6,106	-
Net results and total comprehensive income for the year	-	-	-	-54,765	-54,765
Total comprehensive income for the year	-	-	-	-54,765	-54,765
Transactions with shareholders of the parent company:					
Value of the employees' employment	-	160	-	-	160
Total transactions with shareholders of the parent company	-	160	-	-	160
Closing balance, June 30, 2023	10,654	1,109,561	-582,666	-54,765	482,784

Statement of cash flow for the parent company

SEKK	Apr 1-Jun 30, 2023	Apr 1-Jun 30, 2022	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Full year 2022
Operating activities					
Profit or loss before tax	-53,209	-1,686	-54,765	-3,276	-6,106
<i>Adjustments for non-cash items:</i>					
Write downs	49,994	28	50,065	47	108
Income tax paid	-	-	-	-	-
Depreciations/amortisations	45	45	90	94	185
Other adjustments	67	60	155	68	190
Cash flow from operating activities before changes in working capital	-3,103	-1,553	-4,455	-3,067	-5,623
Changes in working capital					
Changes in current receivables	36,013	-13,873	28,031	-29,894	-50,760
Changes in current liabilities	1,475	-1,324	1,612	-973	-812
Cash flow from changes in working capital	37,488	-15,197	29,643	-30,867	-51,572
Cash flow from operating activities	34,385	-16,750	25,188	-33,934	-57,195
Investing activities					
Shareholder's contribution	-49,994	-27	-50,065	-47	-108
Cash flow from investing activities	-49,994	-27	-50,065	-47	-108
Cash flow for the period	-15,609	-16,777	-24,877	-33,981	-57,303
Decrease/increase in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period	33,222	82,589	42,490	99,793	99,793
Cash and cash equivalents at the end of the period	17,613	65,812	17,613	65,812	42,490

Development of parent company's share capital

SEK Date	Transaction	Change in share capital	Total share capital	Number of new shares	Total number of shares	Paid in amount
Jun 27, 2016	Inception of the company	500,000	500,000	500,000	500,000	500,000
Sep 7, 2016	Split of shares	–	500,000	45,500,000	50,000,000	–
Sep 7, 2016	Share issue in-kind	601,345	1,101,345	60,134,466	110,134,466	–
Sep 7, 2016	Reduction of number of shares	–500,000	601,345	–50,000,000	60,134,466	–
Sep 7, 2016	Share issue	–	601,345	2	60,134,468	–
Sep 8, 2016	Reversed split of shares	–	601,345	–30,067,234	30,067,234	–
Oct 6, 2016	Share issue for pref. shares	52,685	654,030	2,634,279	32,701,513	52,685
Oct 6, 2016	Share issue	560,479	1,214,509	28,023,969	60,725,482	235,401,340
Oct 12, 2016	Share issue	14,305	1,228,814	715,250	61,440,732	6,008,100
Oct 25, 2016	Share issue	17,969	1,246,783	898,421	62,339,153	7,546,736
Nov 14, 2016	Share issue	1,895	1,248,678	94,725	62,433,878	795,690
Dec 29, 2016	Share issue in-kind	1,300	1,249,978	65,015	62,498,893	–
Jan 13, 2017	Share issue	591	1,250,569	29,540	62,528,433	248,136
Oct 23, 2018	Share issue	125,057	1,375,626	6,252,842	68,781,275	37,642,109
Sep 23, 2019	Share issue	275,125	1,650,751	13,756,255	82,537,530	96,018,660
Oct 10, 2019	Share issue	124,874	1,775,625	6,243,745	88,781,275	43,581,340
Feb 11, 2021	Share issue	8,878,127	10,653,753	443,906,375	532,687,650	532,687,650

Notes

NOTE 1 GENERAL INFORMATION

This interim report includes the parent company InDex Pharmaceuticals Holding AB (publ), Corp. Reg. No. 559067-6820, the subsidiary InDex Pharmaceuticals AB and the sub-subsidiary InDex Diagnostics AB ('InDex', 'the company' or 'the group'). InDex Pharmaceuticals Holding AB (publ) is a parent company registered in Sweden with its registered office in Stockholm with the address Berzelius väg 13, 171 65 Solna, Sweden.

Unless otherwise stated, all amounts are in thousands of Swedish kronor (SEKK). Figures in parentheses refer to the comparative period.

NOTE 2 ACCOUNTING POLICIES

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

Applied accounting principles and calculation methods are the same as in the annual report for 2022.

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

NOTE 3 RISKS AND UNCERTAINTIES

OPERATIONAL RISK

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

There is no guarantee that InDex will obtain the necessary approvals to conduct the clinical trials that InDex would like to conduct, or that the clinical trials conducted by InDex, independently or in collaboration with partners, will demonstrate sufficient safety and efficacy to obtain necessary regulatory approvals or that the trials will lead to pharmaceuticals that can be sold on the market. It cannot be excluded that the regulatory approval process will require increased documentation and thereby increased costs and delays in projects or lead to projects being shut down. Increased development costs and longer development time may mean that the risks of a project increase and that the compound's potential to successfully reach the commercial stage decreases or that the time for patent protected sales is reduced.

FINANCIAL RISK MANAGEMENT

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

For a detailed description of significant risks, refer to InDex's annual report for 2022. The annual report is available on the company's website.

NOTE 4 IMPORTANT ESTIMATES AND JUDGEMENTS

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

(i) Accrued costs for clinical trials

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

(ii) Tax loss carry-forwards

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

(iii) Estimates and assessments linked to development costs

An important assessment in financial reporting refers to the point in time for capitalizing pharmaceutical development costs. Based on the accounting policies set out under note 2 in the annual report for 2022, no pharmaceutical development costs meet the criteria for capitalisation and have therefore been expensed. Pharmaceutical development costs will be, at the earliest, capitalised after positive results have been achieved in phase III clinical trials or until registration studies have commenced. The reasons being that before that time, it is too uncertain whether the costs will generate future economic benefits and that financing of the asset's completion has not been secured.

NOTE 5 REVENUES FROM CONTRACTS WITH CUSTOMERS

InDex net sales for the period January to June 2023 consisted of up-front fee from Viartis Japan for the out-licensing of the commercial rights to cobiltolimod in Japan.

Revenue for out-licensing is reported when control over the intangible asset is transferred to the counterparty occurs, which was at the time when the agreement with Viartis Japan was signed, i.e. May 31, 2023. Variable remuneration (for example, attributable to future milestones regarding completed development step or regulatory approval) is recognized when there is no longer any significant uncertainty as to whether these will occur.

Compensation attributable to sales-based milestones or royalties is not recognized until the commercial sales that results in the right to milestones or royalties arise.

InDex has identified one specific performance commitment under the license agreement related to the upfront fee of USD 10m – a pharmacokinetic study (PK study) in Japan with Japanese patients designed to show a pharmacokinetic profile comparable to that generated in the PK study conducted earlier by InDex with Swedish UC patients. The share of the upfront fee attributable to this performance commitment has not been recognized as revenues yet and has been calculated based on the estimated cost (USD 1m) to complete the study. The proportion recognized as revenues (USD 9m) during the period January to June 2023 has therefore been calculated as a residual of the transaction price after deduction of the cost related to the performance commitment.

NOTE 6 OTHER OPERATING INCOME / OTHER OPERATING EXPENSES

SEKK	Jan-Mar 2023	Apr-Jun 2023
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	–	13,244
Other operating income	–	13,244
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	–2,022	–
Other operating expenses	–2,022	–

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

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

NOTE 7 RELATED PARTY TRANSACTIONS

No related party transactions have occurred from a group perspective.

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

NOTE 8 EARNINGS PER SHARE

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

InDex had potential ordinary shares in the form of warrants. However, these did not give rise to any dilution effect in 2022 or 2023 as a conversion to ordinary shares decreases loss per share.

SEK million	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net result attributable to the equity shareholders of the parent company	48.2	-40.6	-100.3
Total:	48.2	-40.6	-100.3
Weighted average number of shares (thousands)	532,688	532,688	532,688
Earnings per share, SEK	0.09	-0.08	-0.19