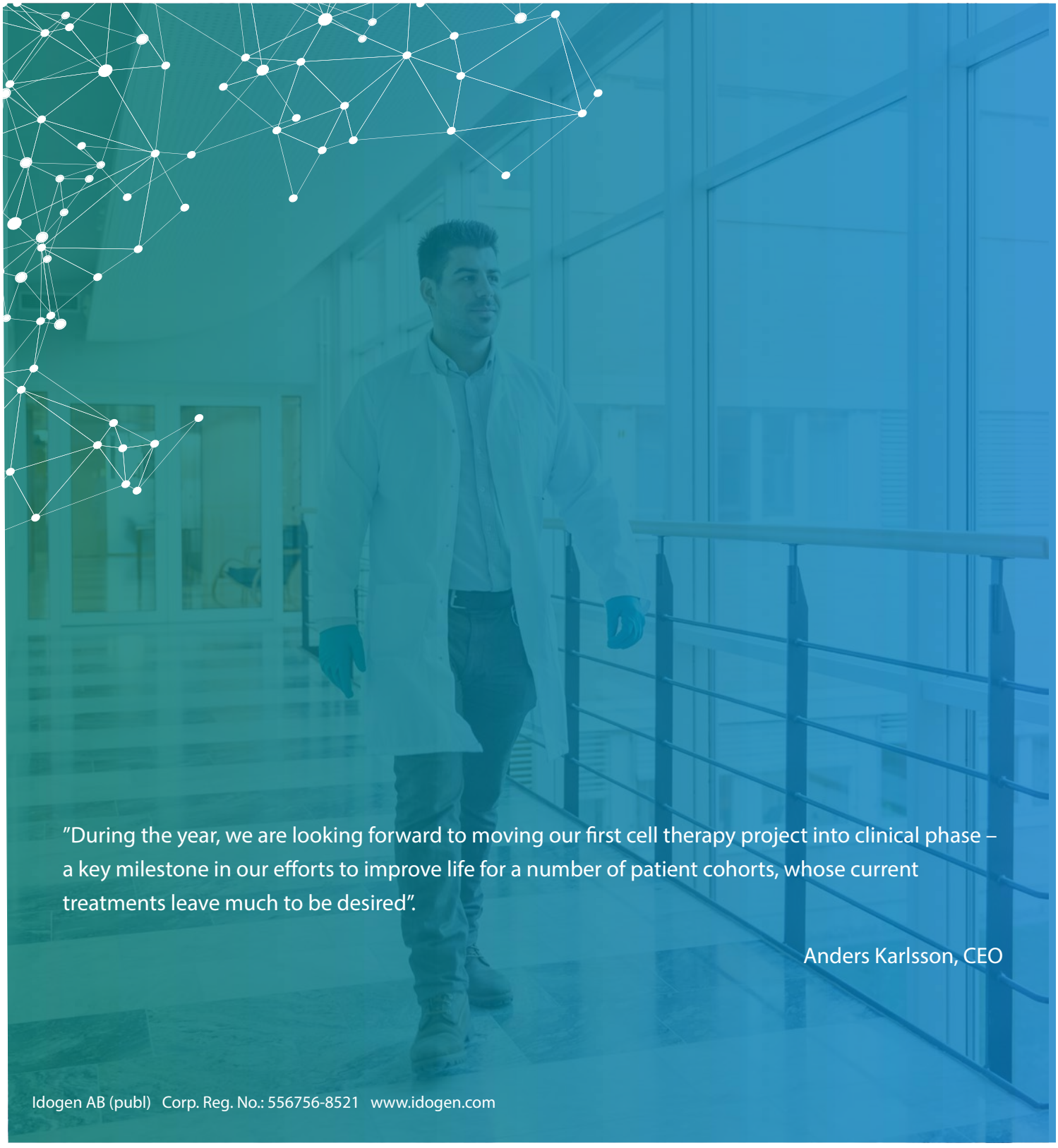
Idogen AB Interim report

January 1 – March 31, 2021



”During the year, we are looking forward to moving our first cell therapy project into clinical phase – a key milestone in our efforts to improve life for a number of patient cohorts, whose current treatments leave much to be desired”.

Anders Karlsson, CEO

Idogen AB Interim report
January 1 – March 31, 2021

First quarter (January - March, 2021)

- Other operating income amounted to KSEK 1,679 (1,414).
- Operating loss was KSEK -10,651 (-6,634).
- Loss for the period totaled KSEK -10,531 (-6,220).
- Cash flow from operating activities was KSEK -9,952 (-1,786).
- Loss per share before dilution was SEK -0.58 (-1.28) Loss per share after dilution was SEK -0.58 (-1.28).

Significant events in the first quarter

- Preparations for the application to start clinical trials are progressing well.
- Documentation and quality assurance of productions processes continues at the partner Radboud University Medical Center.
- Covid-19 has impact on work at Radboud University Medical Center.
- The Nomination Committee proposes Lennart Svensson as a new member of the Board.

Significant events after the end of the period

- Idogen appoints highly reputable scientific advisors in transplantation.
- The annual report is expanded with Corporate Governance and thus Idogen follows the Idogen Stock Exchange Code.
- Additional payment, MSEK 3, will be made for the EU project Horizon 2020.
- No other significant events occurred after the end of the period that affected the results or financial position.

Condensed earnings and cash flow

(Amounts in KSEK unless otherwise stated)	2021 3 months Jan–Mar	2020 3 months Jan-Mar	2020 12 months Jan-Dec
Other operating income	1,697	1,414	8,113
Operating expenses	-12,329	-8,047	-34,266
Operating loss	-10,651	-6,634	-26,153
Loss for the period after net financial items	-10,531	-6,220	-26,822
Average number of shares	18,243,308	4,849,153	8,443,012
Average number of warrants	9,371,654	0	500,890
Loss per share before dilution (SEK)	-0.58	-1.28	-3.18
Loss per share after dilution (SEK)	-0.58	-1.28	-3.18
Cash flow from operating activities	-9,952	-1,786	-28,081
KEY FIGURES			
Working capital	27,795	29,702	38,507
Acid-test ratio (%)	361	280	482
Equity/assets ratio (%)	74	66	80
Loss per share before dilution	-0.58	-1.28	-3.18
Average number of shares	18,243,308	4,849,153	8,443,012

All key figures in the entire report have been restated to account for the effects of a reverse split, which means that the number of shares in preceding periods has been divided by 10.

Definitions of key figures 2020

Working capital

Total current assets (including cash and cash equivalents) less current liabilities.

Acid-test ratio

Total current assets (including cash and cash equivalents) relative to current liabilities.

Equity/assets ratio

Shareholders' equity in relation to total assets.

Profit/Loss per share before dilution

Profit after tax divided by average number of shares for the period.

Average number of shares

The average number of shares from the day when the issue is registered.

Average number of warrants

The average number of warrants from the day when the issue is registered.

CEO comment

During the first quarter of the year, work on our first I/IIa clinical trial with the IDO 8 drug candidate progressed at a rapid pace and with the highest priority. Our unique cell therapy is designed to effectively treat hemophilia patients who have developed antibodies to their life-saving treatment with coagulation factor VIII. Our competent and goal-oriented employees are now working intensively to complete our applications for clinical trial authorization, which will be lodged with the regulatory agencies in several countries. The applications are based on convincing results from internal and external preclinical experiments, from which data is now being compiled. At the same time, we are engaged in close dialogue on the trial design with leading haematologists and the regulatory agencies in all Nordic countries. The aim is to compile a high-quality application that reduces the risk of lengthy processing times.

One of the cornerstones of our application to the regulatory agencies to commence one of our clinical trials is that we can demonstrate quality-assured production. IDO 8 contains the patient's own cells combined with Idogen's tolerance inducer and coagulation factor VIII, the antigen that triggers the immune system's undesirable response. In collaboration with our partner, Radboud University Medical Center, is currently documentation and quality-assurance ongoing. This is a key step in the manufacturing process, not only for IDO 8, but also for the future production of our subsequent cell therapies.

The third wave of the Covid-19 pandemic is placing severe strain on health services, with restrictions that are limiting opportunities for normal care capacity, as well as the ability to initiate and conduct clinical trials. The pandemic restrictions are also affecting the daily routines of our partner Radboud University Medical Center, with a certain negative effect on the pace of the ongoing quality-assurance of the production of our cell therapy. This could obviously mean that we may subsequently have to delay the clinical trial, but at present, we still see opportunities for submitting applications to the regulatory agencies on time during the summer to obtain an approval for study start according to plan in 2021.

When the normal role of a cell is disrupted, this can result in a complex and undesirable immune response that can cause drug resistance, transplant rejection or autoimmune diseases. Idogen's technology is built on scientific advancements that make it possible to reprogram dendritic cells, one of the key players in the immune system. Since year-end, we have been prioritizing our IDO T project, which is aimed at preventing organ rejection in patients undergoing a kidney transplant. Transplantation medicine is an area that is undergoing rapid change with a major unmet medical need and a strong interest from both healthcare providers and the pharmaceutical industry. In line with our growing involvement in the area, we have recruited a number of competent employees and advisors, including Bo-Göran Ericzon, Professor of Transplantation Surgery and Head of Division of Transplantation Surgery at Karolinska University Hospital and Jan Holgersson, Professor of Transplantation Immunology at the University of Gothenburg and Head of Clinical Immunology and Transfusion Medicine and Head of the Tissue Typing and Stem Cell Laboratory at Sahlgrenska Hospital. With a strong development team and highly scientifically qualified advisers in place, we are improving opportunities for new successes in the project.

During the year, we are looking forward to moving our first cell therapy project into clinical phase – a key milestone in our efforts to improve life for a number of patient cohorts, whose current treatments leave much to be desired.

Anders Karlsson
Chief Executive Officer

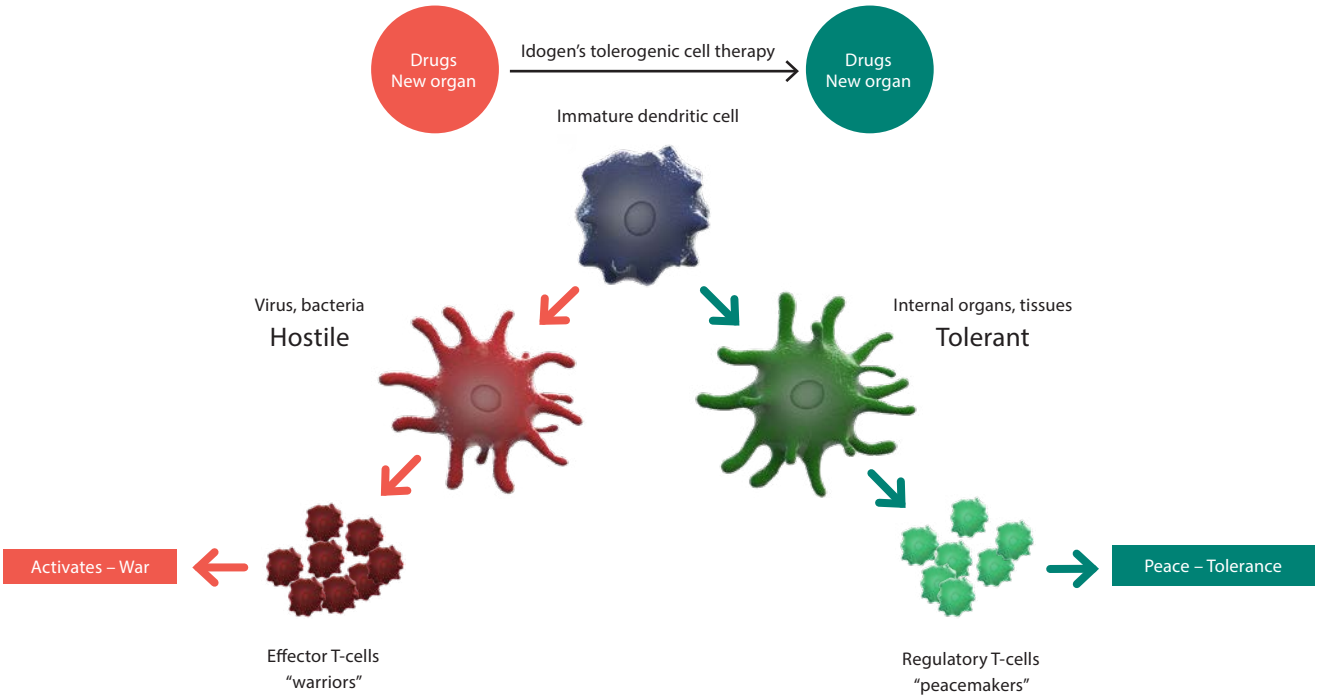
Idogen in brief

Idogen is a Swedish biotechnology company based in Lund. Idogen develops tolerogenic cell therapies to counteract attacks by the patient's immune system on biological agents, transplanted organs or the body's owncells or tissue. The term "tolerogenic" infers that the immune system, after treatment with Idogen's cell therapy, is assumed to be able to become tolerant to a selected disease-inducing or immuno-reactive antigen.

Idogen's vision is to revolutionise the treatment of several disorders and conditions in which the body's immune system does not function as it should, and for which there is a major unmet medical need. This happens in autoimmune diseases, organ rejection after transplantation and in patients who has developed antibodies against treatment with biological drugs, e.g. factor VIII or therapeutic antibodies. Idogen's technology is based on research from Lund University.

When the immune system has become your enemy

There are many situations where the body's immune system can hurt us instead of protecting us. One example is when it causes transplant rejection. Another is when the immune system neutralises the activity of biological drugs, for example, in the treatment of hemophilia with factor VIII. Another example is autoimmune diseases – such as rheumatoid arthritis, inflammatory bowel diseases, type 1 diabetes and multiple sclerosis (MS) – where the immune system attacks the body's own proteins or antigens.



Dendritic cells control other immune system cells' recognition of, and reaction to, what belongs in the body and what is foreign. The dendritic cells that recognize bacteria or viruses activate our immune system (red) and those that recognize the body's own cells stop the body from attacking its own tissues and create tolerance (green). The goal of Idogen's cell therapy is to teach the immune system so as to counteract undesirable activation while leaving the rest of the immune system unaffected.

Idogen's technology

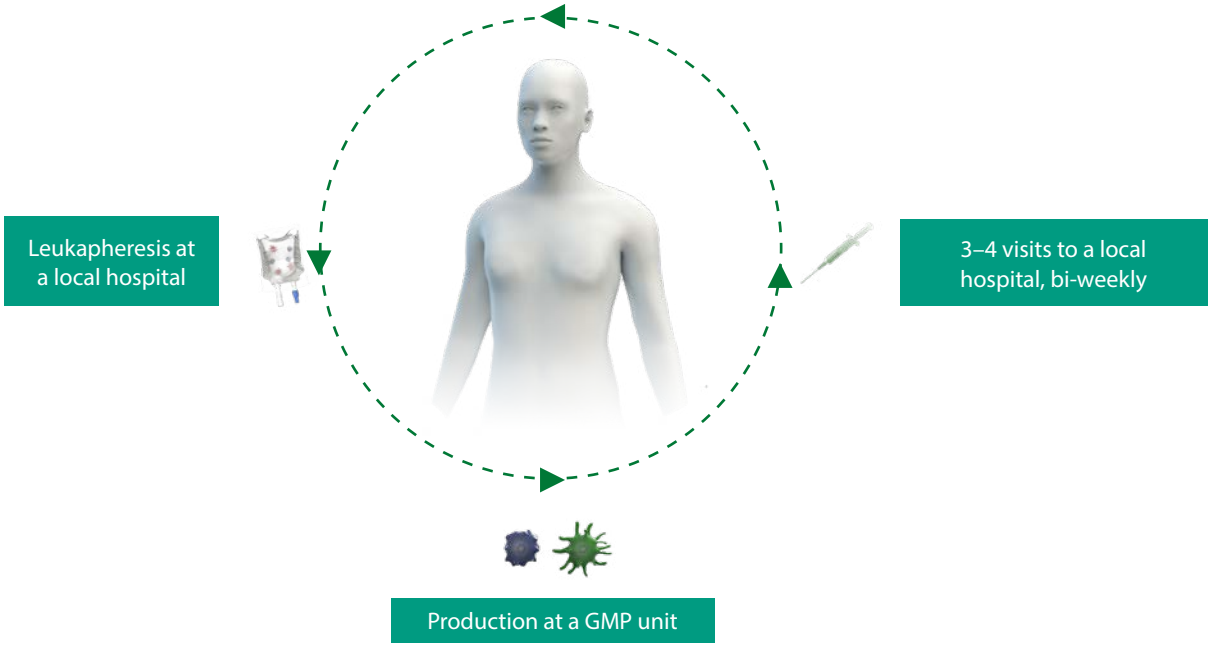
Idogen's treatment is based on dendritic cells – types of white blood cells – that play a central role in the immune system because they control other immune system cells' recognition of what belongs in the body (self) and what is foreign (non-self). When we are exposed to bacteria or viruses, the dendritic cells trigger our immune response. At the same time, they ensure that the immune system does not attack our own body. The dendritic cells that prevent the immune system from attacking the body's own, healthy cells are called tolerogenic. The aim of Idogen's technology is to develop tolerogenic dendritic cells specific for defined molecules or antigens.

The technology in Idogen's therapy entails that cells from the patient's blood are treated outside the body using a unique, patented method and thereby develop into antigen-specific tolerogenic dendritic cells. These tolerogenic dendritic cells are then returned to the patient. In the body, these tolerogenic dendritic cells can prevent the unwanted activation of the immune system, and at the same time, the immune system is otherwise not affected.

Idogen's technology is a platform for so-called tolerogenic cell therapy which, through small changes, can be adapted to different disease state. Idogen's vision is to launch the first tolerogenic cell therapy with long-term effect for treatment of patients with great medical needs.

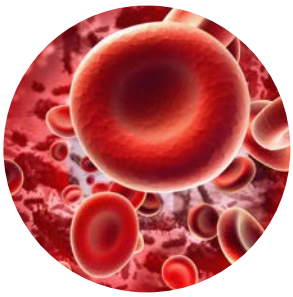
In January 2019, the company announced that analyses conducted using an improved scientific assessment model indicated that the company's existing method had failed to produce the effect indicated in earlier preclinical trials. A comprehensive systematic evaluation of several alternative tolerance inducers therefore commenced in order to identify a more effective method for generating tolerogenic dendritic cells. In June 2019, the company was able to announce a new tolerance inducer had been developed. The newly developed method is a combination of different substances, each of which has a limited effect, but which when combined gives a synergistically powerful effect. Thereafter, the work of documenting this unique combination of substances continued until a priority patent application was filed on December 13, 2019. The patent application covers the entire Idogen technology platform for tolerogenic cell therapy. The submission is a first step towards global coverage to all major markets. One year later, on December 10, 2020, a final international application (PCT) was submitted. When granted, it covers market exclusivity until the year 2040.

The company evaluated the possibility of manufacturing its cell therapy externally before clinical trials on hemophilia patients and on 13 November 2019, a collaboration agreement was signed with Radboud University Medical Center in Nijmegen in the Netherlands. The study is scheduled to start in the second half of 2021.



Idogen's therapy means that cells from the patient's own blood are developed outside the body into tolerogenic dendritic cells that can specifically counter the unwanted pre-determined immune response and induce tolerance, without affecting the normal functions of the immune system. These programmed dendritic cells are then returned as a cell therapy to the patient.

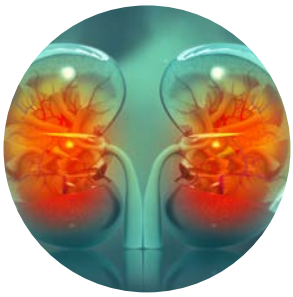
Idogen's development projects



ido 8

IDO 8 – When the body's immune system attacks factor VIII, a critical medicine

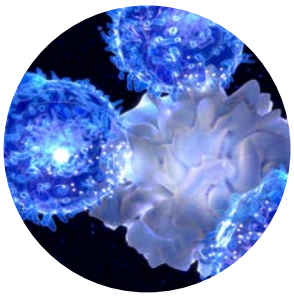
IDO 8 is Idogen's most advanced project, aimed at developing a tolerogenic cell therapy for patients with severe Hemophilia A. Hemophilia A is caused by a lack of coagulation factor VIII and the usual treatment for patients with a severe form of hemophilia is to replace the missing coagulation factor. Approximately 30 percent of patients treated with factor VIII develops inhibitory antibodies (inhibitors), which renders the treatment ineffective. This complication can often be managed by intensifying factor VIII treatment to induce tolerance, which means frequent injections of a high dose of factor VIII. Unfortunately the antibodies remain in approximately one third of these patients, which leaves patients without opportunity to prevent bleeding. It's for this group of vulnerable patients which Idogen's directs their treatment.



ido T

IDO T – When the body's immune system attacks a transplanted organ

The same method that is currently being developed for the treatment of hemophilia can also be used in other therapeutic areas with only minor adjustments to the production process. The company is therefore developing a product candidate for kidney transplantation, IDO T, in parallel. The basic principle is to "teach" the patient's immune system to recognize and accept the transplanted organ rather than attack it. This could eventually reduce or eliminate entirely the need for current methods of often lifelong immunosuppressive treatment with drugs that unselectively suppress the immune system. The company is of the opinion that there is a great need for a long-acting, cost-effective and safe treatment that induces tolerance for the transplanted organ in order to avoid the risk of organ rejection. Initially, Idogen intends to target patients about to undergo kidney transplantation with organs from living donors.



ido AID

IDO AID – When the body's immune system attacks the body's own cells and tissues

Idogen also added a third therapeutic area focusing on severe and rare autoimmune diseases, IDO AID, to its project portfolio. Idogen is currently evaluating the potential of the company's technology in a group of autoimmune diseases where there is a major unmet medical need and a treatment could be granted orphan drug designation. Patients with autoimmune diseases are often treatedfor long periods of time with powerful and broad-spectrum immunosuppressive drugs. However, the effect on the underlying disease is rarely optimal and the treatment can lead to undesirable side effects. The medical need for improved therapies is therefore high. The goal of Idogen's tolerogenic cell therapy is to dramatically reduce the need for immunosuppressive drugs by shortening the treatment, thereby improving patient outcomes.

Future and strategy

Idogen's intention is to enter into commercial license agreements based on the clinical trial results in each project. Several large pharmaceutical companies have already shown a major interest. In recent years, a number of smaller cell therapy companies have signed commercial license agreements with global pharmaceutical companies, under attractive terms.

Financial information

Financial performance for the first quarter, January 1 - March 31, 2021

Other operating income
Other operating income for the quarter amounted to KSEK 1,679 (1,414).

Operating profit/loss
Operating loss for the quarter amounted to KSEK -10,651 (-6,634), a change of KSEK -4,017 compared with the year-on-year quarter.

Recognition of EU research funding and other minor support generated a higher positive contribution of KSEK 265, while expenses rose KSEK 4,282.

Profit/Loss for the quarter
Loss for the quarter totaled KSEK -10,531 (-6,220). Loss per share was SEK -0.58 (-1.28).

Liquidity and cash flow

- Cash flow from operating activities was KSEK -9,952 (-1,786).
- Cash flow from investing activities was KSEK -510 (0).
- Cash flow from financing activities was KSEK -14 (20,607).
- Cash flow for the quarter was KSEK -10,476 (18,821).
- At the end of the period, the company's cash and cash equivalents amounted to KSEK 36,565 (44,829).

Horizon 2020

In May 2017, Idogen was granted research funding of MEUR 2.86 (just over MSEK 29) from Horizon 2020 (the EU Framework Programme for Research and Innovation) to develop the company's tolerogenic cell therapy, developed for the treatment of patients with severe hemophilia who have developed anti-factor VIII neutralizing antibodies during treatment. After the end of the period, MSEK 3 was paid out. Most of the outstanding amount (MEUR 0.43 – approximately MSEK 4.4) is expected to be paid out in 2021.

Investments

Idogen invested in lab equipment. Investments for the period amounted to MSEK 0.5 (0.0).

Events after the end of the period

No other significant events occurred after the end of the period that affect the interim financial statements.

Employees and organization

At March 31, the number of employees was ten. Idogen's organization comprises all of the competencies and experience required to run the company. Close collaboration has been established with a number of key consultants in patents, preclinical, clinical trials, cell therapy, pharmaceutical development, regulatory expertise for manufacturing, documentation, quality assurance, finance and legal matters.

2021 Annual General Meeting and annual report

The Annual General Meeting will be held on May 11, 2021. It will be held digitally with postal voting.

The annual report was published on April 8 and is available for download on our website.

Nomination committee

In accordance with the Annual General Meeting's decision, the three largest shareholders at the end of August 2020 were asked to nominate their representatives for the Nomination Committee. Tobias Ekman (chairman), Per Eliasson and Leif G. Salford were appointed to the Nomination Committee. The Nomination Committee's proposal was presented in January.

Risks and uncertainties

In addition to general uncertainty related to research and development activities, the coronavirus pandemic and delays in the start-up of clinical trials, there are no known trends, uncertainties, potential claims or any other demands, obligations or events that are reasonably likely to have a material effect on the company's prospects. A detailed presentation of various risks can be found in the Annual Report (pages 46-50).

Equity

Equity was impacted by the new share issue and earnings during the period. At March 31, equity amounted to MSEK 30.1 (32.8).

The share

Idogen's shares, which had been listed on Spotlight since June 2015, were transferred to Nasdaq First North Market on June 4, 2020.

Loss after tax divided by the average number of shares for the period amounted to SEK -0.58 (-1.28) for the reporting period. At the end of March 2021, Idogen had approximately 3,800 shareholders. The number of shares was 18,243,308 (4,849,153 in the preceding year, recalculated after the reverse split).

Name	No. of shares	Percentage of votes/capital (%)
Formue Nord A/S	1,960,518	10.8
Tobias Ekman	1,100,000	6.0
Avanza Pension AB	944,025	5.2
Zhang Linfan	581 056	3.2
Rotheseey Ltd	477,676	2.6
Others	13,180,033	72.3
Total	18,243,308	100.0

Accounting policies

This interim report has been prepared in accordance with RFR 2, Accounting for Legal Entities. The report has been prepared in accordance with IAS 34, with consideration for the exemptions from and amendments to IFRS specified in RFR 2.
The company has no subsidiaries and does not therefore present consolidated financial statements. IFRS-compliant financial statements are not therefore applicable.
The accounting policies are presented in the Annual Report on pages 51–53. No changes have been made to these policies.

Auditor's report

This interim report has not been audited.

Assurance by the Board of Directors

The Board of Directors and Chief Executive Officer certify that this interim report presents a true and fair view of the company's operations, financial position and results and describes the significant risks and uncertainties faced by the company.

Lund, May 11, 2021

Agneta Edberg
Chairman of the Board

Christina Herder
Member of the Board

Sharon Longhurst
Member of the Board

Leif G Salford
Member of the Board

Anders Karlsson
Chief Executive Officer

Condensed statement of profit or loss and other comprehensive income

(Amounts in KSEK)	2021 3 months Jan–Mar	2020 3 months Jan–Mar	2020 12 months Jan–Dec	2019 12 months Jan–Dec
Net sales	-	-	-	-
Other operating income	1,679	1,414	8,113	4,192
Total income	**1,679**	**1,414**	**8,113**	**4,192**
Operating expenses				
Other external costs	-9,157	-4,649	-21,007	-17,900
Employee benefit expenses	-2,823	-3,068	-11,934	-13,223
Depreciation of tangible assets	-348	-331	-1,325	-5,895
Total operating expenses	**-12,329**	**-8,048**	**-34,266**	**-37,018**
Operating loss	**-10,651**	**-6,634**	**-26,153**	**-32,826**
Interest income and similar profit items	123	430	7	156
Interest expense and similar loss items	-4	-16	-677	-24
Loss before tax	**-10,531**	**-6,220**	**-26,822**	**-32,694**
Tax	-	-	-	-
LOSS FOR THE PERIOD	**-10,531**	**-6,220**	**-26,822**	**-32,694**
OTHER COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**
COMPREHENSIVE INCOME FOR THE PERIOD	**-10,531**	**-6,220**	**-26,822**	**-32,694**

Condensed statement of financial position

(Amounts in KSEK)	March 31, 2021	March 31, 2020	December 31, 2020
ASSETS			
Tangible assets			
Leasehold improvements	508	1,117	660
Equipment, tools, fixtures and fittings	1,774	1,996	1,459
Total tangible assets	**2,281**	**3,113**	**2,119**
Other receivables	1,036	773	975
Prepaid expenses and accrued income	842	640	707
Cash and bank balances	36,565	44,829	47,041
Total current assets	**38,443**	**46,241**	**48,723**
TOTAL ASSETS	**40,724**	**49,354**	**50,843**
EQUITY			
Restricted equity			
Share capital	12,770	6,385	12,770
Fund for development expenses	-	-	-
Total restricted equity	**12,770**	**6,385**	**12,770**
Non-restricted equity			
Share premium reserve	76,553	54,544	76,567
Loss brought forward	-48,716	-21,894	-21,894
Loss for the year	-10,531	-6,220	-26,822
Total non-restricted equity	**30,076**	**26,430**	**27,851**
Total equity	**17,306**	**32,815**	**40,621**
Current liabilities			
Accounts payable – trade	2,471	2,172	1,588
Other liabilities	308	352	342
Accrued expenses and deferred income	7,870	14,115	8,291
Total current liabilities	**10,648**	**16,549**	**10,222**
TOTAL EQUITY AND LIABILITIES	**40,724**	**49,354**	**50,843**

Condensed statement of changes in equity

(Amounts in KSEK)	Share capital	Share premium reserve	Profit/Loss brought forward	Profit/ Loss for the year	Total equity
Opening balance at Jan 1, 2020	**3,394**	**36,829**	**10,800**	**-32,694**	**18,329**
Appropriation of profits as per AGM	-	-	-32,694	32,694	-
New share issue	2,991	22,644	-	-	25,653
Capital raising expenses	-	-4,929	-	-	-4,929
Loss for the period	-	-	-	-6,220	-6,220
Closing balance at Mar 31, 2020	**6,385**	**54,544**	**-21,894**	**-6,220**	**32,815**

(Amounts in KSEK)	Share capital	Share premium reserve	Profit/Loss brought forward	Profit/ Loss for the year	Total equity
Opening balance at Jan 1, 2021	**12,770**	**76,567**	**-21,894**	**-26,822**	**40,621**
Appropriation of profits as per proposal to AGM	-	-	-26,822	26,822	-
Capital raising expenses	-	-14	-	-	-14
Loss for the period	-	-	-	-10,531	-10,531
Closing balance at Mar 31, 2021	**12,770**	**76,553**	**-48,716**	**-10,531**	**30,076**

Shareholdings disclosure	**No. of shares**
Holding/value at beginning of the year	18,243,308
Holding/value at March 31, 2021	18,243,308
Number of warrants at March 31, 2021	9,371,654
Total no. of shares after conversion of warrants	**27,614,962**

Condensed statement of cash flows

(Amounts in KSEK)	2021 3 months Jan-Mar	2020 3 months Jan-Mar	2020 12 months Jan-Dec
OPERATING ACTIVITIES			
Operating loss before financial items	-10,651	-6,634	-26,153
Reversal of depreciation/amortization	348	331	1,325
Interest received	123	440	7
Interest paid	-4	-16	-677
Cash flow from operating activities	**-10,183**	**-5,889**	**-25,498**
Increase/Decrease in prepaid expenses and accrued income	-195	325	55
Increase/Decrease in accounts payable	883	-11	-595
Increase/Decrease in other current liabilities	-456	3,790	-2,043
Cash flow from operating activities	**-9,952**	**-1,786**	**-28,081**
Investing activities			
Investment in intangible assets	-510	-	-
Investment in tangible assets	-	-	-
Cash flow from investing activities	**-510**	**-**	**-**
Financing activities			
New share issue	-14	20,607	49,115
Cash flow from financing activities	**-14**	**20,607**	**49,115**
Cash flow for the period	-10,476	18,821	21,033
Cash and cash equivalents at the beginning of the period	47,041	26,008	26,008
Cash and cash equivalents at the end of the period	**36,566**	**44,829**	**47,041**

Financial calender

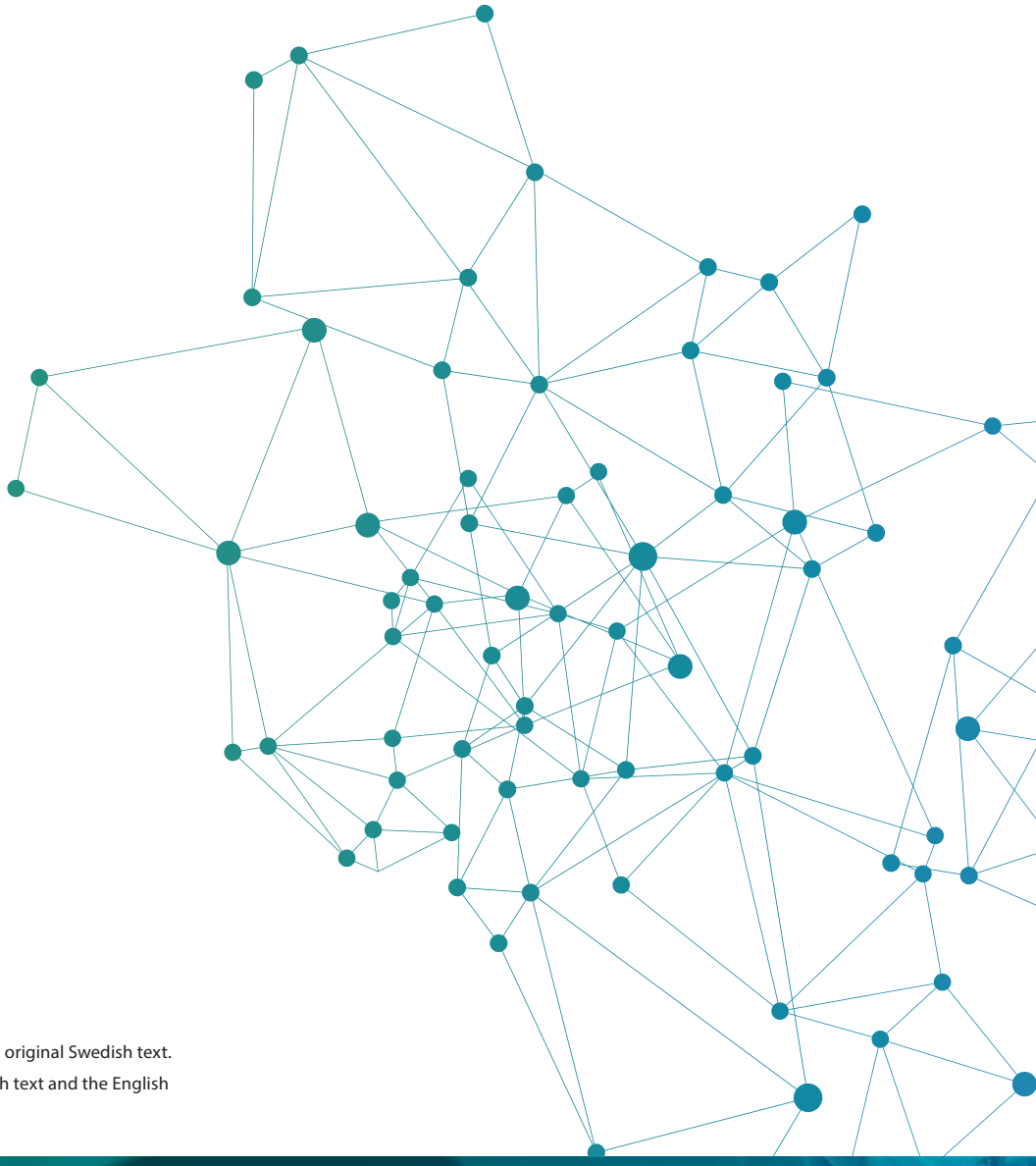
Interim report January-June 2021	August 24, 2021
Interim report January-September 2021	October 26, 2021
Year-end report 2021	February 8, 2022

If you have any questions, please contact:

Anders Karlsson, Chief Executive Officer
Phone: +46 (0) 709 18 00 10
Email: anders.karlsson@idogen.com

Address:

Idogen AB
Medicon Village
Scheelevägen 2
SE-223 81 Lund



This information is also available in Swedish.
The English text is an unofficial translation of the original Swedish text.
In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

When the immune system has become your enemy

Idogen develops tolerogenic cell therapies to prevent the patient's
immune system from attacking biological agents,
transplanted organs or the body's own cells or tissues.

idogen

Idogen AB | Medicon Village | Scheelevägen 2 | 223 81 Lund | Sweden | Email: info@idogen.com | www.idogen.com