

Full focus on closing phase III program

PERIOD OCTOBER-DECEMBER 2023

- Net sales amounted to SEK 0.0 (0.0) million
- Operating loss amounted to SEK –107.9 (–58.2) million
- Result after tax amounted to SEK –105.5 (–56.3) million, corresponding to SEK –0.20 per share (–0.11) before and after dilution
- Cash flow from operating activities amounted to SEK –47.0 (–34.2) million

SIGNIFICANT EVENTS DURING THE QUARTER

- InDex discontinued the phase III program with cobitolimod

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex announced expected cash balance per March 31, 2024

PERIOD JANUARY-DECEMBER 2023

- Net sales amounted to SEK 97.5 (0.0) million
- Operating result amounted to SEK –107.4 (–103.2) million
- Result after tax amounted to SEK –95.3 (–100.3) million, corresponding to SEK –0.18 per share (–0.19) before and after dilution
- Cash flow from operating activities amounted to SEK –38.0 (–129.4) million
- Cash and cash equivalents at the end of the period amounted to SEK 294.3 (344.9) million
- Number of employees at the end of the period was 7 (6)
- Number of shares at the end of the period was 532,687,650

OTHER EVENTS

- InDex announced that all patients for the cobitolimod dose selection had completed Induction Study 1 of the phase III program CONCLUDE
- InDex attended the UEGW 2023 congress
- InDex was granted a new patent for cobitolimod in South Korea

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

InDex Pharmaceuticals has a vision to help patients with immunological diseases where there is a high unmet medical need. The drug candidate cobitolimod was being evaluated in the phase III program CONCLUDE for moderate to severe left-sided ulcerative colitis – a debilitating, chronic inflammation of the large intestine. InDex Pharmaceuticals is based in Stockholm, Sweden. The company's shares (ticker INDEX) are traded on Nasdaq First North Growth Market Stockholm.

CEO statement

Naturally, the quarter was overshadowed by the news of the negative futility analysis in our phase III study at the end of November. It was certainly an unexpected result. After the initial shock subsided, the team has been fully focused and committed to closing down the phase III program according to regulations and good practice. Data from the study has been collected with the goal of analyzing it to further understand the lack of efficacy and see if there is any notable difference across any subgroups. We expect to be able to communicate the result of this analysis at the end of February.

Only the critical team members necessary to close down, and report, the study according to regulatory requirements will stay with InDex during the first half of 2024. We expect all our commitments related to the phase III program to have been fulfilled before summer. As announced on January 19, 2024, our expected remaining cash balance at the end of Q1, SEK 180-190 million, includes all closing costs for the study, even those that will occur after March 31.

Simultaneously, we have been evaluating possible paths forward for InDex. Various alternatives are being considered, for example liquidation, reverse merger, and public bids. The clear goal of the process is to, if possible, find options which could generate more value to our shareholders than a company liquidation.

I would like to thank all InDex team members who have already left the company for the valuable work they have contributed over the past years. I would also like to thank the individuals remaining for their loyalty and commitment in doing the work ahead of us that is not necessarily easy nor inspirational.

Jenny Sundqvist, CEO



Business overview

INTRODUCTION

InDex Pharmaceuticals has a vision to help patients with immunological diseases where there is a high unmet medical need. The drug candidate cobitolimod was being evaluated in the phase III program CONCLUDE for moderate to severe left-sided ulcerative colitis – a debilitating, chronic inflammation of the large intestine. InDex Pharmaceuticals is based in Stockholm, Sweden. The company’s shares (ticker INDEX) are traded on Nasdaq First North Growth Market Stockholm.

COBITOLIMOD

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 significantly 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, 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 so-called Toll-like receptor 9 (TLR9) agonist that is administered directly to the inflamed colon using an enema without systemic exposure and off-target effects.

Cobitolimod met the primary endpoint in the phase IIb study CONDUCT. Cobitolimod was being evaluated in the pivotal phase III program CONCLUDE as a novel treatment for moderate to severe left-sided ulcerative colitis.

Phase III program – CONCLUDE

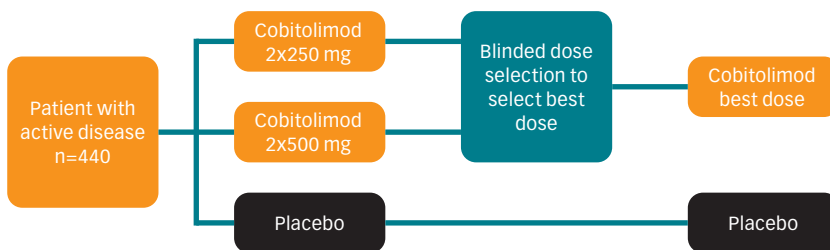
Based on regulatory guidance InDex was conducting a phase III program that was planned to consist of two sequential induction studies which both fed into a maintenance study, in which patients who had responded to cobitolimod as induction therapy, received maintenance treatment with cobitolimod or placebo.

Induction Study 1 of the CONCLUDE program was planned to include approximately 440 patients and was being conducted in 30 countries in Europe, the Americas and the Asia-Pacific region. Induction Study 1 was 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 was clinical remission at week 6. In the first part of the study, two doses of cobitolimod were evaluated in an adaptive study design, 250 mg x 2, which was the highest dose and the dose that showed the best efficacy in the phase IIb study CONDUCT, and a higher dose of 500 mg x 2. After the first 30% of the total 440 patients had completed Induction Study 1, a dose selection analysis was performed by an independent Data Monitoring Committee (DMC) consisting of external and independent experts in the field. As part of the analysis, the DMC performed a safety review and a futility assessment based on the primary endpoint clinical remission at week 6. A futility assessment is performed to stop a trial if the chance for a significant primary endpoint at the end of the study is too low. The DMC advised that cobitolimod was unlikely to meet the primary endpoint upon completion of Induction Study 1.

InDex discontinued the phase III program according to DMC’s recommendation. The advice to stop the study was not based on safety concerns.

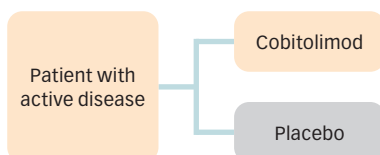
PHASE III DESIGN

Induction Study 1 – adaptive design, 6 weeks/patient (stopped)



- 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, 46 weeks/patient (stopped)



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

SIGNIFICANT EVENTS DURING THE QUARTER

- InDex announced on November 21, 2023 that an independent Data Monitoring Committee advised that cobitolimod was unlikely to meet the primary endpoint upon completion of Induction Study 1. The advice to stop the study was not based on safety concerns. InDex discontinued the phase III program according to DMC's recommendation.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- InDex announced on January 19, 2024 that remaining commitments for the company had been quantified, and that the expected cash balance per March 31, 2024, amounts to SEK 180-190 million.

OTHER EVENTS

- InDex announced on October 11, 2023 that 30% of the patients had completed the final visit in Induction Study 1 of the phase III program CONCLUDE.
- InDex attended the United European Gastroenterology Week (UEGW), one of the world's leading gastroenterology congresses. UEGW took place October 14-17, 2023 in Copenhagen.
- InDex announced on October 20, 2023 that a new method of use patent for the drug candidate cobitolimod had been granted by the Korean Intellectual Property Office.

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 OCTOBER-DECEMBER 2023

Net sales for the period October to December 2023 amounted to SEK 0.0 (0.0) million.

Other operating income previous year amounting to SEK 0.3 million was related to grants received from Vinnova.

Operating expenses for the period amounted to SEK 107.9 (58.6) million. The increase is attributable to higher costs for Induction Study 1 of the phase III program CONCLUDE.

Other operating expenses SEK 22.2 (18.9) million refers to foreign exchange losses 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 4.9 (2.9) million. The increase is mainly related to additional employees and general salary increases.

InDex has during the period accrued interest income of SEK 2.5 (2.0) million related to cash and cash equivalents in foreign currency.

Cash and cash equivalents as of December 31, 2023 amounted to SEK 294.3 million, which is SEK 69.5 million lower than as of September 30, 2023.

FINANCIAL DEVELOPMENT DURING JANUARY-DECEMBER 2023

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

Other operating income previous year amounting to SEK 47.9 million was attributable to foreign exchange gains related to cash and cash equivalents in foreign currency.

Operating expenses for the period amounted to SEK 204.9 (151.1) million. The increase is attributable to higher costs for Induction Study 1 of the phase III program CONCLUDE during the period.

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 14.6 (13.2) million. The increase is mainly related to additional employees and general salary increases.

InDex has during the period accrued interest income of SEK 12.3 (3.0) million related to cash and cash equivalents in foreign currency.

Cash and cash equivalents as of December 31, 2023 amounted to SEK 294.3 million, which is SEK 50.7 million lower than as of December 31, 2022.

FINANCIAL SUMMARY AFTER THE REPORTING PERIOD

The Board assess that there is no impact on the company's financial position as of December 31, 2023, due to events after the reporting period.

EXPECTED FUTURE DEVELOPMENT

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.

PARENT COMPANY

The net sales amounted to SEK 13.4 (10.7) million during the period January to December 2023 and consisted of invoicing of group wide expenses to InDex Pharmaceuticals AB.

The operating expenses amounted to SEK 20.9 (16.8) million and consisted of personnel expenses and other operating expenses relating to the administration of InDex.

To reset the equity in the subsidiary InDex Pharmaceuticals AB, InDex Pharmaceuticals Holding AB provided during 2023 a shareholder contribution of in total SEK 50.0 (0.1) million. A write-down of shares in subsidiaries were made simultaneously. In addition, shares in InDex Pharmaceuticals AB has been written down to a value corresponding to reported equity in the subsidiary.

FINANCIAL SUMMARY

SEK million	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Net sales	–	–	97.5	–
Operating result	–107.9	–58.2	–107.4	–103.2
Result after tax	–105.5	–56.3	–95.3	–100.3
Earnings per share before and after dilution, SEK	–0.20	–0.11	–0.18	–0.19
Cash flow from operating activities	–47.0	–34.2	–38.0	–129.4
Cash and cash equivalents at the end of the period	294.3	344.9	294.3	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 (6).

THE SHARE

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

LARGEST SHAREHOLDERS PER DECEMBER 31, 2023

	Number of shares	Percentage of capital and votes, %
Linc AB	69,920,567	13.1
Fjärde AP-fonden	52,314,074	9.8
HBM Healthcare Investments	49,730,558	9.3
Avanza Pension	24,883,601	4.7
SEB-Stiftelsen	19,047,617	3.6
SEB Life International Assurance	18,857,684	3.5
Nordnet Pensionsförsäkring	13,811,812	2.6
Stiftelsen Industrifonden	12,865,296	2.4
Swedbank försäkring AB	12,201,330	2.3
Staffan Rasjö	10,363,353	2.0
S-E-Bankens Utvecklingsstiftelse	10,000,000	1.9
Originat AB	7,000,000	1.3
Ponderus Invest AB	6,200,000	1.2
Försäkringsbolaget Skandia	5,606,884	1.1
Edward Thornberg	4,620,544	0.9
Other	215,264,330	40.3
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.

LTIP 2020 expired on October 31, 2023 and no warrants were exercised.

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.

DIVIDEND PROPOSAL FROM THE BOARD AND DIVIDEND POLICY

The Board will not propose a dividend for 2023.

REVIEW BY THE AUDITOR

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

FINANCIAL CALENDER

Annual report	April 8, 2024
Interim report Q1	May 7, 2024
Annual general meeting	May 7, 2024
Interim report Q2	August 20, 2024
Interim report Q3	November 19, 2024
Interim report Q4	February 20, 2025

Stockholm, February 21, 2024
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 February 21, 2024 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	Oct 1-Dec 31, 2023	Oct 1-Dec 31, 2022	Full year 2023	Full year 2022
Revenues					
Net sales	5	–	–	97,505	–
Other operating income	6	–	348	–	47,887
Total revenues		–	348	97,505	47,887
Operating expenses					
Raw material and consumables		–1,121	–27	–4,158	–10,287
Other external expenses		–79,395	–36,421	–173,256	–126,530
Personnel costs		–4,920	–2,917	–14,583	–13,231
Depreciations/amortisations of tangible fixed assets and right-of-use assets		–304	–304	–1,216	–1,066
Other operating expenses	6	–22,181	–18,894	–11,659	–
Total expenses		–107,921	–58,563	–204,872	–151,114
Operating result		–107,921	–58,215	–107,367	–103,227
Result from financial investments					
Financial income		2,453	1,981	12,329	3,013
Financial expenses		–50	–68	–227	–120
Financial items – net		2,403	1,913	12,102	2,893
Earnings before tax		–105,518	–56,302	–95,265	–100,333
Taxes for the period		–	–	–	–
RESULT FOR THE PERIOD		–105,518	–56,302	–95,265	–100,333

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

SEK	Note	Oct 1-Dec 31, 2023	Oct 1-Dec 31, 2022	Full year 2023	Full year 2022
Earnings per share before and after dilution	8	–0.20	–0.11	–0.18	–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	Dec 31, 2023	Dec 31, 2022
ASSETS		
Fixed assets		
<i>Tangible fixed assets</i>		
Equipment, tools and installations	273	454
Total tangible fixed assets	273	454
Right-of-use assets	2,500	3,535
<i>Financial assets</i>		
Other financial assets	1	1
Total financial assets	1	1
Total fixed assets	2,774	3,990
Current assets		
<i>Current receivables</i>		
Other current receivables	1,605	2,129
Prepaid expenses and accrued income	743	286
Cash and cash equivalents	294,267	344,931
Total current receivables	296,615	347,346
Total current assets	296,615	347,346
TOTAL ASSETS	299,389	351,336
EQUITY AND LIABILITIES		
Equity		
Share capital	10,654	10,654
Additional paid-in capital	863,878	863,686
Retained earnings (including profit/loss for the period)	-635,646	-540,381
Total equity attributable to the shareholders of the parent company	238,885	333,959
Provisions		
Other provisions	0	16
Total provisions	0	16
Liabilities		
<i>Non-current liabilities</i>		
Non-current lease liabilities	1,598	2,626
Total non-current liabilities	1,598	2,626
<i>Current liabilities</i>		
Current lease liabilities	700	626
Account payables	6,744	6,561
Other current liabilities	1,067	689
Accrued expenses and deferred income	50,395	6,859
Total current liabilities	58,906	14,735
Total liabilities	60,504	17,361
TOTAL EQUITY AND LIABILITIES	299,389	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	-	-	-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	-	-	-95,265	-95,265
Total comprehensive income for the year	-	-	-95,265	-95,265
Transactions with shareholders of the parent company:				
Value of the employees' employment	-	192	-	192
Total transactions with shareholders of the parent company	-	192	-	192
Closing balance, December 31, 2023	10,654	863,878	-635,646	238,885

Condensed consolidated cash flow

SEKK	Oct 1-Dec 31, 2023	Oct 1-Dec 31, 2022	Full year 2023	Full year 2022
Operating activities				
Operating result	-107,921	-58,215	-107,367	-103,227
<i>Adjustments for non-cash items:</i>				
Depreciations/amortisations	304	304	1,216	1,066
Interest paid and received	2,403	1,913	12,102	2,893
Income tax paid	-	-	-	-
Other adjustments	22,166	18,964	11,833	-46,517
Cash flow from operating activities before changes in working capital	-83,048	-37,034	-82,216	-145,783
Changes in working capital				
Decrease/Increase of current receivables	19,998	1,923	68	12,172
Decrease/Increase of current liabilities	16,045	918	44,171	4,169
Cash flow from changes in working capital	36,043	2,841	44,239	16,341
Cash flow from operating activities	-47,005	-34,193	-37,977	-129,442
Financing activities				
Amortisation of lease liabilities	-264	-245	-1,028	-818
Cash flow from financing activities	-264	-245	-1,028	-818
Cash flow for the period	-47,269	-34,438	-39,005	-130,260
Decrease/increase of cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	363,717	398,263	344,931	428,449
Currency translation difference in cash and cash equivalents	-22,181	-18,894	-11,659	46,742
Cash and cash equivalents at the end of the period	294,267	344,931	294,267	344,931

Statement of comprehensive income for the parent company

SEKK	Oct 1-Dec 31, 2023	Oct 1-Dec 31, 2022	Full year 2023	Full year 2022
Revenues				
Net sales	3,452	2,531	13,392	10,735
Total revenues	3,452	2,531	13,392	10,735
Operating expenses				
Other external expenses	-2,713	-3,295	-12,792	-12,367
Personnel costs	-2,604	-604	-7,882	-4,209
Depreciations/amortisations of tangible fixed assets and right-of-use assets	-45	-45	-181	-184
Total expenses	-5,362	-3,944	-20,855	-16,760
Operating loss	-1,910	-1,413	-7,463	-6,025
Net financial items				
Write-down of financial assets	-241,158	-16	-291,258	-108
Financial costs	12	2	16	-
Financial income	-	-	0	27
Total net financial items	-241,146	-14	-291,242	81
Profit or loss before tax	-243,056	-1,426	-298,705	-6,106
Taxes for the period	-	-	-	-
PROFIT OR LOSS FOR THE PERIOD	-243,056	-1,426	-298,705	-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	Dec 31, 2023	Dec 31, 2022
ASSETS		
Fixed assets		
<i>Tangible fixed assets</i>		
Equipment, tools and installations	273	454
Total tangible fixed assets	273	454
<i>Financial assets</i>		
Shares in subsidiary	5,872	247,030
Total financial assets	5,872	247,030
Total fixed assets	6,144	247,484
Current assets		
<i>Current receivables</i>		
Intercompany receivables	213,462	247,536
Other receivables	229	1,335
Prepaid expenses and accrued income	666	457
Total current receivables	214,357	249,328
Cash and cash equivalents	21,939	42,490
Total current assets	236,296	291,818
TOTAL ASSETS	242,440	539,302
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	10,654	10,654
Total restricted equity	10,654	10,654
<i>Non-restricted equity</i>		
Share premium reserve	1,109,593	1,109,401
Retained earnings	-582,666	-576,560
Profit or loss for the period	-298,705	-6,106
Total non-restricted equity	228,222	526,734
Total equity	238,876	537,389
Provisions		
Other provisions	0	7
Total provisions	0	7
Liabilities		
<i>Current liabilities</i>		
Accounts payable	317	861
Other liabilities	885	415
Accrued expenses and deferred income	2,362	630
Total current liabilities	3,564	1,906
TOTAL EQUITY AND LIABILITIES	242,400	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	-	-	-	-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	-	-	-	-298,705	-298,705
Total comprehensive income for the year	-	-	-	-298,705	-298,705
Transactions with shareholders of the parent company:					
Value of the employees' employment	-	192	-	-	192
Total transactions with shareholders of the parent company	-	192	-	-	192
Closing balance, December 31, 2023	10,654	1,109,593	-582,667	-298,705	238,876

Statement of cash flow for the parent company

SEKK	Oct 1-Dec 31, 2023	Oct 1-Dec 31, 2022	Full year 2023	Full year 2022
Operating activities				
Profit or loss before tax	-243,057	-1,426	-298,705	-6,106
<i>Adjustments for non-cash items:</i>				
Write downs	241,158	16	291,258	108
Income tax paid	-	-	-	-
Depreciations/amortisations	45	45	181	185
Other adjustments	-6	73	185	190
Cash flow from operating activities before changes in working capital	-1,860	-1,292	-7,081	-5,623
Changes in working capital				
Changes in current receivables	16,826	-12,536	34,972	-50,760
Changes in current liabilities	412	-538	1,658	-812
Cash flow from changes in working capital	17,238	-13,074	36,630	-51,572
Cash flow from operating activities	15,378	-14,366	29,549	-57,195
Investing activities				
Shareholder's contribution	-	-16	-50,100	-108
Cash flow from investing activities	-	-16	-50,100	-108
Cash flow for the period	15,378	-14,382	-20,551	-57,303
Decrease/increase in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	6,561	56,872	42,490	99,793
Cash and cash equivalents at the end of the period	21,939	42,490	21,939	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

InDex discontinued the phase III program in November 2023 due to negative futility assessment. The previously disclosed key risks and uncertainties have thereby been realised.

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 closing clinical trials

At each balance sheet date, an accrual is made to quantify the proportion of the total cost to close a clinical trial that is related to the reporting period. The accrual 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. The Board assesses that it is unlikely the loss carry-forwards can be utilized going forward and consequently no deferred tax asset has been recognised.

NOTE 5 REVENUES FROM CONTRACTS WITH CUSTOMERS

InDex net sales for the period January to December 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 estimated to USD 1m. The proportion recognized as revenues (USD 9m) during the period January to December 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	Jul-Sep 2023	Oct-Dec 2023	Full year 2023
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	–	13,243	–	–	13,243
Other operating income	–	13,243	–	–	13,243
Revaluation of cash and cash equivalents in foreign currency at the closing-day rate*	–2,022	–	–701	–22,181	–24,904
Other operating expenses	–2,022	–	–701	–22,181	–24,904

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	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Net result attributable to the equity shareholders of the parent company	–105.5	–56.3	–95.3	–100.3
Total:	–105.5	–56.3	–95.3	–100.3
Weighted average number of shares (thousands)	532,688	532,688	532,688	532,688
Earnings per share, SEK	–0.20	–0.11	–0.18	–0.19