



InflaRx Reports Second Quarter 2019 Financial & Operating Results

- IFX-1 in Hidradenitis Suppurativa did not meet the primary endpoint; trial ongoing - multiple efficacy signals for high-dose group identified
- First patient treated in Pyoderma Gangraenosum phase IIa trial
- Second phase II clinical trial commenced in ANCA-associated vasculitis
- Cash and cash equivalents plus securities and other investments of €138.3 million as of June 30, 2019

Jena, Germany, 14 August 2019 – InflaRx (Nasdaq: IFRX), a clinical-stage biopharmaceutical company developing anti-inflammatory therapeutics by targeting the complement system, today reported financial and operating results for the second quarter ended June 30, 2019.

On June 5, 2019, InflaRx had announced the top-line results of their SHINE phase IIb trial of IFX-1 in Hidradenitis Suppurativa (HS). Unfortunately, the primary endpoint of the trial, a dose-dependent effect of IFX-1 on the HiSCR, a binary score for evaluating HS clinical response, was not met. Moreover, an unusually high placebo response rate was present. A more detailed analysis (published on July 18, 2019) showed, however, that high-dose treatment with IFX-1 resulted in multiple efficacy signals which were not reflected by the HiSCR. The number of draining fistulas was significantly reduced by week 16 in the high-dose group when compared to the placebo group. Further, using the International HS Severity Score System, IHS-4, which takes into account all lesions, a statistically significant reduction was seen in the high-dose group, when compared to the placebo group. The company is continuing the open label extension part of the SHINE trial as planned and will discuss the data with the regulatory authorities in an end of phase II meeting.

“While we are all disappointed about the failed primary endpoint for IFX-1 in the SHINE study in HS, our ongoing analysis and findings indicate that the high-dose IFX-1 treatment resulted in meaningful anti-inflammatory efficacy, which gives us reason for optimism as we plan the next steps,” said Prof. Niels C. Riedemann, Chief Executive Officer and Founder of InflaRx. “Based on our strong current balance sheet, dedicated team with confidence in our technology, and support from the medical communities, we are well positioned to continue development in HS and in our other indications. I look forward to reporting on our further progress in the coming months.”



Further corporate update

- Richard Brudnick, CBO of Codiak BioSciences, appointed as Non-Executive Director at the annual general meeting on May 23, 2019.
- In May, InflaRx started a second phase II study with IFX-1 in ANCA-associated vasculitis. The first patient has been treated in the IXchange trial. The trial is planned to enroll approximately 80 patients at about 60 sites in up to 12 European countries and Russia.
- Recruitment in the U.S. phase II trial in ANCA-associated vasculitis is ongoing; it is planned to recruit approximately 36 patients at about 20 sites in the U.S.
- Approval granted by Health Canada to initiate a phase IIa clinical trial evaluating IFX-1 in Pyoderma Gangraenosum, a debilitating, rare autoimmune disease marked by large, painful ulcers. This is the third inflammatory disease for which InflaRx is developing IFX-1. The first patient was treated in June.

Q2 2019 financial highlights

Cash and cash equivalents plus securities and other investments totaled €138.3 million as of June 30, 2019, compared to €156.4 million as of December 31, 2018. **Cash and cash equivalents** amounted to €54.1 million as of June 30, 2019 (December 31, 2018: €55.4 million) and marketable securities were €84.2 million (December 31, 2018: €100.9 million).

Net cash used in operating activities increased to €18.7 million in HY1 2019, compared to €11.1 million in HY1 2018, mainly due to the increase of cash expenses, such as third-party expenses for manufacturing and clinical trials for our lead program IFX-1 and personnel expenses at InflaRx.

Research and development expenses increased to €20.2 million for HY1 2019 (HY1 2018: €10.5 million). The principal drivers of the increase were CRO expenses associated with preclinical studies and clinical trials conducted for IFX-1 as well as manufacturing costs.

General and administrative expenses amounted to €6.9 million in HY1 2019, compared to €6.2 million in HY1 2018. This increase is primarily attributable to increased overall headcount and related cost.



Net financial result in HY1 2019 (€2.0 million) consisted of €1.9 million interest income and €0.2 million net exchange gain, compared to a net financial gain of €3.8 million in HY1 2018. This was mainly due to higher foreign exchange gains (€2.9 million) but lower interest income (€1.2 million).

Net loss for the first two quarters of 2019 was €25.1 million or € 0.97 per common share (basic and diluted), compared to €12.8 million or €0.51 per common share (basic and diluted) in HY1 2018.

Additional information regarding these results is included in the notes to the consolidated financial statements as of and for the quarter ended June 30, 2019, which can be found on the InflaRx website in the Investors section.



InflaRx N.V. and subsidiary
Unaudited condensed consolidated statements of comprehensive loss
for the three and six months ended June 30, 2019 and June 30, 2018

| | For the three months ended June 30, | | For the six months ended June 30, | |
|--|--|---------------------|--------------------------------------|---------------------|
| | 2019 (unaudited) | 2018 (unaudited) | 2019 (unaudited) | 2018 (unaudited) |
| | (in thousands of €, except for per share data) | | | |
| Operating Expenses | | | | |
| Research and development expenses | (12,497) | (5,031) | (20,192) | (10,505) |
| General and administrative expenses | (3,648) | (3,161) | (6,949) | (6,158) |
| Total Operating Expenses | (16,145) | (8,192) | (27,141) | (16,663) |
| Other income | 3 | 65 | 68 | 150 |
| Other expenses | (79) | (21) | (83) | (33) |
| Operating Result | (16,221) | (8,148) | (27,157) | (16,545) |
| Finance income | 1,339 | 5,742 | 2,498 | 6,007 |
| Finance expenses | (388) | (37) | (450) | (2,226) |
| Net financial Result | 950 | 5,705 | 2,048 | 3,781 |
| Loss for the period | (15,271) | (2,443) | (25,109) | (12,764) |
| Share information | | | | |
| Weighted average number of shares outstanding | 25,964 | 24,890 | 25,964 | 24,357 |
| Loss per share in Euro (basic/diluted) | € (0.59) | € (0.10) | € (0.97) | € (0.52) |
| Loss for the period | (15,271) | (2,443) | (25,109) | (12,764) |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | | | |
| Exchange differences on translation of foreign currency | (1,622) | (17) | 695 | (16) |
| Total comprehensive loss | (16,893) | (2,460) | (24,413) | (12,780) |



InflaRx N.V. and subsidiary
Condensed consolidated statements of financial position as of June 30, 2019 and
December 31, 2018

| | 2019 (unaudited) | 2018 |
|---|---------------------|----------------|
| | (in thousands of €) | |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 1,643 | 625 |
| Intangible assets | 453 | 223 |
| Non-current financial assets | 290 | 207 |
| Total non-current assets | 2,385 | 1,055 |
| Current assets | | |
| Current other assets | 3,652 | 1,589 |
| Current financial assets | 84,818 | 101,184 |
| Cash and cash equivalents | 54,063 | 55,386 |
| Total current assets | 142,534 | 158,159 |
| TOTAL ASSETS | 144,919 | 159,214 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Issued capital | 3,116 | 3,116 |
| Share premium | 211,022 | 211,022 |
| Other capital reserves | 22,200 | 18,310 |
| Accumulated deficit | (106,216) | (81,107) |
| Other components of equity | 746 | 50 |
| Total equity | 130,867 | 151,391 |
| Non-current liabilities | | |
| Lease liabilities | 647 | — |
| Provisions | 42 | 57 |
| Government grants | 9 | 11 |
| Total non-current liabilities | 698 | 68 |
| Current liabilities | | |
| Lease liabilities | 339 | — |
| Employee benefits | 705 | 788 |
| Social securities and current other tax liabilities | 126 | 310 |
| Trade and other payables | 12,184 | 6,657 |
| Total current liabilities | 13,354 | 7,756 |
| Total liabilities | 14,052 | 7,824 |
| TOTAL EQUITY AND LIABILITIES | 144,919 | 159,214 |



InflaRx N.V. and subsidiary

Unaudited condensed consolidated statements of changes in shareholders' equity for the three months ended June 30, 2019 and June 30, 2018

| | Shares out- standing | Issued capital | Share pre- mium | Other capital reserves | Accumulated deficit | Other compo- nents of equity | Total equity |
|---|--|-------------------|--------------------|------------------------------|------------------------|---------------------------------------|-----------------|
| | (in thousands of €, except for share data) | | | | | | |
| Balance as of January 1, 2019 | 25,964,379 | 3,116 | 211,022 | 18,310 | (81,107) | 50 | 151,391 |
| Loss for the period | — | — | — | — | (25,109) | — | (25,109) |
| Exchange differences on translation of foreign currency | — | — | — | — | — | 695 | 695 |
| Total comprehensive loss | — | — | — | — | (25,109) | 695 | (24,414) |
| Transactions with owners of the Company | | | | | | | |
| Contributions | | | | | | | |
| Equity-settled share-based payment | — | — | — | 3,890 | — | — | 3,890 |
| Total contributions | — | — | — | 3,890 | — | — | 3,890 |
| Total transactions with owners of the Company | — | — | — | 3,890 | — | — | 3,890 |
| Balance as of June 30, 2019* | 25,964,379 | 3,116 | 211,022 | 22,200 | (106,216) | 746 | 130,867 |
| Balance as of January 1, 2018 | 23,812,100 | 2,858 | 161,639 | 6,225 | (51,293) | — | 119,429 |
| Loss for the period | — | — | — | — | (12,764) | — | (12,764) |
| Exchange differences on translation of foreign currency | — | — | — | — | — | (16) | (16) |
| Total comprehensive loss | — | — | — | — | (12,764) | (16) | (12,780) |
| Transactions with owners of the Company | | | | | | | |
| Contributions | | | | | | | |
| Issued shares | 1,850,000 | 222 | 52,769 | — | — | — | 52,991 |
| Transaction costs | — | — | (3,801) | — | — | — | (3,801) |
| Equity-settled share-based payment | — | — | — | 5,938 | — | — | 5,938 |
| Total contributions | 1,850,000 | 222 | 48,967 | 5,938 | — | — | 55,128 |
| Total transactions with owners of the Company | 1,850,000 | 222 | 48,967 | 5,938 | — | — | 55,128 |
| Balance as of June 30, 2018* | 25,662,100 | 3,080 | 210,606 | 12,163 | (64,056) | (16) | 161,776 |



InflaRx N.V. and subsidiary
Unaudited condensed consolidated statement of cash flows for the six months ended
June 30, 2019 and 2018

| | 2019 | 2018 |
|--|----------------------------|--------------------|
| | (unaudited) | (unaudited) |
| | (in thousands of €) | |
| Operating activities | | |
| Loss for the period | (25,109) | (12,764) |
| Adjustments for: | | |
| Depreciation & Amortization | 308 | 50 |
| Net financial result | (2,048) | (3,781) |
| Share based payment expense | 3,890 | 5,938 |
| Other non-cash adjustments | (205) | (58) |
| Changes in: | | |
| Current other assets | (2,063) | (248) |
| Provisions | (15) | 52 |
| Employee benefits | (84) | 173 |
| Social securities and current other tax liabilities | (185) | (2) |
| Trade and other payables | 5,527 | (1,189) |
| Interest received | 1,270 | 681 |
| Interest paid | (15) | 0 |
| Net cash from operating activities | (18,730) | (11,148) |
| Investing activities | | |
| Cash outflow from the purchase of intangible assets, laboratory and office equipment | (504) | (362) |
| Cash outflow for the investment in non-current other financial assets | (76) | (33) |
| Proceeds from the disposal of non-current other financial assets | 4 | 13 |
| Proceeds from the disposal of current financial assets | 17,709 | — |
| Purchase of current financial assets | — | (8,014) |
| Net cash used in investing activities | 17,133 | (8,396) |
| Financing activities | | |
| Proceeds from issuance of share capital | — | 52,991 |
| Transaction cost from issuance of share capital | — | (3,801) |
| Repayment of leasing debt | (125) | — |
| Net cash from financing activities | (125) | 49,189 |
| Effect of exchange rate changes | 399 | 3,142 |
| Change in cash and cash equivalents | (1,323) | 32,787 |
| Cash and cash equivalents at beginning of period | 55,386 | 123,282 |
| Cash and cash equivalents at end of period | 54,063 | 156,069 |



About IFX-1:

IFX-1 is a first-in-class monoclonal anti-human complement factor C5a antibody, which highly and effectively blocks the biological activity of C5a and demonstrates high selectivity towards its target in human blood. Thus, IFX-1 leaves the formation of the membrane attack complex (C5b-9) intact as an important defense mechanism, which is not the case for molecules blocking the cleavage of C5. IFX-1 has been demonstrated to control the inflammatory response driven tissue and organ damage by specifically blocking C5a as a key “amplifier” of this response in pre-clinical studies. IFX-1 is believed to be the first monoclonal anti-C5a antibody introduced into clinical development and has, to date, successfully completed three clinical phase II studies. Approximately 300 people have been treated with IFX-1 in clinical trials, and the antibody has been shown to be well tolerated. IFX-1 is currently being developed for various inflammatory indications, including Hidradenitis Suppurativa, ANCA-associated vasculitis and Pyoderma Gangraenosum.

About InflaRx N.V.:

InflaRx (Nasdaq: IFRX) is a clinical-stage biopharmaceutical company focused on applying its proprietary anti-C5a technology to discover and develop first-in-class, potent and specific inhibitors of C5a. Complement C5a is a powerful inflammatory mediator involved in the progression of a wide variety of autoimmune and other inflammatory diseases. InflaRx was founded in 2007 and the group has offices and subsidiaries in Jena and Munich, Germany, as well as Ann Arbor, MI and New York, NY, USA. For further information please visit www.inflarx.com.

Contacts:

Investor Relations

InflaRx N.V.

Jordan Silverstein

Head of Corporate Development and Strategy

[Jordan.silverstein\[at\]inflarx.de](mailto:Jordan.silverstein[at]inflarx.de)

+1 917-837-1709

Media Relations

MC Services AG

Katja Arnold, Laurie Doyle, Andreas Jungfer

[inflarx\[at\]mc-services.eu](mailto:inflarx[at]mc-services.eu)

+49 89-210 2280



FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements, which are often indicated by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “estimate,” “believe,” “estimate,” “predict,” “potential” or “continue” and similar expressions. Forward-looking statements appear in a number of places throughout this release and may include statements regarding our intentions, beliefs, projections, outlook, analyses and current expectations concerning, among other things, our ongoing and planned preclinical development and clinical trials, the timing of and our ability to make regulatory filings and obtain and maintain regulatory approvals for our product candidates, our intellectual property position, our ability to develop commercial functions, expectations regarding clinical trial data, our results of operations, cash needs, financial condition, liquidity, prospects, future transactions, growth and strategies, the industry in which we operate, the trends that may affect the industry or us and the risks uncertainties and other factors described under the heading “Risk Factors” in InflaRx’s periodic filings with the Securities and Exchange Commission. These statements speak only as of the date of this press release and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements, and we assume no obligation to update these forward-looking statements, even if new information becomes available in the future, except as required by law.