

# InDex Pharmaceuticals Holding AB (publ)

Year end report 2017

Deepened understanding  
of cobitolimod's  
mechanism of action

## PERIOD OCTOBER-DECEMBER 2017

- Revenues amounted to SEK 0.0 (0.3) million
- Operating result amounted to SEK –22.6 (–16.4) million
- Result after tax amounted to SEK –22.4 (–16.3) million, corresponding to SEK –0.36 per share (–0.27) before and after dilution
- Cash flow from operating activities amounted to SEK –14.1 (–8.3) million

All comparative amounts in brackets refer to the outcome of InDex overall activities during the corresponding period 2016.

## SIGNIFICANT EVENTS DURING OCTOBER-DECEMBER 2017

- A new patent for cobitolimod has been issued in the US
- InDex participated with a poster presentation at the United European Gastroenterology Week (UEGW)
- New scientific data on the mechanism of action of cobitolimod was reported

## PERIOD JANUARY-DECEMBER 2017

- Revenues amounted to SEK 0.1 (0.4) million
- Operating result amounted to SEK –73.3 (–39.5) million
- Result after tax amounted to SEK –72.8 (–41.3) million, corresponding to SEK –1.16 per share (–1.08) before and after dilution
- Cash flow from operating activities amounted to SEK –68.2 (–31.9) million
- Cash and cash equivalents at the end of the period amounted to SEK 125.1 (193.2) million
- Number of employees at the end of the period was 7 (7)
- Number of shares at the end of the period was 62 528 433

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- Mechanism of action data for cobitolimod was presented at the European Crohn's and Colitis Organisation (ECCO) congress

*“The patient recruitment in the CONDUCT study is developing as expected and our objective to report top line results from the study in the fourth quarter of 2018 remains.”*

Peter Zerhouni, CEO

## INDEX IN BRIEF

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 foremost asset is the drug candidate cobitolimod, which is in late stage clinical development for the treatment of moderate to severe active 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 treatment of various immunological diseases. InDex is based in Stockholm, Sweden. The company's shares are traded on Nasdaq First North Stockholm. Redeye AB is the company's Certified Adviser.

# CEO statement

The patient recruitment in the CONDUCT study is developing as expected and our objective to report top line results from the study in the fourth quarter of 2018 remains. With the bulk of the clinics activated, we are now launching planned recruitment campaigns on the internet and social media in several countries to increase access to patients during spring. We recently received regulatory approval in Italy and we are now only waiting for Romania before we can open the last planned clinics.

InDex employees continue to visit the clinics at a high rate, together with local staff from the contract research organization, to keep the commitment to the study at a continuously high level. In mid-February, we also held an investigators' meeting in Vienna for those of the CONDUCT investigators that attended the ECCO congress.

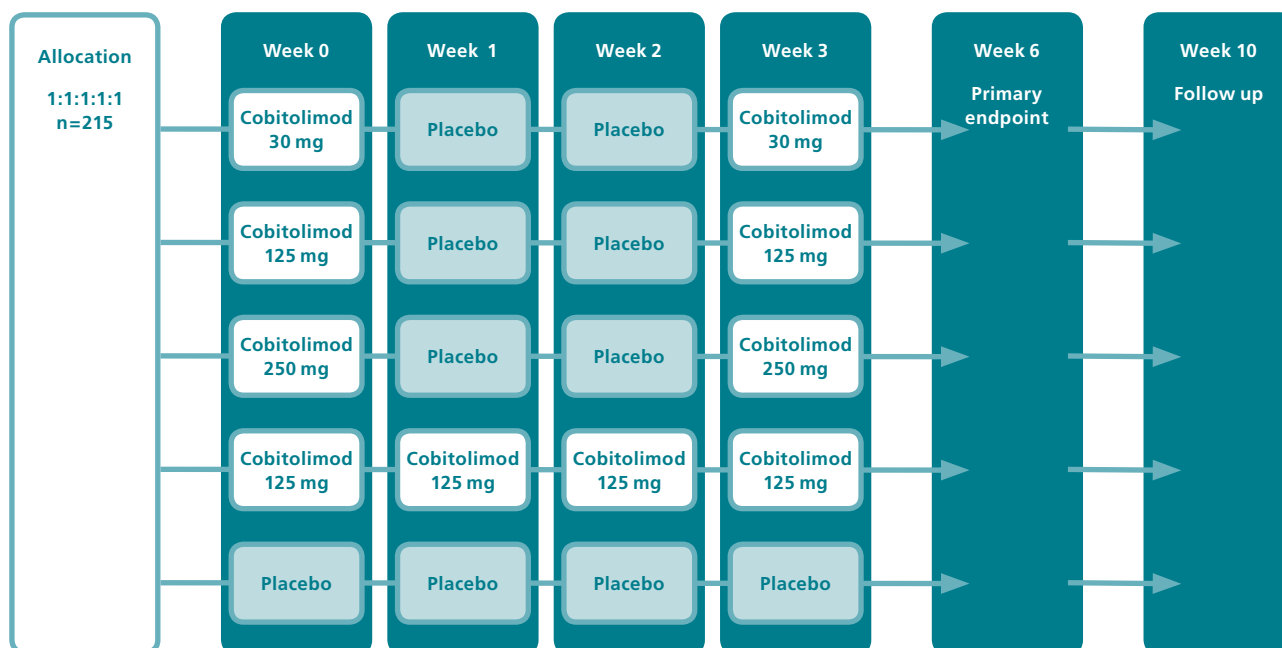
In December we reported new exciting data on cobitolimod's immunological mechanism of action. These results were then presented during the scientific program of the ECCO congress to an estimated audience of 4,000 and the findings were also selected amongst the top 10 most interesting abstracts during this years' congress. It is very positive that cobitolimod gets such exposure to stimulate the CONDUCT clinics to recruit patients. In addition, this raises the profile of cobitolimod among potential partners and key opinion leaders within the therapeutic field with whom the major pharmaceutical companies consult for their transactions.

In early February, another major transaction within inflammatory bowel disease was announced when Johnson & Johnson licensed a Phase I drug candidate from Theravance Biopharma. In addition to an upfront payment of USD 100 million, Johnson & Johnson will pay another USD 200 million after Phase II and then up to USD 700 million in various milestone payments, as well as royalty on future sales to Theravance Biopharma. The deal shows that the demand from the industry and the willingness to pay for promising projects within InDex's therapeutic area are still very high.

Apart from the clinical development of cobitolimod in ulcerative colitis, InDex is testing a couple of selected DIMS candidates in models of other inflammatory diseases to broaden the portfolio. In the spring of 2016, InDex received a grant of SEK 1.8 million from the innovation agency Vinnova for this development. The work to optimize the model systems continues and the grant has been extended to the end of 2018. Based on the lessons learned from the previous tests, a new round of experiments has now been initiated.

On March 7, I will present InDex at the Stockholm Corporate Finance Life Science Seminar. I hope to meet many of our shareholders there, but the presentation is webcasted for those who cannot attend in person.

Peter Zerhouni, CEO



CONDUCT study design

# 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 foremost asset is the drug candidate cobitolimod, which is in late stage clinical development for the treatment of moderate to severe ulcerative colitis - a debilitating, chronic inflammation of the large intestine. In addition, InDex has a broad portfolio of other DNA based ImmunoModulatory Sequences (DIMS) in discovery stage, with the potential to be used in the treatment of various immunological diseases.

Ulcerative colitis is a chronic disease caused by inflammation of the large intestine. The symptoms are characterised by blood- and mucus-mixed diarrhea, frequent stools, abdominal pain, fever, weight loss and anemia. Despite the currently available drugs on the market, many patients with ulcerative colitis still suffer from severe symptoms. For those patients that do not respond to medical treatment, the last resort is to surgically remove the colon.

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

Cobitolimod has a new type of mechanism of action. It is a so-called Toll-like receptor 9 (TLR9) agonist that can provide an anti-inflammatory effect locally in the large intestine, which may induce mucosal healing and relief of the clinical symptoms in ulcerative colitis. Cobitolimod has achieved clinical proof-of-concept in moderate to severe active ulcerative colitis, with a very favorable safety profile. Data from four placebo-controlled clinical trials show that cobitolimod has statistically significant effects on those endpoints that are most relevant in this disease, both from a regulatory and clinical perspective. These endpoints include the key clinical symptoms such as blood in stool, number of stools, and mucosal healing, respectively.

Based on the encouraging results from earlier studies InDex is now performing the phase IIb study CONDUCT to evaluate higher doses and dose frequencies than investigated in previous studies with cobitolimod. The goal of the study is to optimise the treatment and achieve substantially higher efficacy, while maintaining the compound's excellent safety profile. The CONDUCT study will include 215 patients with left-sided moderate to severe active ulcerative colitis at 90 sites in 12 countries. It is a randomised, double blind, placebo-controlled study for evaluating cobitolimod's efficacy and safety in inducing clinical remission compared to placebo. The dose optimisation study investigates three different dose strengths of cobitolimod and two different dose frequencies. The objective is to have top line results from the study in the fourth quarter of 2018.

Cobitolimod is also known as Kappaproct® and DIMS0150.

## SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- The company entered an agreement for services with a contract research organization (CRO) on January 31, 2017 for the implementation of the CONDUCT study.
- InDex participated with two poster presentations at the 12th congress of the European Crohn's and Colitis Organisation (ECCO), which was held in Barcelona, Spain on February 15-18, 2017. The ECCO congress is the largest congress in the world with a specific focus on inflammatory bowel disease (IBD).
- InDex announced on May 8, 2017 that the company has appointed Johan Giléus as new Chief Financial Officer (CFO) from May 1, 2017.
- InDex announced on March 14, 2017 that a patent covering 19 compounds from the company's DIMS platform has been granted by the United States Patent and Trademark Office (USPTO).
- InDex hosted a well-attended investigators' meeting for the CONDUCT study on March 20-21, 2017. The meeting gathered physicians, study nurses and study coordinators from 65 clinics in 11 countries together with personnel from InDex and the contract research organization (CRO). A total of almost 170 attendees participated in the meeting which was held in the Nobel prize lecture hall Aula Medica at Karolinska Institutet in Stockholm.
- InDex participated with two poster presentations at the Digestive Disease Week (DDW), which was held in Chicago, US on May 6-9, 2017. DDW is the largest congress in the world within gastroenterology.
- The Annual General Meeting in InDex Pharmaceuticals Holding AB was held on May 30, 2017. Board members Wenche Rolfsen (also chairman), Lennart Hansson, Uli Hacksell, Stig Løkke Pedersen and Andreas Pennervall were re-elected.
- The first patient was enrolled in the CONDUCT study on June 21, 2017.
- InDex announced on July 6, 2017 that a method of use patent for the drug candidate cobitolimod has been granted by the European Patent Office. The patent provides additional protection for the use of cobitolimod for the treatment of inflammatory diseases.
- InDex announced on August 9, 2017 that the US Food and Drug Administration (FDA) has granted orphan-drug designation for the drug candidate cobitolimod for treatment of ulcerative colitis in pediatric patients.
- InDex announced on September 13, 2017 that a new method of use patent for the drug candidate cobitolimod has been granted by the Japan Patent Office. The patent provides additional protection for the use of certain dosage regimens of cobitolimod for treating chronic active ulcerative colitis in patients that are not responding or are intolerant to anti-inflammatory therapy.
- On October 24, 2017 a new method of use patent for the drug candidate cobitolimod was issued by the United States Patent and Trademark Office (USPTO). The patent provides additional protection for treating chronic active ulcerative colitis in patients that are not responding or are intolerant to anti-inflammatory therapy, wherein cobitolimod is not administered in combination with corticosteroid or glucocorticosteroid.
- InDex participated with a poster presentation at the United European Gastroenterology Week (UEGW), which

was held in Barcelona, Spain on October 28 – November 1, 2017. UEGW is the largest scientific meeting for gastroenterologists in Europe.

- InDex announced on December 1, 2017 new scientific data on the mechanism of action of cobitolimod. The findings show that cobitolimod can modulate the immune system in ulcerative colitis by balancing the mucosal Th17/Treg cell response.

#### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- The new mechanism of action data for cobitolimod was presented orally at the European Crohn's and Colitis Organisation (ECCO) congress, which was held in Vienna, Austria on February 14-17, 2018. The scientific abstract had been selected amongst the top 10 out of 1,366 submitted abstracts, and is featured in the Highlights of ECCO'18 video. The video contains the most important scientific insights and take-home messages from the congress.

#### CORPORATE STRUCTURE

InDex Pharmaceuticals Holding AB was incepted on December 14, 2015 and was registered with the Swedish Companies Registration Office on June 27, 2016. At an Extra General Meeting held on August 25, 2016 it was resolved, and on September 7, 2016 an issue for non-cash consideration was registered at the Swedish Companies Registration Office, whereby the shareholders of InDex Pharmaceuticals AB transferred 99.76 percent (in December 2017 99.97 percent have been transferred) of the shares in the company in exchange for new shares in the new parent company, InDex Pharmaceuticals Holding AB. The intention is that also the remaining shares in InDex Pharmaceuticals AB will be exchanged for shares in the parent company.

With the support of valuations provided by two independent external parties, the Board attributed the shares in InDex Pharmaceuticals AB a total value of SEK 247.0 million, out of which the shares held by the parent company were reported in the balance sheet at the same value, as the

remaining shares will be transferred alternatively compulsory acquired. A debt of SEK 0.1 million to the minority shareholders (the few shareholders that have not signed the share exchange agreement, representing 0.03 percent of total shares) have therefore been reported as of December 31, 2017. After registration of the various decisions taken as part of the formation of the new group, the share capital in InDex Pharmaceuticals Holding AB amounted to SEK 601,344.68, divided into 30,067,234 shares (after simultaneous withdrawal and consolidation of shares).

At a board meeting of InDex Pharmaceuticals Holding AB on September 13, 2016 it was resolved to issue a maximum of 29,761,905 new shares at a subscription price of 8.40 SEK per share in order to raise working capital and to broaden the shareholder base prior to a listing of the shares, as well as a directed issue of a maximum of 2,634,279 new shares at a subscription price equivalent to the par value per share. The latter issue was directed to the existing owner of preference shares (NeoMed Management/N5) in order to allow only one class of shares going forward. The new share issues were fully subscribed, of which a small post of 29,540 shares was registered after the end of the year. After the registration of these remaining shares there is in InDex Pharmaceuticals Holding AB a registered capital of SEK 1,250,569 divided into a total of 62,528,433 shares.

The Board has concluded that the restructuring described above has not in itself changed the business or the shareholder structure, why the consolidated financial statements have been prepared in accordance with the guidelines for acquisition under common control. In short this means that the consolidated financial statements are prepared as if InDex Pharmaceuticals AB is the acquiring company in the consolidated financial statements and, therefore, the assets and liabilities are reported at historical values. This further means that the comparative periods for InDex can be presented in the financial report for InDex where InDex Pharmaceuticals AB was the legal parent.

#### FINANCIAL SUMMARY

| SEK millions                                       | Oct-Dec 2017 | Oct-Dec 2016 | Full year 2017 | Full year 2016 |
|--|--------------|--------------|----------------|----------------|
| Revenues   | 0.0          | 0.3          | 0.1            | 0.4            |
| Operating result                                   | -22.6        | -16.4        | -73.3          | -39.5          |
| Result after tax                                   | -22.4        | -16.3        | -72.8          | -41.3          |
| Result per share before and after dilution, SEK    | -0.36        | -0.27        | -1.16          | -1.08          |
| Cash flow from operating activities                | -14.1        | -8.3         | -68.2          | -31.9          |
| Cash and cash equivalents at the end of the period | 125.1        | 193.2        | 125.1          | 193.2          |

Note: Result per share – Net result divided by average number of shares



**FINANCIAL SUMMARY FOR THE REPORTING PERIOD**

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

Operating expenses for the period January-December 2017 amounted to SEK 73.4 million, which is an increase with SEK 33.5 million compared to the corresponding period the previous year. The large increase is mainly attributable to the ongoing phase IIb study and the cost for a large batch of cobitolimod substance.

Costs for the personnel increased with 4 percent mainly attributable to general salary increases.

Cash and cash equivalents as of December 31, 2017 amounted to SEK 125.1 million, which is SEK 68.1 million lower than December 31, 2016.

**FINANCIAL SUMMARY AFTER THE REPORTING PERIOD**

No significant events have occurred after the end of the reporting period.

**EXPECTED FUTURE DEVELOPMENT**

The Board still anticipates that the main results of the CONDUCT study will be available during the fourth quarter of 2018.

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 the CONDUCT study until the main results are available and all other financial commitments that InDex has for the coming 12 month period.

InDex provides no financial forecast or similar forward looking statement.

**EMPLOYEES**

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

**THE SHARE**

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

**LARGEST SHAREHOLDERS PER DECEMBER 31, 2017**

|                            | Number of shares  | Percentage of capital and votes, % |
|----------------------------|-------------------|------------------------------------|
| SEB Venture Capital        | 14,657,241        | 23.4                               |
| Stiftelsen Industrifonden  | 12,900,272        | 20.6                               |
| NeoMed/N5                  | 6,907,913         | 11.1                               |
| Staffan Rasjö              | 3,124,718         | 5.0                                |
| SEB Stiftelsen             | 1,785,714         | 2.9                                |
| Avanza Pension             | 1,566,615         | 2.5                                |
| Ponderus Securities        | 1,473,012         | 2.4                                |
| Danske Bank International  | 1,083,512         | 1.7                                |
| Rune Petterson             | 980,081           | 1.6                                |
| Nordnet Pensionsförsäkring | 913,883           | 1.5                                |
| Others                     | 17,135,472        | 27.3                               |
| <b>Total</b>               | <b>62,528,433</b> | <b>100.0</b>                       |

**INCENTIVE PROGRAMMES**

At the Extraordinary General Meeting held on September 12, 2016 it was resolved to issue 3,250,000 warrants to transfer to employees and other key persons within InDex. The warrants have an exercise price of SEK 19 per share and can be exercised in September 2019. Within this program, 3,237,500 (3,062,500) warrants have been acquired at fair value by employees and other key persons in InDex.

**TRANSACTIONS WITH RELATED PARTIES**

InDex Pharmaceuticals Holding AB invoices its subsidiaries for group wide services.

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

The Board will not propose a dividend for 2017. The Board has no intention to propose a dividend until InDex can forecast long term profit and sustainable positive cash flow.

**PRINCIPLES FOR PREPARATION OF THE INTERIM REPORT****General information**

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). See also under "Corporate Structure" for additional information about the completed legal restructuring.

The accounting policies adopted in this interim report are consistent with those of the 2016 annual report and should be read in conjunction with that annual report.

**REVIEW BY THE AUDITOR**

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

**PROSPECTS, RISKS AND UNCERTAINTIES**

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 obtains necessary approvals to conduct the clinical trials that InDex would like to implement, 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 drugs that will 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 increases and that the compound's potential to successfully reach the commercial stage decreases or that the time for patent protected sales is reduced.

InDex may also in the future need to raise additional capital. Both the size and timing of InDex's potential future capital requirements will depend on a number of factors, including opportunities to enter into collaboration or licensing agreements and the progress made in research and

development projects. There is a risk that the required financing for the operations will not be available at the right time and at reasonable cost. For a more detailed description of the risk factors, please refer to the annual report for 2016, which is available on the company's web page.

**FINANCIAL CALENDER**

|                           |                   |
|---------------------------|-------------------|
| Interim report Q I 2018   | May 17, 2018      |
| Annual General Meeting    | May 24, 2018      |
| Interim report Q II 2018  | August 28, 2018   |
| Interim report Q III 2018 | November 19, 2018 |

**ANNUAL REPORT**

The annual report for 2017 will be available at InDex's premises from April 24, 2018. The annual report will also be available at InDex's homepage ([www.indexpharma.com](http://www.indexpharma.com)) from this date.

Stockholm February 26, 2018

Peter Zerhouni, CEO

**FOR MORE INFORMATION, PLEASE CONTACT:**

Peter Zerhouni, CEO

Phone: +46 (0) 8 508 847 30

Email: [peter.zerhouni@indexpharma.com](mailto:peter.zerhouni@indexpharma.com)

InDex Pharmaceuticals Holding AB (publ)

Tomtebodavägen 23a,  
171 77 Stockholm, Sweden  
[www.indexpharma.com](http://www.indexpharma.com)

The information in this year end report is information that InDex Pharmaceuticals Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and Swedish Financial Instruments Trading Act. The information was submitted for publication at 8:00 CET on February 26, 2018.

*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.*

# Consolidated income statement

| SEK 000's                                      | Oct 1 - Dec 31<br>2017 | Oct 1 - Dec 31<br>2016 | Full year<br>2017 | Full year<br>2016 |
|--|------------------------|------------------------|-------------------|-------------------|
| <b>Revenues</b>                                |                        |                        |                   |                   |
| Net sales                                      | 27                     | 44                     | 113               | 176               |
| Other income                                   | –                      | 209                    | –                 | 209               |
| <b>Total revenues</b>                          | <b>27</b>              | <b>253</b>             | <b>113</b>        | <b>385</b>        |
| <b>Operating expenses</b>                      |                        |                        |                   |                   |
| Raw material and consumables                   | –170                   | –4,891                 | –8,998            | –6,301            |
| Other external expenses                        | –19,498                | –9,309                 | –54,825           | –24,313           |
| Personnel costs                                | –2,929                 | –2,399                 | –9,594            | –9,253            |
| Depreciations                                  | –3                     | –25                    | –11               | –67               |
| <b>Total expenses</b>                          | <b>–22,600</b>         | <b>–16,624</b>         | <b>–73,428</b>    | <b>–39,934</b>    |
| <b>Operating loss</b>                          | <b>–22,573</b>         | <b>–16,371</b>         | <b>–73,315</b>    | <b>–39,549</b>    |
| <b>Profit/loss from financial items</b>        |                        |                        |                   |                   |
| Financial income                               | 558                    | 48                     | 1 340             | 260               |
| Financial expenses                             | –373                   | –5                     | –784              | –1,986            |
| <b>Total</b>                                   | <b>185</b>             | <b>43</b>              | <b>556</b>        | <b>–1,726</b>     |
| <b>Earnings before tax</b>                     | <b>–22,388</b>         | <b>–16,328</b>         | <b>–72,759</b>    | <b>–41,275</b>    |
| Taxes for the period                           | –                      | –                      | –                 | –                 |
| <b>Net profit/loss for the period</b>          | <b>–22,388</b>         | <b>–16,328</b>         | <b>–72,759</b>    | <b>–41,275</b>    |
| Loss per share, before and after dilution, SEK | –0.36                  | –0.27                  | –1.16             | –1.08             |
| Average number of shares                       | 62,528,433             | 60,094,847             | 62,527,366        | 38,110,575        |
| Number of shares at the end of the period      | 62,528,433             | 62,498,893             | 62,528,433        | 62,498,893        |

# Consolidated balance sheet

| SEK 000's                            | Dec 31, 2017   | Dec 31, 2016   |
|--------------------------------------|----------------|----------------|
| <b>ASSETS</b>                        |                |                |
| <b>Fixed assets</b>                  |                |                |
| <i>Intangible fixed assets</i>       |                |                |
| Patents, license and trademarks      | –              | –              |
| <i>Tangible fixed assets</i>         |                |                |
| Equipment, tools and installations   | 32             | 43             |
| <b>Total fixed assets</b>            | <b>32</b>      | <b>43</b>      |
| <b>Current assets</b>                |                |                |
| <i>Current receivables</i>           |                |                |
| Accounts receivable                  | 16             | 285            |
| Other current receivables            | 848            | 358            |
| Prepaid expenses and accrued income  | 921            | 568            |
| <b>Total current receivables</b>     | <b>1,785</b>   | <b>1,211</b>   |
| <b>Cash and cash equivalents</b>     | <b>125,055</b> | <b>193,232</b> |
| <b>Total current assets</b>          | <b>126,840</b> | <b>194,443</b> |
| <b>TOTAL ASSETS</b>                  | <b>126,872</b> | <b>194,486</b> |
| <b>EQUITY AND LIABILITIES</b>        |                |                |
| <b>Restricted equity</b>             |                |                |
| Share capital                        | 1,251          | 1,250          |
| Ongoing share issue                  | –              | 1              |
| <b>Total restricted equity</b>       | <b>1,251</b>   | <b>1,251</b>   |
| <b>Non-restricted equity</b>         |                |                |
| Retained earnings                    | 176,255        | 217,495        |
| Loss for the period                  | –72,759        | –41,275        |
| <b>Total non-restricted equity</b>   | <b>103,496</b> | <b>176,220</b> |
| <b>Total equity</b>                  | <b>104,747</b> | <b>177,471</b> |
| <b>Current liabilities</b>           |                |                |
| Accounts payables                    | 6,568          | 4,822          |
| Other liabilities                    | 5,750          | 5,608          |
| Accrued expenses and deferred income | 9,807          | 6,585          |
| <b>Total current liabilities</b>     | <b>22,125</b>  | <b>17,015</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>126,872</b> | <b>194,486</b> |



# Consolidated statement of changes in equity

| SEK 000's                                     | Share capital | Retained earnings | Net result     |
|---|---------------|-------------------|----------------|
| <b>Opening balance, January 1, 2016</b>       | <b>6,028</b>  | <b>24,404</b>     | <b>-29,882</b> |
| Disposition of last year's result             | -             | -29,882           | 29,882         |
| Effects from transaction under common control | -5,427        | 5,427             | -              |
| Issues of shares                              | 650           | 249,403           | -              |
| Issue costs                                   | -             | -32,469           | -              |
| Issue of warrants                             | -             | 612               | -              |
| Net result                                    | -             | -                 | -41,275        |
| <b>Closing balance, December 31, 2016</b>     | <b>1,251</b>  | <b>217,495</b>    | <b>-41,275</b> |
| <b>Opening balance, January 1, 2017</b>       | <b>1,251</b>  | <b>217,495</b>    | <b>-41,275</b> |
| Disposition of last year's result             | -             | -41,275           | 41,275         |
| Issue of warrants                             | -             | 35                | -              |
| Net result                                    | -             | -                 | -72,759        |
| <b>Closing balance, December 31, 2017</b>     | <b>1,251</b>  | <b>176,255</b>    | <b>-72,759</b> |

# Consolidated cash flow

| SEK 000's  | Oct 1 - Dec 31<br>2017 | Oct 1 - Dec 31<br>2016 | Full year<br>2017 | Full year<br>2016 |
|--|------------------------|------------------------|-------------------|-------------------|
| <b>Operating activities</b>  |                        |                        |                   |                   |
| Earnings before tax  | -22,389                | -16,328                | -72,759           | -41,275           |
| <i>Adjustments for non-cash items</i>  |                        |                        |                   |                   |
| Depreciations  | 3                      | 25                     | 11                | 67                |
| Divestment of financial assets   | -                      | -                      | 27                | -                 |
| Income tax paid  | -                      | -                      | -                 | -                 |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-22,386</b>         | <b>-16,303</b>         | <b>-72,721</b>    | <b>-41,208</b>    |
| <b>Changes in working capital</b>  |                        |                        |                   |                   |
| Changes in current receivables   | 135                    | 33,860                 | -574              | 127               |
| Changes in current liabilities   | 8,176                  | -25,839                | 5,110             | 9,211             |
| <b>Cash flow from changes in working capital</b>                             | <b>8,311</b>           | <b>8,021</b>           | <b>4,536</b>      | <b>9,338</b>      |
| <b>Cash flow from operating activities</b>                                   | <b>-14,075</b>         | <b>-8,282</b>          | <b>-68,185</b>    | <b>-31,870</b>    |
| <b>Investing activities</b>  |                        |                        |                   |                   |
| Acquisition of tangible assets   | -                      | -53                    | -                 | -53               |
| <b>Cash flow from investing activities</b>                                   | <b>-</b>               | <b>-53</b>             | <b>-</b>          | <b>-53</b>        |
| <b>Financing activities</b>  |                        |                        |                   |                   |
| Issues of shares   | -                      | 197,288                | -                 | 217,583           |
| Issues of warrants   | -                      | 612                    | 8                 | 612               |
| <b>Cash flow from financing activities</b>                                   | <b>-</b>               | <b>197,900</b>         | <b>8</b>          | <b>218,195</b>    |
| <b>Cash flow for the period</b>  | <b>-14,075</b>         | <b>189,565</b>         | <b>-68,177</b>    | <b>186,272</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b>              | <b>139,130</b>         | <b>3,667</b>           | <b>193,232</b>    | <b>6,960</b>      |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>125,055</b>         | <b>193,232</b>         | <b>125,055</b>    | <b>193,232</b>    |

# Income statement parent company

| SEK 000's                             | Oct 1 - Dec 31<br>2017 | Oct 1 - Dec 31<br>2016 | Full year<br>2017 | Full year<br>2016 |
|---------------------------------------|------------------------|------------------------|-------------------|-------------------|
| <b>Revenues</b>                       |                        |                        |                   |                   |
| Net sales                             | 2,486                  | 1,156                  | 8,000             | 1,156             |
| <b>Total income</b>                   | <b>2,486</b>           | <b>1,156</b>           | <b>8,000</b>      | <b>1,156</b>      |
| <b>Operating expenses</b>             |                        |                        |                   |                   |
| Other external expenses               | -2,036                 | -899                   | -7,555            | -1,427            |
| Personnel costs                       | -1,789                 | -351                   | -5,107            | -351              |
| <b>Total expenses</b>                 | <b>-3,825</b>          | <b>-1,250</b>          | <b>-12,662</b>    | <b>-1,778</b>     |
| <b>Operating loss</b>                 | <b>-1,339</b>          | <b>-94</b>             | <b>-4,662</b>     | <b>-622</b>       |
| <b>Net financial items</b>            |                        |                        |                   |                   |
| Write-down of financial assets        | -60,000                | -47,000                | -120,000          | -47,000           |
| Financial costs                       | 0                      | -                      | -1                | -                 |
| <b>Total</b>                          | <b>-60,000</b>         | <b>-47,000</b>         | <b>-120,001</b>   | <b>-47,000</b>    |
| <b>Earnings before tax</b>            | <b>-61,339</b>         | <b>-47,094</b>         | <b>-124,663</b>   | <b>-47,622</b>    |
| Taxes for the period                  | -                      | -                      | -                 | -                 |
| <b>Net profit/loss for the period</b> | <b>-61,339</b>         | <b>-47,094</b>         | <b>-124,663</b>   | <b>-47,622</b>    |

# Balance sheet parent company

| SEK 000's                            | Dec 31, 2017   | Dec 31, 2016   |
|--------------------------------------|----------------|----------------|
| <b>ASSETS</b>                        |                |                |
| <b>Fixed assets</b>                  |                |                |
| <i>Financial assets</i>              |                |                |
| Shares in subsidiary                 | 247,030        | 247,030        |
| <b>Total fixed assets</b>            | <b>247,030</b> | <b>247,030</b> |
| <b>Current assets</b>                |                |                |
| <i>Current receivables</i>           |                |                |
| Intercompany receivables             | 176            | –              |
| Other receivables                    | –              | 248            |
| Prepaid expenses and accrued income  | 455            | 325            |
| <b>Total current receivables</b>     | <b>631</b>     | <b>573</b>     |
| <b>Cash and cash equivalents</b>     | <b>111,682</b> | <b>188,386</b> |
| <b>Total current assets</b>          | <b>112,313</b> | <b>188,959</b> |
| <b>TOTAL ASSETS</b>                  | <b>359,343</b> | <b>435,989</b> |
| <b>EQUITY AND LIABILITIES</b>        |                |                |
| <b>Restricted equity</b>             |                |                |
| Share capital                        | 1,251          | 1,250          |
| Ongoing share issue                  | –              | 1              |
| <b>Total restricted equity</b>       | <b>1,251</b>   | <b>1,251</b>   |
| <b>Non-restricted equity</b>         |                |                |
| Share premium                        | 416,322        | 463,944        |
| Net result                           | –124,663       | –47,622        |
| <b>Total non-restricted equity</b>   | <b>291,659</b> | <b>416,322</b> |
| <b>Total equity</b>                  | <b>292,910</b> | <b>417,573</b> |
| <b>Current liabilities</b>           |                |                |
| Accounts payable                     | 497            | 923            |
| Intercompany liabilities             | 63,238         | 16,973         |
| Other liabilities                    | 498            | 258            |
| Accrued expenses and deferred income | 2,200          | 262            |
| <b>Total current liabilities</b>     | <b>66,433</b>  | <b>18,416</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>359,343</b> | <b>435,989</b> |

# Statement of change in equity parent company

| SEK 000's   | Share capital | Retained earnings | Net result      |
|---|---------------|-------------------|-----------------|
| <b>Inception of the company, June 27, 2016</b>    | <b>500</b>    | –                 | –               |
| Share issue in-kind/reduction of number of shares | 101           | 246,360           | –               |
| Issue of shares                                   | 650           | 249,403           | –               |
| Issue costs                                       | –             | –32,469           | –               |
| Issue of warranties                               | –             | 650               | –               |
| Net result  | –             | –                 | –47,622         |
| <b>Closing balance, December 31, 2016</b>         | <b>1,251</b>  | <b>463,944</b>    | <b>–47,622</b>  |
| <b>Opening balance, January 1, 2017</b>           | <b>1,251</b>  | <b>463,944</b>    | <b>–47,622</b>  |
| Disposition of last year's result                 | –             | –47,622           | 47,622          |
| Net result  | –             | –                 | –124,663        |
| <b>Closing balance, December 31, 2017</b>         | <b>1,251</b>  | <b>416,322</b>    | <b>–124,663</b> |

## 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        |