UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private
Issuer Pursuant to Rule
13a-16 or 15d-16 of the
Securities Exchange Act
of 1934

November 5, 2021

Commission File
Number: 001-38283

InflaRx N.V.

Winzerlaer Str. 2
07745 Jena,
Germany
(+49) 3641508180
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

INCORPORATION BY REFERENCE

Exhibits 99.1 and 99.2 to this Report on Form 6-K shall be deemed to be incorporated by reference into (i) the registration statement on Form S-8 (Registration Number 333-221656 and 333-240185) and (ii) the registration statement on Form F-3 (Registration Number 333-239759) of InflaRx N.V. and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibit 99.3 to this Report on Form 6-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Jena, Germany, November 5, 2021.

INFLARX N.V.

By: /s/ Niels Riedemann
Name: Niels Riedemann
Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit	Description of Exhibit
99.1	InflaRx N.V. Unaudited Condensed Consolidated Financial Statements as of and for the Three Months and Nine Months Ended September 30, 2021
99.2	InflaRx N.V. Management's Discussion and Analysis of Financial Condition and Results of Operations
99.3	InflaRx N.V. Press Release dated November 5, 2021

Exhibit 99.1

INFLARX N.V.

UNAUDITED INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS – SEPTEMBER 30, 2021

These unaudited interim condensed financial statements are consolidated financial statements for the group consisting of InflaRx N.V. and its wholly-owned subsidiaries InflaRx GmbH, Jena, Germany, and InflaRx Pharmaceuticals Inc., Ann Arbor, Michigan, United States (together, the "Group"). The financial statements are presented in Euro (€).

InflaRx N.V. is a company limited by shares, incorporated and domiciled in Amsterdam, The Netherlands.
Its registered office and principal place of business is in Germany, Jena, Winzerlaer Str. 2.

INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss for the three and nine months ended September 30, 2021 and 2020

(in €, except for share data)	Note	For the three months ended September 30, 2021 (unaudited)	2020 (unaudited)	For the nine months ended September 30, 2021 (unaudited)	2020 (unaudited)
Operating Expenses					
Research and development expenses		(9,359,850)	(5,246,536)	(25,566,005)	(19,901,661)
General and administrative expenses		(3,395,606)	(1,166,070)	(9,115,783)	(6,057,767)
Total Operating Expenses		(12,755,456)	(6,412,606)	(34,681,788)	(25,959,428)
Other income		22,850	3,471	43,529	200,763
Other expenses		—	(13)	(844)	(9,184)
Operating Result		(12,732,606)	(6,409,148)	(34,639,103)	(25,767,849)
Finance income	2	27,380	95,086	85,964	844,842
Finance expenses	2	(9,527)	(9,995)	(16,261)	(15,253)
Foreign exchange result	2	715,799	(660,907)	1,621,165	(112,933)
Other financial result		(56,000)	126,000	(13,000)	(74,000)
Income Taxes		—	—	—	—
Loss for the Period		(12,054,955)	(6,858,964)	(32,961,235)	(25,125,193)
Share Information					
Weighted average number of shares outstanding		44,186,279	27,733,778	40,740,353	26,674,233
Loss per share (basic/diluted)		(0.27)	(0.25)	(0.81)	(0.94)
Loss for the Period		(12,054,955)	(6,858,964)	(32,961,235)	(25,125,193)
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign currency		2,536,278	(3,022,687)	4,613,675	(2,761,792)
Total Comprehensive Loss		(9,518,677)	(9,881,651)	(28,347,560)	(27,886,985)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Financial Position as of September 30, 2021 and December 31, 2020

(in €)	Note	September 30, 2021 (unaudited)	December 31, 2020
ASSETS			
Non-current assets			
Property and equipment		299,896	408,263
Right-of-use assets	4	1,500,865	546,694
Intangible assets		262,641	350,183
Other assets	3	340,572	353,522
Financial assets	4	26,716,011	272,268
Total non-current assets		29,119,985	1,930,930
Current assets			
Current other assets	3	5,409,078	3,734,700
Current tax assets		918,021	1,419,490
Financial assets	4	23,957,605	55,162,033
Cash and cash equivalents	5	69,967,424	25,968,681
Total current assets		100,252,128	86,284,904
TOTAL ASSETS		129,372,113	88,215,834
EQUITY AND LIABILITIES			
Equity			
Issued capital	6	5,302,354	3,387,410
Share premium	6	280,261,994	220,289,876
Other capital reserves		30,082,596	26,259,004
Accumulated deficit		(201,306,855)	(168,345,620)
Other components of equity		886,884	(3,726,791)
Total equity		115,226,973	77,863,880
Non-current liabilities			
Lease liabilities	4	1,155,432	220,525
Other liabilities		34,770	33,323
Total non-current liabilities		1,190,202	253,847
Current liabilities			
Trade and other payables	4	11,517,356	8,258,133
Lease liabilities	4	363,876	338,516
Employee benefits		943,640	1,368,731
Other liabilities		130,066	117,727
Provisions		—	15,000
Total current liabilities		12,954,938	10,098,107
Total Liabilities		14,145,140	10,351,954
TOTAL EQUITY AND LIABILITIES		129,372,113	88,215,834

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity for the nine months ended September 30, 2021 and 2020

(in €, except for share data)	Note	Shares outstanding	Issued capital	Share premium	Other capital reserves	Accumulated deficit	Other compo-nents of equity	Total equity
Balance as of January 1, 2021		28,228,415	3,387,410	220,289,876	26,259,004	(168,345,620)	(3,726,790)	77,863,880
Loss for the period		—	—	—	—	(32,961,235)	—	(32,961,235)
Exchange differences on translation of foreign currency		—	—	—	—	—	4,613,675	4,613,675
Total comprehensive loss		—	—	—	—	(32,961,235)	4,613,675	(28,347,560)
Issuance of common shares and warrants	6	15,610,022	1,873,203	63,269,346	—	—	—	65,142,549
Transaction costs	6	—	—	(4,219,222)	—	—	—	(4,219,222)
Share-based payment expense	7	—	—	—	3,823,592	—	—	3,823,592
Share options exercised	7	347,842	41,741	921,994	—	—	—	963,735
Balance as of September 30, 2021 (unaudited)		44,186,279	5,302,354	280,261,994	30,082,596	(201,306,855)	886,884	115,226,973
Balance as of January 1, 2020		26,105,255	3,132,631	211,006,606	25,142,213	(134,362,006)	2,227,228	107,146,673
Loss for the period		—	—	—	—	(25,125,193)	—	(25,125,193)
Exchange differences on translation of foreign currency		—	—	—	—	—	(2,761,792)	(2,761,792)
Total comprehensive loss		—	—	—	—	(25,125,193)	(2,761,792)	(27,886,985)
Issuance of common shares and warrants		1,958,186	234,982	9,535,961				
Transaction costs				(729,841)				
Share-based payment expense	7	—	—	—	897,438	—	—	897,438
Share options exercised	7	164,974	19,797	477,149	—	—	—	496,946
Balance as of September 30, 2020 (unaudited)		28,228,415	3,387,410	220,289,876	26,039,651	(159,487,199)	(534,564)	89,695,174

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020

(in €)	Note	For the nine months ended September 30, 2021 (unaudited)	For the nine months ended September 30, 2020 (unaudited)
Operating activities			
Loss for the period		(32,961,235)	(25,125,193)
Adjustments for:			
Depreciation & amortization of property and equipment, right-of-use assets and intangible assets		502,605	533,687
Net finance income	2	(1,677,868)	(642,656)
Share-based payment expense	7	3,823,592	897,438
Net foreign exchange differences		(3,185)	(869,402)
Changes in:			
Other assets		(1,159,960)	(226,811)
Employee benefits		(438,436)	(191,042)
Other liabilities		12,130	13,896
Trade and other payables		3,259,223	(2,415,210)
Interest received		443,531	1,238,643
Interest paid		(15,072)	(15,546)
Net cash used in operating activities		(28,214,674)	(26,802,196)
Investing activities			
Purchase of intangible assets, property and equipment		(21,691)	(83,855)
Purchase of financial assets		(40,512,715)	(68,169,518)
Proceeds from the maturity of financial assets		48,250,724	97,465,290
Net cash from investing activities		7,716,318	29,211,918
Financing activities			
Proceeds from issuance of common shares	6	65,142,549	9,770,944
Transaction costs from issuance of common shares	6	(4,219,222)	(729,841)
Proceeds from exercise of share options	7	963,735	496,946
Repayment of lease liabilities		(271,608)	(275,323)
Net cash from financing activities		61,615,454	9,262,726
Net increase in cash and cash equivalents		41,117,098	11,672,447
Effect of exchange rate changes on cash and cash equivalents		2,881,645	30,362
Cash and cash equivalents at beginning of period		25,968,681	33,131,280
Cash and cash equivalents at end of period	5	69,967,424	44,834,089

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

1. Summary of significant accounting policies and other disclosures

(a) Reporting entity and Group's structure

InflaRx N.V. is a Dutch public company with limited liability (naamloze vennootschap) with its corporate seat in Amsterdam, The Netherlands, and is registered in the Commercial Register of The Netherlands Chamber of Commerce Business Register under CCI number 68904312. The Company's registered office is at Winzerlaer Straße 2 in 07745 Jena, Germany. Since November 10, 2017, InflaRx N.V.'s common shares have been listed on The NASDAQ Global Select Market under the symbol IFRX.

InflaRx is a clinical-stage biopharmaceutical Group focused on applying its proprietary anti-C5a technology to discover and develop first-in-class, potent and specific inhibitors of the complement activation factor known as C5a.

These consolidated financial statements of InflaRx comprise the Company and its wholly-owned subsidiaries InflaRx GmbH, Jena, Germany and InflaRx Pharmaceuticals Inc., Ann Arbor, Michigan, United States (together referred to as "the Group").

InflaRx GmbH is a clinical-stage biopharmaceutical company founded in 2008. In 2017, InflaRx N.V. became the sole shareholder of InflaRx GmbH through the contribution of the subsidiary's shares to InflaRx N.V. by its existing shareholders in exchange of new shares issued by InflaRx N.V.

(b) Basis of preparation

These interim condensed consolidated financial statements for the three- and nine-month reporting periods ended September 30, 2021 and 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, this report is to be read in conjunction with the financial statements in our annual report for the year ended December 31, 2020 on Form 20-F.

The interim condensed consolidated financial statements were authorized for issue by the board of directors on November 4, 2021.

The financial statements are presented in Euro (€). Euro is the functional currency of InflaRx GmbH. The functional currency of InflaRx N.V. and InflaRx Pharmaceuticals Inc. is U.S. Dollars. All financial information presented in Euro has been rounded. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them or may deviate from other tables.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new standards effective as of January 1, 2021 as set out below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) New and amended standards adopted by the Group

The below listed amendments and interpretations were adopted effective January 1, 2021, but did not have a material impact on the consolidated financial statements of the Group:

- Interest Rate Benchmark Reform — Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- COVID-19-related Rent Concessions, Amendment to IFRS 16

The following standards issued will be adopted in a future period and the potential impact, if any, they will have on the Group's consolidated financial statements is being assessed:

- IFRS 17 Insurance Contracts, including Amendments to IFRS 17

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(d) Significant events of the quarter and changes in circumstances

Vilobelimab in pyoderma gangraenosum (PG)

In April 2021, the Company announced the completion of enrollment in its Phase IIa proof-of-concept clinical study with vilobelimab in PG. This open-label trial enrolled 19 patients with moderate to severe PG, with 12 in the first two dose cohorts, at sites in the U.S., Canada and Europe. Data from the second dose cohort was announced on August 10, 2021. Ten patients were evaluable for the efficacy assessment on day 99 because two out of the 12 patients withdrew from the study before reaching day 99 of the treatment. Out of the 10 patients evaluable for efficacy at day 99, four patients met the response criteria, with three of them achieving complete closure of the target ulcer. The three patients who showed clinical response with a PGA score of ≤ 3 with complete target ulcer closure had elevated C5a levels at baseline. InflaRx previously reported the clinical response for two of these three patients in February 2020. The third patient demonstrating complete target ulcer closure had been increased from the 1600mg dose group to the highest dose of 2400mg dose on day 57 of the study and closed the ulcer after the dose escalation. The other six patients (three patients of which the results had been previously disclosed in February 2020) all showed slight improvement in their condition according to the PGA definition (PGA score = 4). Data from the third cohort was released on October 27, 2021. In the third dosing cohort at 2400mg biweekly, six of the seven patients achieved clinical remission with a PGA score of ≤ 1, which reflects a closure of the target ulcer. All patients in cohort 3 had elevated C5a levels at baseline that were continuously suppressed after initiation of vilobelimab. From all cohorts, two patients had related SAEs that were reported: One patient experienced an erysipelas leading to hospitalization (judged as non-related by sponsor), another developed a rash due to a delayed hypersensitivity reaction and withdrew from the study (which had been previously disclosed from cohort 2). No dose-related AEs were found. Overall, the observed AE profile was in line with the underlying diseases. Final results from this study are expected in the first half of 2022.

Vilobelimab for hidradenitis suppurativa (HS)

InflaRx submitted a Type A meeting request to the U.S. Food & Drug Administration (FDA) in July 2021 to align on the Phase III HS study design. At the meeting, the discussion focused on reaching consensus on the overall study population and the primary endpoint measure. On September 8, 2021, InflaRx announced the outcome of this meeting in which the FDA was supportive of the proposed pivotal study program focusing on patients with active draining tunnels. The FDA also supported a new primary efficacy endpoint that will include measuring the reduction of all three lesions associated with HS - inflammatory nodules, abscesses and draining tunnels. InflaRx is still in active dialogue with the FDA on the final details of the pivotal Phase III study design. The Company plans to submit the clinical study protocol in Q4 2021 and start the study activities upon agreement with the FDA. The Company plans to include various secondary and exploratory endpoints to validate the newly proposed primary efficacy measure, which thus far has not been used in prospective randomized trials. Once the protocol is accepted by the FDA, the Company will provide more details about the study, including the primary endpoint.

Vilobelimab in ANCA-associated vasculitis (AAV)

In May 2021, the Company announced results from its US Phase IIa clinical study in AAV patients (IXPLORE). The results of the IXPLORE trial show vilobelimab is safe and well tolerated when added to standard of care therapy for AAV. These results support the continued study of vilobelimab for the treatment of AAV.

Furthermore, InflaRx previously reported that both Part 1 and Part 2 of the AAV Phase II study in Europe (IXCHANGE) are fully enrolled and have now finished the treatment period. Data from this randomized, double-blind, placebo-controlled trial with 57 patients are expected by the end of 2021.

Vilobelimab in cutaneous squamous cell carcinoma (cSCC)

The open label, multicenter Phase II study evaluating vilobelimab alone and in combination with pembrolizumab in patients with PD-1 or PD-L1 inhibitor resistant/refractory locally advanced or metastatic cSCC is currently enrolling. So far, a total of five patients have been enrolled in the monotherapy arm and one in the combination arm. After five weeks of treatment with the first three patients in the monotherapy arm, a safety assessment was completed, and enrollment in the combination arm was opened.

The Phase II clinical trial is expected to enroll approximately 70 patients at sites in Europe, the U.S. and elsewhere. The study will investigate two independent arms: vilobelimab alone and vilobelimab in combination with pembrolizumab. The main objectives of the trial are to assess the safety and antitumor activity of vilobelimab monotherapy and to determine the maximum tolerated or recommended dose, safety and antitumor activity in the combination arm.

COVID-19 Pandemic

The COVID-19 pandemic, which began in December 2019 has spread worldwide and continues to cause many governments to maintain measures to slow the spread of the outbreak through quarantines, travel restrictions, closure of borders and requiring maintenance of physical distance between individuals.

During the first nine months of 2021, the Company`s employees have continued to be able to work from their home offices and partially return to the Company’s offices. Our service providers also continued at regular operational levels and the recruitment of patients and new clinical trial sites likewise continued in the first nine month of 2021 through the date of issuance of these interim financial statements.

The Phase III part of the global Phase II/III trial evaluating vilobelimab in mechanically ventilated patients with COVID-19 was initiated in mid-September 2020, and recruitment has finished, enrolling 369 patients with sites initiated across several countries, including the EU, South America and other regions.

An interim analysis by an independent data monitoring committee took place in July 2020 analyzed the data of the first 180 patients evaluable for the 28-day mortality endpoint that completed the study and led to the recommendation to continue the study as planned.

Topline data at the 28-day mortality primary endpoint are expected to be available in the first quarter of 2022.

On October 19, 2021, InflaRx announced that it was awarded a grant of up to EUR 43.7 million from the German Ministry of Education and Research and the German Ministry of Health to support the Company’s development of vilobelimab for the treatment for severe COVID-19 patients. The initial tranche amounts to EUR 25.8 million (approximately USD 29.9 million) and is structured as reimbursement of 80% of certain pre-specified expenses related to the clinical development and manufacturing of vilobelimab. The remainder of the grant will be awarded in three additional subsequent tranches, each conditional on reaching agreed-upon development and manufacturing-related milestones for the preceding tranche and structured as reimbursement for Company expenses. Individual tranches will not be paid if the preceding milestone of a tranche is not met. Payments from this grant to the Company are expected to begin in the fourth quarter of 2021.

Changes to the Board and Management

On September 13, 2021, Ms. Lina Ma resigned as Member of the Board. Ms. Ma’s resignation from the Board was not due to any disagreement with the Company.

2. Net Financial Result

The net financial result is comprised of the following items for the three and nine months ended September 30:

(in €)	For the three months ended September 30, 2021 (unaudited)	2020 (unaudited)	For the nine months ended September 30, 2021 (unaudited)	2020 (unaudited)
Financial income				
Interest income	27,380	95,086	85,964	844,842
Financial expenses				
Interest expenses	(4,305)	(8,321)	(7,190)	(9,384)
Interest on lease liabilities	(5,222)	(1,674)	(9,071)	(5,869)
Total	17,853	85,091	69,703	829,589

Interest income results from marketable securities and short-term deposits in U.S. Dollars held by the Company and its subsidiaries.

(in €)	For the three months ended September 30, 2021 (unaudited)	2020 (unaudited)	For the nine months ended September 30, 2021 (unaudited)	2020 (unaudited)
Foreign exchange result				
Foreign exchange income	910,411	1,230,281	5,002,650	2,748,961
Foreign exchange expense	(194,612)	(1,891,188)	(3,381,485)	(2,861,894)
Total	715,799	(660,907)	1,621,165	(112,933)

Foreign exchange income and expense is mainly derived from the translation of the U.S. Dollar cash, cash equivalents and securities held by the Company and its subsidiaries.

3. Other assets

(in €)	As of September 30, 2021 (unaudited)	As of December 31, 2020
Non-current other assets		
Prepaid expense	340,572	353,522
Total	340,572	353,522
Current other assets		
Prepayments on research & development projects	4,896,075	2,340,643
Current tax assets	918,021	1,419,490
Prepaid expense	513,004	1,295,682
Other	—	98,374
Total	6,327,100	5,154,190

Prepaid expense mainly consists of prepaid insurance expense.

Prepayments on research & development projects consists of prepayments on clinical and production contracts. Mainly due to higher expense for the phase III part of our COVID-19 trial and the payments made under the related CRO contract, prepayments have increased as of September 30, 2021 compared to December 31, 2020.

Current tax assets as of September 30, 2021 mainly include VAT of €0.2 million and tax reclaims because of dividend tax withheld of €0.7 million. Such tax is withheld by our banks from securities interest payments, and the Company and its subsidiaries are reimbursed after filing a tax return.

4. Financial assets and financial liabilities

Set out below is an overview of financial assets and liabilities, other than cash and cash equivalents, held by the Group as of September 30, 2021 and December 31, 2020:

(in €)	As of September 30, 2021 (unaudited)	As of December 31, 2020
Financial assets at amortized cost		
Non-current financial assets	26,716,011	272,268
Current financial assets	23,957,605	55,162,033
Financial liabilities at amortized cost		
Trade and other payables	11,517,356	8,258,133
Interest bearing loans and borrowings		
Non-current lease liabilities	1,155,432	220,525
Current lease liabilities	363,876	338,516

As of September 30, 2021, the fair value of current and non-current financial assets (primarily quoted debt securities) amounted to €50,369 thousand (Level 1). The Group's debt instruments at amortized cost consist solely of quoted securities that are graded highly by credit rating agencies such as S&P Global and, therefore, are considered low credit risk investments. Some of the expiring investments were newly invested and therefore changed to non-current.

In May 2021, the Company entered into an agreement to amend its original lease of office space in Martinsried, Germany, by extending the contractual lease term for an additional five years. This resulted in an increase to the lease obligation and associated right-of-use asset.

5. Cash and cash equivalents

(in €)	As of September 30, 2021 (unaudited)	As of December 31, 2020
Short-term deposits		
Deposits held in U.S. Dollars	58,255,159	22,616,767
Deposits held in Euro	—	1,800,000
Total	58,255,159	24,416,767
Cash at banks		
Cash held in U.S. Dollars	7,105,638	362,788
Cash held in Euro	4,606,626	1,189,126
Total	11,712,265	1,551,914
Total cash and cash equivalents	69,967,424	25,968,681

6. Equity

On July 8, 2020, the Company filed a Form F-3 (Registration Statement) with the United States Securities and Exchange Commission (SEC) with respect to the offer and sale of securities of the Company. The Company also filed with the SEC a prospectus supplement (Prospectus Supplement) relating to an at-the-market program providing for the sale of up to $50,000,000 of its common shares over time pursuant a Sales Agreement with SVB Leerink LLC.

During the three months ended March 31, 2021, the Company issued 610,022 common shares under its at-the-market program resulting in €2.8 million in net proceeds. No common shares were issued under this program in the second and third quarters of 2021. Following these and previous issuances under this program, the remaining value authorized for sale under the Sales Agreement amounts to $35.2 million.

On February 25, 2021, the Company sold an aggregate of 15,000,000 common shares through a public offering. The common shares were sold at $5.00 per share and have a nominal value of €0.12 per share. For each common share purchased, an investor also received a warrant to purchase a common share at an exercise price $5.80. The warrants are exercisable immediately and have a term of up to one year. The shares and warrants were issued and the transaction closed on March 1, 2021 with gross offering proceeds to the Group from this offering being $75.0 million (€62.2 million), before deducting $4.5 million (€3.7 million) in underwriting discounts and other offering expenses of $0.4 million (€0.5 million). As of the date that these interim condensed consolidated financial statements were authorized for issue, no warrants had been exercised.

7. Share-based payments

(e) Equity settled share-based payment arrangements

During its historical financing rounds prior to 2016 InflaRx GmbH granted options under the 2012 Stock Option Plan. Those InflaRx GmbH options were converted into options for common shares of InflaRx N.V. in November 2017:

Number of share options	2021	2020
Outstanding as of January 1,	148,433	148,433
Exercised during the nine months ended September 30	—	—
Outstanding as of September 30,	148,433	148,433
thereof vested	148,433	148,433

Under the terms and conditions of the share option plan 2016 InflaRx GmbH granted rights to subscribe for InflaRx GmbH's common shares to directors, senior management, and key employees. Those InflaRx GmbH options were converted into options for common shares of InflaRx N.V. in November 2017:

Number of share options	2021	2020
Outstanding as of January 1,	1,094,852	1,181,484
Exercised during the nine months ended September 30	(202,020)	(86,632)
Outstanding as of September 30,	892,832	1,094,852
thereof vested	892,832	1,094,852

In conjunction with the closing of its initial public offering, InflaRx N.V. established a new incentive plan (the "2017 Long-Term Incentive Plan"). The initial maximum number of common shares available for issuance under equity incentive awards granted pursuant to the 2017 Long-Term Incentive Plan amounts to 2,341,097 common shares.

The annual general meeting on July 16, 2020, approved an amendment to the 2017 Long-Term Incentive Plan (LTIP) with effect from January 1, 2021:

- increasing the maximum annual number of common shares in the Company's capital available for issuance under the LTIP, starting on January 1, 2021, to 4% (from 3%) of the Company's outstanding common shares (determined as of December 31 of the immediately preceding year); and

- removing certain restrictions from the LTIP, which will allow the committee administering the LTIP and the Board to (i) lower the exercise price per share of any options and/or share appreciation rights issued under the LTIP or take any other action treated as a 'repricing' of an award and (ii) cancel any option and/or share appreciation rights in exchange for cash or another award granted under the LTIP, in either case, without prior approval of the Company's shareholders.

Number of share options	2021	2020
Outstanding as of January 1,	2,146,478	2,181,105
Granted during the nine months ended September 30	1,219,074	96,188
Exercised during the nine months ended September 30	(145,822)	(78,342)
Forfeited during the nine months ended September 30	(31,400)	(181,287)
Outstanding as of September 30,	3,188,330	2,017,664
thereof vested	2,173,210	1,696,066

The number of share options granted during the nine months ended September 30, 2021 under the plan was as follows:

Share options granted 2021	Number	Fair value per option	FX rate as of grant date	Fair value per option	Share price at grant date / Exercise price	Expected volatility	Expected life (midpoint based)	Risk-free rate (interpolated, U.S. sovereign strips curve)
January 4	839,260	$ 4.53	0.8133	€ 3.68	$ 5.14	1.35	5.31	0.5%
January 4	31,668	$ 4.57	0.8133	€ 3.72	$ 5.14	1.35	5.50	0.5%
July 2	327,436	$ 2.64	0.8458	€ 2.23	$ 2.99	1.35	5.31	0.98%
July 2	20,710	$ 2.66	0.8458	€ 2.25	$ 2.99	1.35	5.49	1.01%
	1,219,074							

Of the 1,219,074 options granted in the nine months ended September 30, 2021, 1,134,436 were granted to members of the executive management or Board of Directors. In the nine months ended September 30, 2021, 31,400 options were forfeited.

Expected dividends are nil for all share options listed above.

(f) Share options exercised

In the nine months ended September 30, 2021, 347,842 shares were issued upon the exercise of share options, resulting in proceeds to the Company in the amount of €964 thousand. Of the share options exercised, 202,020 were granted under the 2016 Share Option Plan and 145,822 were granted under the 2017 Long-Term Incentive Plan.

In the nine months ended September 30, 2020, no options under the 2012 Stock Option Plan were exercised.

(g) Share-based payment expense recognized

For the nine months ended September 30, 2021, the Company recognized €3,824 thousand (2020: €1,485 thousand) of share-based payment expense in the statements of operations and comprehensive loss.

None of the share-based payments awards were dilutive in determining earnings per share due to the Group’s loss position.

8. Protective foundation

According to the articles of association of the Company, up to 110,000,000 ordinary shares and up to 110,000,000 preferred shares with a nominal value of €0.12 per share are authorized to be issued. All shares are registered shares. No share certificates shall be issued.

In order to deter acquisition bids, the Company`s general meeting of shareholders approved the right of an in-dependent foundation under Dutch law, or protective foundation, to exercise a call option pursuant to the call option agreement, upon which preferred shares will be issued by the Company to the protective foundation of up to 100% of the Company’s issued capital held by others than the protective foundation, minus one share. The protective foundation is expected to enter into a finance arrangement with a bank or, subject to applicable restrictions under Dutch law, the protective foundation may request us to provide, or cause the Company’s subsidiaries to provide, sufficient funding to the protective foundation to enable it to satisfy its payment obligation under the call option agreement.

These preferred shares will have both a liquidation and dividend preference over the Company`s common shares and will accrue cash dividends at a pre-determined rate. The protective foundation would be expected to re-quire us to cancel its preferred shares once the perceived threat to the Company and its stakeholders has been removed or sufficiently mitigated or neutralized. We are of the opinion that the call option does not represent a significant fair value based on a Level 3 valuation, since the preference shares are restricted in use and can be can-celled by us.

In the three and nine months ended September 30, 2021, the Company expensed €15 thousand and €45 thousand, respectively, (2020: €15 thousand, €45 thousand) of ongoing costs to reimburse expenses incurred by the protective foundation.

9. Contractual Obligations and Commitments

The Group enters contracts in the normal course of business with CROs and clinical sites for the conduct of clinical trials, professional consultants for expert advice and other vendors for clinical supply manufacturing or other services.

10. Subsequent Events

In October 2021, the Company was awarded a grant of up to EUR 43.7 million from the German Ministry of Education and Research and the German Ministry of Health to support the Company's development of vilobelimab for the treatment of severe COVID-19 patients. Refer to Note 1 for additional information regarding this grant.

In October 2021, the Company reported clinical data from the third cohort, showing that six of the seven patients in this dosing group achieved clinical remission with a PGA score of ≤ 1, which reflects a closure of the target ulcer. No dose-related AEs were found. Overall, the observed AE profile was in line with the underlying diseases.

Exhibit 99.2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis is designed to provide you with a narrative explanation of our financial condition and results of operations. We recommend that you read this discussion together with our unaudited interim condensed consolidated financial statements, including the notes thereto, as of and for the three- and nine- month periods ended September 30, 2021 and 2020 included as Exhibit 99.1 to the Report on Form 6-K to which this discussion is attached as Exhibit 99.2. We also recommend that you read our management's discussion and analysis and our audited consolidated financial statements for fiscal year 2020, and the notes thereto, which appear in our Annual Report on Form 20-F for the year ended December 31, 2020 (the "Annual Report") filed with the U.S. Securities and Exchange Commission (the "SEC"). In addition, we recommend that you read any public announcements made by InflaRx N.V.

The following discussion is based on our financial information prepared in accordance with IFRS as issued by the IASB, which may differ in material respects from generally accepted accounting principles in the United States and other jurisdictions. We maintain our books and records in Euros. Unless otherwise indicated, all references to currency amounts in this discussion are in Euros. We have made rounding adjustments to some of the figures included in this discussion and analysis. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them.

The following discussion includes forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those described under "Risk Factors" in the Annual Report.

Unless otherwise indicated or the context otherwise requires, all references to "InflaRx" or the "company," "we," "our," "ours," "us" or similar terms refer to InflaRx N.V. and its subsidiaries InflaRx GmbH and InflaRx Pharmaceuticals, Inc.

Overview

We are a clinical-stage biopharmaceutical company focused on applying our proprietary anti-C5a technology to discover and develop first-in-class, potent and specific inhibitors of the complement activation factor known as C5a. C5a is a powerful inflammatory mediator involved in the progression of a wide variety of autoimmune and other inflammatory diseases. Our lead product candidate, vilobelimab (IFX-1), is a novel intravenously delivered first-in-class anti-C5a monoclonal antibody that selectively binds to free C5a and has demonstrated disease-modifying clinical activity and tolerability in multiple clinical settings.

We are developing vilobelimab for the treatment of hidradenitis suppurativa (HS), a chronic debilitating systemic inflammatory skin disease. In June 2019, we announced that our Phase IIb clinical trial of vilobelimab in HS did not meet its primary endpoint. On July 18, 2019, we published a post-hoc analysis showing multiple signals of efficacy for the vilobelimab high dose group compared to the placebo group within the initial phase of the SHINE study. In June 2020, we completed an end of Phase II meeting with the U.S. Food & Drug Administration (FDA) to discuss a Phase III development program for the use of vilobelimab in the treatment of HS. Additionally, in July 2020, we received scientific advice from the European Medicines Agency (EMA) regarding the Phase III development program for the use of vilobelimab in the treatment of HS. In March 2021, we submitted a Special Protocol Assessment (SPA) to the FDA for the Phase III HS program for vilobelimab in Hidradenitis Suppurativa (HS), suggesting International Hidradenitis Suppurativa Severity Score (IHS4) as the primary efficacy endpoint and, in May 2021, the Company received an official response. The FDA agreed to the dosing regimen in the protocol but did not agree with the assessment of the primary endpoint using IHS4. At the FDA's suggestion, we submitted a Type A meeting request to the FDA in July 2021 to align on the Phase III study design and a proposed new primary endpoint instead of IHS4. At the meeting, the discussion focused on reaching consensus on the overall study population and the primary endpoint measure. On September 8, 2021 we announced the outcome of this meeting in which the FDA was supportive of the proposed pivotal study program focusing on patients with active draining tunnels. The FDA also supported a new primary efficacy endpoint that will include measuring the reduction of all three inflammatory lesions associated with HS - inflammatory nodules, abscesses and draining tunnels. We are still in active dialogue with the FDA on the final details of the pivotal Phase III study design. We plan to submit the clinical study protocol in the fourth quarter of 2021 and start the study activities upon agreement with the FDA. The Company plans to include various secondary and exploratory endpoints to validate the newly proposed primary efficacy measure, which thus far has not been used in prospective randomized trials. Once the protocol is accepted by the FDA,we will provide more details about the study, including the primary endpoint.

We are also developing vilobelimab in severe COVID-19. On March 31, 2020, we initiated a Phase II/III clinical development program with vilobelimab in patients with severe COVID-19 and enrolled the first patient in the Phase II part of the study. On June 17, 2020, we announced interim results from the first 30 patients treated in the adaptive randomized Phase II part of the trial in patients. On September 14, 2020, we announced the first patient enrolled in the Phase III part of the study. An interim analysis by an independent data monitoring committee (IDMC), which took place in July 2021 and analyzed the data of the first 180 patients evaluable for the 28-day mortality endpoint, led to a recommendation to continue the study as planned. Per recommendations from the EMA and FDA, the option to potentially stop the study early on the basis of efficacy was removed from the interim analysis. On October 12, 2021, we announced full enrollment of the study at 369 mechanically ventilated patients with COVID-19 across sites in the EU, South America and other regions. Patients were randomized 1:1 to receive either vilobelimab or placebo; all patients received standard of care. The primary endpoint is 28-day all-cause mortality; key secondary endpoints include assessment of organ support and disease improvement. Topline data for the 28-day mortality primary endpoint are expected to be available in the first quarter of 2022.

On October 19, 2021, we announced that we received a grant of up to EUR 43.7 million from the German Ministry of Education and Research and the German Ministry of Health to support the Company's development of vilobelimab for the treatment for severe COVID-19 patients. The initial tranche amounts to EUR 25.8 million (approximately USD 29.9 million) and is structured as reimbursement of 80% of certain pre-specified expenses related to the clinical development and manufacturing of vilobelimab. The remainder of the grant will be awarded in three additional subsequent tranches, each conditional on reaching agreed-upon development and manufacturing-related milestones for the preceding tranche and structured as reimbursement for Company expenses. Individual tranches will not be paid if the preceding milestone of a tranche is not met. Payments from this grant to the Company are expected to begin in the fourth quarter of 2021.

We are also developing vilobelimab for the treatment of anti-neutrophil cytoplasm antibody associated vasculitis (AAV), a rare, life-threatening autoimmune disease associated with powerful inflammatory flares that impair kidney function and lead to fatal organ dysfunction. In October 2018, we dosed the first patient in the randomized, triple blind, placebo-controlled US Phase II IXPLORE study of vilobelimab in patients with AAV. The main objective of the study was to evaluate the efficacy and safety of two dosing regimens of vilobelimab in patients with moderate to severe AAV, when dosed in addition to standard of care, which includes treatment with high dose glucocorticoids and either cyclophosphamide or rituximab. The primary endpoint of the study is the number and percentage of subjects who experience at least one treatment-emergent adverse event (TEAE) per treatment group at week 24. In October 2020 we announced that 19 patients had finished treatment and in May 2021, we reported top-line data for the study, indicating that vilobelimab, when given in addition to standard of care proved to be safe and well tolerated. Furthermore, in May 2019, we initiated a randomized, double-blind, placebo-controlled European Phase II IXCHANGE clinical study of vilobelimab in patients with AAV. The main objective of the study is to evaluate the efficacy and safety of vilobelimab in patients with moderate to severe AAV. The primary endpoint of the study is a 50% reduction in Birmingham Vasculitis Activity Score (BVAS) at week 16. The study is being conducted in two parts. In part 1, patients were randomized to receive either vilobelimab plus a reduced dose of glucocorticoids, or placebo plus a standard dose of glucocorticoids. Patients in both arms will receive standard of care dosing of rituximab or cyclophosphamide. In part 2 of the study, patients will be randomized to receive either vilobelimab plus placebo, glucocorticoids or placebo plus a standard dose of glucocorticoids (both in addition to standard of care therapy consisting of rituximab or cyclophosphamide). After analyzing the impact of the ongoing COVID-19 pandemic on the study, we conducted a blinded interim analysis of part 1. Based on our analysis, we decided to continue with part 2 of the study but decreased the number of enrolled patients. On January 5, 2021, we announced that both Part 1 and Part 2 of the AAV Phase II study in Europe are fully enrolled and have now finished the treatment period. Data from this randomized, double-blind, placebo-controlled trial with 57 patients are expected by the end of 2021.

We are also developing vilobelimab for the treatment of pyoderma gangraenosum (PG), a rare neutrophilic dermatosis associated with chronic cutaneous ulcerations. PG usually has a devastating effect on patient's life due to severe pain and induction of significant movement impairment depending on lesions' location. In February 2019, we initiated an open label, multi-centric Phase IIa exploratory study enrolling 18 patients with moderate to severe PG in Canada, the U.S. and Poland. The objectives of this study are to evaluate the safety and efficacy of vilobelimab in this patient population in three different doses. In February 2020, we announced initial data from the first five patients in this trial two patients achieved complete closure of the target ulcer. The drug was well tolerated, and no drug-related severe adverse events (SAE) have been recorded to date in the study. On April 15, 2021 we announced the completion of the enrollment target in this study with 19 patients. Data from the second dose cohort was announced on August 10, 2021. Ten patients were evaluable for the efficacy assessment on day 99 because 2 out of the 12 patients withdrew from the study before reaching day 99 of the treatment. Out of the 10 patients evaluable for efficacy at day 99, four patients met the response criteria, with three of them achieving complete closure of the target ulcer. The three patients who showed clinical response with a PGA score of ≤ 3 with complete target ulcer closure had elevated C5a levels at baseline. InflaRx previously reported the clinical response for two of these three patients in February 2020. The third patient demonstrating complete target ulcer closure had been increased from the 1600mg dose group to the highest dose of 2400mg dose on day 57 of the study and closed the ulcer after the dose escalation. The other six patients (three patients of which the results had been previously disclosed in February 2020) all showed slight improvement in their condition according to the PGA definition (PGA score = 4). Data from the third cohort was released on October 27, 2021. In the third dosing cohort at 2400mg biweekly, six of the seven patients achieved clinical remission with a PGA score of ≤ 1, which reflects a closure of the target ulcer. All patients in cohort 3 had elevated C5a levels at baseline that were continuously suppressed after initiation of vilobelimab. From all cohorts, two patients had related SAEs that were reported: One patient experienced an erysipelas leading to hospitalization (judged as non-related by sponsor), another developed a rash due to a delayed hypersensitivity reaction and withdrew from the study (which had been previously disclosed from cohort 2). No dose-related AEs were found. Overall, the observed AE profile was in line with the underlying diseases. Final results from all patients are expected in the first half of 2022.

We are also developing vilobelimab for the treatment of PD-1/PD-L1 inhibitor resistant/refractory locally advanced or metastatic cutaneous squamous cell carcinoma (cSCC). cSCC is the second most common skin cancer. The incidence of cSCC increases with increasing sun exposure and age and individuals with fair skin and hair are more often concerned. The potential for local recurrence or metastasis of cSCC varies with the pathologic variant and localization of the primary lesion, the risk for metastasis in cSCC is approximately 2-5%. Advanced cSCC 10-year survival rates are less than 20% with regional lymph node involvement and less than 10% with distant metastases. In June 2021, we announced the dosing of the first patient in the study. A total of five patients have been enrolled in the study, four in the monotherapy arm and one in the combination arm. After five weeks of treatment with the first three patients in the monotherapy arm, a safety assessment was completed, and enrollment in the combination arm was opened.

Since our inception in December 2007, we have devoted substantially all of our resources to establishing our company, raising capital, developing our proprietary anti-C5a technology, identifying and testing potential product candidates and conducting clinical trials of our lead product candidate, vilobelimab. To date, we have no approved products for commercial use, have not generated any revenue and have financed our operations primarily through public offerings and private placements of our shares as well as other income from various grants. As of September 30, 2021, we had raised an aggregate of approximately €276.7 million, comprised of €74.0 million in gross proceeds from private placements of our securities, €81.8 million in net proceeds from our initial public offering in November 2017, €49.2 million in net proceeds from a follow-on public offering in May 2018, €9.0 million in net proceeds from the at-the-market program from during 2020, as well as €2.8 million in net proceeds from the at-the-market program in Q1 2021 and €62.2 million in net proceeds from a public offering in March 2021.

As of September 30, 2021, we had cash and cash equivalents of €70.0 million and financial assets of €50.7 million. As of September 30, 2021, we had an accumulated deficit of €201.3 million. We have incurred significant net operating losses in every year since our inception and expect to continue to incur net operating losses for the foreseeable future. Our net losses may fluctuate significantly from quarter to quarter and year to year.

We anticipate that our expenses might increase in the next years if and as we:

- continue to develop and conduct clinical trials with respect to our lead product candidate, vilobelimab, including in connection with the evaluation of any additional clinical development in HS, the ongoing Phase III trial in severe COVID-19, the ongoing Phase II clinical trials in AAV and PG as well as the ongoing Phase II study in cSCC;
- initiate and continue research, preclinical and clinical development efforts for any future product candidates, including IFX-2;
- actively seek to identify additional research programs and additional product candidates;
- seek regulatory and marketing approvals for our product candidates that successfully complete clinical trials, if any;
- establish sales, marketing, distribution and other commercial infrastructure in the future to commercialize various products for which we may obtain marketing approval, if any;
- require the manufacture of larger quantities of product candidates for clinical development and, potentially, commercialization;
- collaborate with strategic partners to optimize the manufacturing process for vilobelimab and IFX-2;
- maintain, expand and protect our intellectual property portfolio;
- hire and retain additional personnel, such as clinical, quality control, manufacturing, scientific and administrative personnel;
- use share-based employee retention instruments that may involve significant future expense; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and help us comply with our obligations as a public company.

Our expenses in any quarter may not be indicative of our expenses in future periods, and in particular we expect that our expenses, and therefore our net losses, could vary depending on the going forward strategy relating to the clinical development of vilobelimab in HS, COVID-19, AAV, PG, cSCC and additional indications as well as any potential addition of a technology platform or asset.

We do not expect to generate revenue from product sales unless and until we successfully complete development and obtain regulatory approval for a product candidate, which we expect will take a number of years and is subject to significant uncertainty. If we obtain regulatory approval for any product candidate, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, we may seek to further fund our operations through public or private equity or debt financings or other sources, including strategic collaborations. We may, however, be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Our failure to raise capital or enter into such other arrangements as and when needed, would have a negative impact on our financial condition and our ability to develop vilobelimab or any additional product candidates.

Recent Developments

On September 8, 2021, we announced the outcome of the Type A meeting with the U.S. Food & Drug Administration (FDA). we had submitted a Type A meeting request to the FDA in July 2021 to align on the Phase III HS study design. At the meeting, the discussion focused on reaching consensus on the overall study population and the primary endpoint measure. The FDA was supportive of the proposed pivotal study program focusing on patients with active draining tunnels. The FDA also supported a new primary efficacy endpoint that will include measuring the reduction of all three lesions associated with HS - inflammatory nodules, abscesses and draining tunnels. InflaRx is still in active dialogue with the FDA on the final details of the pivotal Phase III study design. We plan to submit the clinical study protocol in the fourth quarter of 2021 and start the study activities upon agreement with the FDA. We plan to include various secondary and exploratory endpoints to validate the newly proposed primary efficacy measure, which thus far has not been used in prospective randomized trials. Once the protocol is accepted by the FDA, we will provide more details about the study, including the primary endpoint.

The Phase III part of the global Phase II/III trial evaluating vilobelimab in mechanically ventilated patients with COVID-19 was initiated in mid-September 2020. On October 12, 2021, we reported that recruitment has finished, enrolling a total of 369 patients across several countries, including in the EU, South America and other regions. On October 19, 2021, we announced that we were awarded a grant of up to EUR 43.7 million from the German Ministry of Education and Research and the Ministry of Health to support our development of vilobelimab for the treatment for severe COVID-19 patients. The purpose of the grant is to complete clinical development activities and ensure capacity for manufacturing of vilobelimab in Germany. The initial tranche amounts to EUR 25.8 million (approximately USD 29.9 million) and is structured as reimbursement of 80% of certain pre-specified expenses related to the clinical development and manufacturing of vilobelimab. The remainder of the grant will be awarded in three additional subsequent tranches, each conditional on reaching agreed-upon development and manufacturing-related milestones for the preceding tranche and structured as reimbursement for Company expenses. Individual tranches will not be paid if the preceding milestone of a tranche is not met. Payments from this grant to the Company are expected to begin in the fourth quarter 2021.

Topline data from the study at the 28-day mortality primary endpoint are expected to be available in the first quarter of 2022.

The open label, multicenter Phase II study evaluating vilobelimab alone and in combination with pembrolizumab in patients with PD-1 or PD-L1 inhibitor resistant/refractory locally advanced or metastatic cSCC is currently enrolling. A total of five patients have been enrolled in the study, four in the monotherapy arm and one in the combination arm. After five weeks of treatment with the first three patients in the monotherapy arm, a safety assessment was completed, and enrollment in the combination arm was opened.

As previously announced, the Phase IIa open label trial has enrolled 19 patients with moderate to severe PG, with 12 in the first two dose cohorts, at sites in the U.S., Canada and Europe. Data from the second dose cohort was announced on August 10, 2021. Ten patients were evaluable for the efficacy assessment on day 99 because two out of the 12 patients withdrew from the study before reaching day 99 of the treatment. Out of the 10 patients evaluable for efficacy at day 99, four patients met the response criteria, with three of them achieving complete closure of the target ulcer. The three patients who showed clinical response with a PGA score of ≤ 3 with complete target ulcer closure had elevated C5a levels at baseline. We previously reported the clinical response for two of these three patients in February 2020. The third patient demonstrating complete target ulcer closure had been increased from the 1600mg dose group to the highest dose of 2400mg dose on day 57 of the study and closed the ulcer after the dose escalation. The other six patients (three patients of which the results had been previously disclosed in February 2020) all showed slight improvement in their condition according to the PGA definition (PGA score = 4). Data from the third cohort was released on October 27, 2021. In the third dosing cohort at 2400mg biweekly, six of the seven patients achieved clinical remission with a PGA score of ≤ 1, which reflects a closure of the target ulcer. All patients in cohort 3 had elevated C5a levels at baseline that were continuously suppressed after initiation of vilobelimab. From all cohorts, two patients had related SAEs that were reported: One patient experienced an erysipelas leading to hospitalization (judged as non-related by sponsor), another developed a rash due to a delayed hypersensitivity reaction and withdrew from the study (which had been previously disclosed from cohort 2). No dose-related AEs were found. Overall, the observed AE profile was in line with the underlying diseases. Final results are expected in the first half of 2022.

On September 13, 2021, Ms. Lina Ma resigned as Member of the Board. Ms. Ma’s resignation from the Board was not due to any disagreement with the Company.

Research and Development Expenses

Research and development expenses consisted principally of:

- expenses incurred under agreements with contract research organizations, or CROs, contract manufacturing organizations, or CMOs, consultants and independent contractors that conduct research and development, preclinical and clinical activities on our behalf;

- employee-related expenses, including salaries, benefits and share-based compensation expense based upon employees' role within the organization; and

- professional legal fees related to the protection and maintenance of our intellectual property.

We anticipate that our total research and development expenses in 2021 will increase compared to 2020, principally due to the initiation of the Phase II trial of vilobelimab in cSCC, the preparation and initiation of clinical Phase III trials of vilobelimab in HS and the continuation of the Phase III part of our Phase II/III clinical study of vilobelimab in severe COVID-19. Our research and development expenses primarily relate to the following key programs:

- vilobelimab (IFX-1). We expect our expenses associated with vilobelimab will increase in 2021 compared to 2020, as we are conducting the Phase III part of the clinical study in severe COVID-19, preparing to initiate a Phase III study in HS, conducting our Phase II clinical program of vilobelimab in patients with AAV and our Phase II clinical trial program in patients with PG and conducting a Phase II clinical program in cSCC. We might also potentially consider development of vilobelimab in additional indications. In addition, we are also incurring expenses related to the manufacturing of clinical trial material and by investigating commercial scale production options.

- IFX-2. We are continuing preclinical development of IFX-2, expenses for which mainly consist of salaries, costs for preclinical testing conducted by CROs and costs for the production of preclinical material.

- Other development programs. Our other research and development expenses relate to our preclinical studies of other product candidates and discovery activities, expenses for which mainly consist of salaries, costs for production of preclinical compounds and costs paid to CROs.

For the nine months ended September 30, 2021 and 2020, we incurred research and development expenses of €25.6 million and €19.9 million, respectively. The principal driver of the increase in our research and development expenses was higher expense for the phase III part of our COVID-19 trial. Our research and development expenses may vary substantially from period to period based on the timing of our research and development activities, including due to timing of clinical trial initiation and enrollment. Overall, research and development expenses are expected to increase over time as we advance the clinical development of vilobelimab into more advanced stages of clinical development and further advance the research and development of our preclinical product candidates.

We expense research and development costs as incurred. We recognize costs for certain development activities, such as preclinical studies and clinical trials, based on an evaluation of the progress to completion of specific tasks. We use information provided to us by our vendors such as patient enrollment or clinical site activations for services received and efforts expended.

The successful development of our product candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing and estimated costs of the efforts that will be necessary to complete the development of, or the period, if any, in which material net cash inflows may commence from, any of our product candidates. For a discussion of our other key financial statement line items, please see "Management's discussion and analysis of financial condition and results of operations—Financial operations overview" in the Annual Report.

General and Administrative Expenses

We expect that our general and administrative expenses will increase in the future as our business expands and we incur additional costs associated with operating as a public company. These public company-related costs relate primarily to additional personnel, additional professional and legal fees, audit fees, directors' and officers' liability insurance premiums and costs associated with investor relations.

For the nine months ended September 30, 2021 and 2020, we incurred general and administrative expenses of €9.1 million and €6.1 million, respectively. The principal driver of the increase in our general and administrative expense was higher expenses from equity-settled share-based compensation recognized in personnel expenses, which were €2.4 million and €(0.3) million in these periods, respectively.

Results of Operations

The information below was derived from our unaudited interim condensed consolidated financial statements included elsewhere herein. The discussion below should be read along with these unaudited interim condensed consolidated financial statements and our Annual Report on Form 20-F for the year ended December 31, 2020 filed with the SEC.

Comparison of the Three Months Ended September 30, 2021 and 2020

	Three Months Ended September 30,		
(in €)	2021	2020	Change
Operating Expenses			
Research and development expenses	(9,359,850)	(5,246,536)	(4,113,314)
General and administrative expenses	(3,395,606)	(1,166,070)	(2,229,536)
Total Operating Expenses	(12,755,456)	(6,412,606)	(6,342,850)
Other income	22,850	3,471	19,379
Other expenses	—	(13)	-
Operating Result	(12,732,606)	(6,409,148)	(6,323,458)
Finance income	27,380	95,086	(67,706)
Finance expenses	(9,527)	(9,995)	468
Foreign exchange result	715,799	(660,907)	1,376,706
Other financial result	(56,000)	126,000	(182,000)
Loss for the Period	(12,054,955)	(6,858,964)	(5,195,991)
Exchange differences on translation of foreign currency	2,536,278	(3,022,687)	5,558,965
Total Comprehensive Loss	(9,518,677)	(9,881,651)	362,975

Research and Development Expenses

	Three Months Ended September 30,		
(in €)	2021	2020	Change
Third-party expenses	7,525,004	4,299,075	3,225,929
Personnel expenses	1,484,193	822,757	661,436
Legal and consulting fees	237,543	46,517	191,026
Other expenses	113,110	78,187	34,923
Total Research and development expenses	9,359,850	5,246,536	4,113,314

We use our employee and infrastructure resources across multiple research and development programs directed toward developing vilobelimab and our pre-clinical programs. We manage certain activities such as contract research and manufacturing of vilobelimab and our discovery programs through our third-party vendors.

Research and development expenses incurred for the three months ended September 30, 2021 increased compared to the corresponding period in 2020 by €4.1 million. This increase was primarily due to higher expense for the Phase III part of our COVID-19 trial and was driven by an increase in third-party expenses of €3.2 million. The €0.7 million increase in personnel expenses was mainly related to equity-settled share-based compensation.

General and Administrative Expenses

	Three Months Ended September 30,		
(in €)	2021	2020	Change
Personnel expenses	1,645,090	72,862	1,572,228
Legal, consulting and audit fees	880,732	403,491	477,241
Other expenses	869,784	689,717	180,067
Total General and administrative expense	3,395,606	1,166,070	2,229,536

General and administrative expenses increased by €2.2 million to €3.4 million for the three months ended September 30, 2021, from €1.2 million for the three months ended September 30, 2020. This increase is attributable to higher expenses from equity-settled share-based compensation recognized in personnel expenses (€1.3 million), as the amount recognized in the three months ended September 30, 2020 included a gain from the reversal of share-based compensation expense in the amount of €0.9 million. Additionally, legal, consulting and other expenses increased to €1.8 million for the three months ended September 30, 2021, from €1.1 million for the three months ended September 30, 2020 due to increased finance-related, legal and consulting fees.

Net financial result

Financial Result	Three Months Ended September 30,		
(in €)	2021	2020	Change
Financial income			
Interest income	27,380	95,086	(67,706)
Financial expenses			
Interest expenses	(4,305)	(8,321)	4,016
Interest on lease liabilities	(5,222)	(1,674)	(3,548)
Total	17,853	85,091	(67,238)

Foreign exchange result	Three Months Ended September 30,		
(in €)	2021	2020	Change
Foreign exchange result			
Foreign exchange income	910,411	1,230,281	(319,870)
Foreign exchange expense	(194,612)	(1,891,188)	1,696,576
Total	715,799	(660,907)	1,376,706

Comparison of the Nine Months Ended September 30, 2021 and 2020

(in €)	Nine Months Ended September 30, 2021	2020	Change
Operating Expenses			
Research and development expenses	(25,566,005)	(19,901,661)	(5,664,344)
General and administrative expenses	(9,115,783)	(6,057,767)	(3,058,016)
Total Operating Expenses	(34,681,788)	(25,959,428)	(8,722,360)
Other income	43,529	200,763	(157,234)
Other expense	(844)	(9,184)	8,340
Operating Result	(34,639,103)	(25,767,849)	(8,871,254)
Finance income	85,964	844,842	(758,878)
Finance expenses	(16,261)	(15,253)	(1,008)
Foreign exchange result	1,621,165	(112,933)	1,734,098
Other financial result	(13,000)	(74,000)	61,000
Loss for the Period	(32,961,235)	(25,125,193)	(7,836,042)
Exchange differences on translation of foreign currency	4,613,675	(2,761,792)	7,375,467
Total Comprehensive Loss	(28,347,560)	(27,886,985)	(460,575)

Research and Development Expenses

(in €)	Nine Months Ended September 30, 2021	2020	Change
Third-party expenses	20,031,444	15,838,505	4,192,939
Personnel expenses	4,462,164	3,130,305	1,331,859
Legal and consulting fees	748,360	639,578	108,782
Other expenses	324,037	293,273	30,764
Total Research and development expenses	25,566,005	19,901,661	5,664,344

We use our employee and infrastructure resources across multiple research and development programs directed toward developing vilobelimab and our pre-clinical programs. We manage certain activities such as contract research and manufacturing of vilobelimab and our discovery programs through our third-party vendors.

Research and development expenses incurred for the nine months ended September 30, 2021 increased compared to the corresponding period in 2020 by €5.7 million. This increase was primarily due to higher expense for the Phase III part of our COVID-19 trial and was driven by an overall increase in third-party expenses of €4.2 million. The €1.3 million increase in personnel expenses was mainly related to equity-settled share-based compensation.

General and Administrative Expenses

	Nine Months Ended September 30,		
(in €)	2021	2020	Change
Personnel expenses	5,186,576	2,881,445	2,305,131
Legal, consulting and audit fees	1,461,181	915,818	545,363
Other expenses	2,468,026	2,260,505	207,521
Total General and administrative expense	9,115,783	6,057,768	3,058,015

General and administrative expenses increased by €3.1 million to €9.1 million for the nine months ended September 30, 2021, from €6.1 million for the nine months ended September 30, 2020. This increase is primarily attributable to increasing expenses associated with equity-settled share-based compensation recognized in personnel expenses. Furthermore, legal, consulting and other expenses increased by €0.8 million to €3.9 million for the nine months ended September 30, 2021, from €3.2 million for the nine months ended September 30, 2020 due increased finance-related, legal and consulting fees.

Net financial result

Financial Result	Nine Months Ended September 30,		
(in €)	2021	2020	Change
Financial income			
Interest income	85,964	844,842	(758,878)
Financial expenses			
Interest expenses	(7,190)	(9,384)	2,194
Interest on lease liabilities	(9,071)	(5,869)	(3,202)
Total	69,703	829,589	(759,886)

Foreign exchange result	Nine Months Ended September 30,		
(in €)	2021	2020	Change
Foreign exchange result			
Foreign exchange income	5,002,650	2,748,961	2,253,689
Foreign exchange expense	(3,381,485)	(2,861,894)	(519,591)
Total	1,621,165	(112,933)	1,734,098

Higher foreign exchange gains, which increased by €2.3 million, were partially offset by higher foreign exchange losses, which increased by €0.5 million. Interest on marketable securities declined by €0.8 million due to lower interest rates available on debt securities in capital markets.

Liquidity and Capital Resources

Since inception, we have incurred significant operating losses. For the nine months ended September 30, 2021, we incurred a net loss of €33.0 million. To date, we have financed our operations primarily through the sale of our securities. As of September 30, 2021, we had cash and cash equivalents of €70.0 million, plus financial assets of €50.7 million. Our cash and cash equivalents primarily consist of bank deposit accounts and fixed-term U.S. Dollar deposits. Our quoted debt securities have high credit ratings.

Cash Flows

The table below summarizes our consolidated statement of cash flows for the nine months ended September 30, 2021 and 2020:

	Nine Months Ended September 30,	
(in €)	2021	2020
Net cash used in operating activities	(28,214,674)	(26,802,196)
Net cash from investing activities	7,716,318	29,211,918
Net cash from financing activities	61,615,454	9,262,726
Cash and cash equivalents at the beginning of the period	25,968,681	33,131,280
Exchange gains on cash and cash equivalents	2,881,645	30,362
Cash and cash equivalents at the end of the period	69,967,424	44,834,089

Net Cash used in Operating Activities

The use of cash in all periods resulted primarily from our net losses, adjusted for non-cash charges and changes in components of working capital.

Net cash used in operating activities for the nine months ended September 30, 2021 increased by €1.4 million to €28.2 million from €26.8 million for the nine months ended September 30, 2020.

Net Cash from Investing Activities

Net cash from investing activities decreased by €21.5 million in the nine months ended September 30, 2021 mainly due to lower repayments from matured marketable securities in the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020.

Net Cash from Financing Activities

Net cash from financing activities increased by €52.4 million in the nine months ended September 30, 2021.

In the nine months ended September 30, 2021, we issued an additional 610,022 common shares under our at-the-market program (refer to Note 6 “Equity"), resulting in €2.8 million in net proceeds. Following these and previous issuances under this program, the remaining value authorized for sale under the Sales Agreement amounts to $35.2 million.

On February 25, 2021, we sold an aggregate of 15,000,000 common shares through a public offering. The common shares were sold at a price of $5.00 per share and have a nominal value of €0.12 per share. For each common share purchased, an investor also received a warrant to purchase a common share at an exercise price of $5.80. The warrants are exercisable immediately and have a term of up to one year. The shares and warrants were issued and the transaction closed on March 1, 2021 with gross offering proceeds to the Group of $75.0 million (€62.2 million), before deducting $4.5 million (€3.7 million) in underwriting discounts and other offering expenses of $0.5 million (€0.5 million) and excluding the exercise of any warrants.

Funding Requirements

We anticipate that our expenses will increase in the next several years in connection with our ongoing activities. In particular, we anticipate that we will continue and complete Phase II clinical trials in AAV and PG, continue Phase II clinical development in oncology, potentially start Phase III clinical development in HS and complete the ongoing Phase III clinical trial in COVID-19. Additionally, we may pursue additional indications as well. We also plan to invest in the establishment of a commercial-grade manufacturing process for vilobelimab in order to prepare for future commercialization and to supply necessary quantities of study medication for the ongoing and planned clinical studies. We also plan to continue preclinical development of IFX-2. We plan to initiate new research and preclinical development efforts and we may seek marketing approval for any product candidates that we successfully develop and where we receive approval. If we commence a Phase III clinical development program with vilobelimab in HS, additional costs in connection with such development will be incurred. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to establishing sales, marketing, distribution and other commercial infrastructure to commercialize such products. Furthermore, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce, or eliminate our research and development programs or future commercialization efforts. We believe that our existing cash and cash equivalents and financial assets will enable us to fund our operating expenses and capital expenditure requirements under our current business plan for at least the next 24 months.

Until such time that we can generate substantial product revenues, if ever, we expect to finance our cash needs through a combination of equity offerings, debt financings, royalty-based financings, future collaborations, strategic alliances, licensing arrangements and government grants. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the interest of our current shareholders will be diluted, and the terms of these securities may include voting or other rights that adversely affect your rights as a common shareholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. Funds received through government grants might carry restrictions with regards to the activities on which such funds are spent and could bear repayment risks if we do not satisfy certain reporting obligations under the grant terms.

For more information as to the risks associated with our future funding needs, see “Risk factors” in the Annual Report.

Off-Balance Sheet Arrangements

As of September 30, 2021, and during the periods presented, we did not have any off-balance sheet arrangements other as described under “Management’s discussion and analysis of financial condition and results of operations—Off-balance sheet arrangements” in the Annual Report.

Contractual Obligations and Commitments

As of the date of this discussion and analysis, we do not have any, and during the periods presented we did not have any, contractual obligations and commitments other than as described under “Management’s discussion and analysis of financial condition and results of operations- Contractual obligations and commitments” in the Annual Report.

Quantitative and Qualitative Disclosures about Market Risk

During the nine months ended September 30, 2021, there were no significant changes to our quantitative and qualitative disclosures about market risk from those reported in “Management’s discussion and analysis of financial condition and results of operations–Quantitative and qualitative disclosures about market risk” in the Annual Report.

Critical Judgments and Accounting Estimates

There have been no material changes to the significant accounting policies and estimates described in “Management’s discussion and analysis of financial condition and results of operations—Critical judgments and accounting estimates” in the Annual Report.

JOBS Act Exemptions

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an "emerging growth company." As an emerging growth company, we are not required to provide an auditor attestation report on our system of internal controls over financial reporting. This exemption will apply for a period of five years following the completion of our initial public offering, ending in 2022, or until we no longer meet the requirements of being an "emerging growth company," whichever is earlier. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our common shares held by non-affiliates as of the specified testing date or issue more than $1.0 billion of non-convertible debt over a three-year period.

Cautionary Statement Regarding Forward Looking Statements

This discussion contains forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "estimate," "believe," "predict," "potential" or "continue" or the negative of these terms or other similar expressions intended to identify statements about the future. These statements speak only as of the date of this discussion 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. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements include, without limitation, statements about the following:

- our operation as a development stage company with limited operating history and a history of operating losses; as of September 30, 2021, our accumulated deficit was €201.3 million;
- the timing, progress and results of clinical trials of vilobelimab and any other product candidates, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available, the costs of such trials and our research and development programs generally;
- the timing and outcome of any discussions or submission of filings for regulatory approval of vilobelimab or any other product candidate, and the timing of and our ability to obtain and maintain regulatory approval of vilobelimab for any indication;
- our ability to leverage our proprietary anti-C5a technology to discover and develop therapies to treat complement-mediated autoimmune and inflammatory diseases;
- our ability to protect, maintain and enforce our intellectual property protection for vilobelimab and any other product candidates, and the scope of such protection;
- whether the U.S. Food and Drug Administration (FDA), European Medicines Agency (EMA) or comparable foreign regulatory authority will accept or agree with the number, design, size, conduct or implementation of our clinical trials, including any proposed primary or secondary endpoints for such trials;
- the success of our future clinical trials for vilobelimab and any other product candidates and whether such clinical results will reflect results seen in previously conducted preclinical studies and clinical trials;
- our expectations regarding the size of the patient populations for, market opportunity for and clinical utility of vilobelimab or any other product candidates, if approved for commercial use;
- our manufacturing capabilities and strategy, including the scalability and cost of our manufacturing methods and processes and the optimization of our manufacturing methods and processes, and our ability to continue to rely on our existing third-party manufacturers and our ability to engage additional third-party manufacturers for our planned future clinical trials and potentially for commercial supply of vilobelimab;

- our estimates of our expenses, ongoing losses, future revenue, capital requirements and our needs for or ability to obtain additional financing;
- our expectations regarding the scope of any approved indication for vilobelimab;
- our ability to defend against costly and damaging liability claims resulting from the testing of our product candidates in the clinic or, if, approved, any commercial sales;
- our ability to commercialize vilobelimab or our other product candidates;
- if any of our product candidates obtain regulatory approval, our ability to comply with and satisfy ongoing obligations and continued regulatory overview;
- our ability to comply with enacted and future legislation in seeking marketing approval and commercialization;
- our future growth and ability to compete, which depends on our retaining key personnel and recruiting additional qualified personnel;
- our competitive position and the development of and projections relating to our competitors in the development of C5a inhibitors or our industry; and
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act or a foreign private issuer;

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. You should refer to the "ITEM 3. KEY INFORMATION: - C. Risk factors" section of the Annual Report for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. As a result of these factors, we cannot assure you that the forward-looking statements in this discussion will prove to be accurate. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. You should, however, review the factors and risks and other information we describe in the reports we will file from time to time with the SEC after the date of this discussion.

Exhibit 99.3

InflaRx Reports Third Quarter 2021
Financial & Operating Results

- Feedback received from FDA supportive of new primary endpoint measuring reductions in all three inflammatory Hidradenitis Suppurativa (HS) lesions for Phase III program with vilobelimab in HS
- In Phase IIa open-label study with vilobelimab in Pyoderma Gangraenosum, 6 out of 7 patients in highest dose cohort showed clinical remission and closure of target ulcer
- InflaRx awarded grant by German government of up to €43.7 million to advance development of vilobelimab for treatment of severe COVID-19 patients
- Enrollment completed in Phase III part of Phase II/III study evaluating vilobelimab in severe COVID-19; Topline results expected in Q1 2022
- Cash, cash equivalents and financial assets of approximately €120.6 million as of September 30, 2021

Jena, Germany, November 5, 2021 – InflaRx (Nasdaq: IFRX), a clinical-stage biopharmaceutical company developing anti-inflammatory therapeutics by targeting the complement system, announced today financial and operating results for the three and nine months ended September 30, 2021.

“We are pleased by the recent developments with our immunodermatology franchise with vilobelimab, including the outcome of the Type A meeting with the FDA for Hidradenitis Suppurativa and positive results in our study in Pyoderma Gangraenosum,” said Prof. Niels C. Riedemann, Chief Executive Officer and Founder of InflaRx. “Before year end, we expect additional important catalysts for the Company, including data from our Phase II AAV study. We also are grateful for the grant from the German government to assist in advancing our COVID-19 program, from which topline data are expected in Q1 2022."

Recent Corporate Highlights and R&D Update

Vilobelimab in Hidradenitis Suppurativa (HS)

In September, InflaRx announced the outcome of its Type A meeting with the U.S. Food & Drug Administration (FDA). The FDA response was supportive of a pivotal study program that focuses on patients with active draining tunnels and a new primary efficacy endpoint that will include measuring the reduction of all three lesions - inflammatory nodules, abscesses and draining tunnels. The Company also plans to include various secondary and exploratory endpoints to validate the new primary efficacy measure, which thus far has not been used in prospective, randomized trials.

InflaRx is still in active dialogue with the FDA on the final details of the pivotal Phase III study design. Once the protocol is agreed upon with the FDA, the Company will provide more details about the study, including the primary endpoint.

Vilobelimab in Pyoderma Gangraenosum (PG)
As previously announced, a total of 19 patients were enrolled in a multi-center, proof-of-concept, open-label Phase IIa study evaluating the safety and efficacy of vilobelimab in patients with PG. Efficacy is being evaluated by a responder rate defined as a Physician Global Assessment (PGA) score of ≤3 of the target ulcer at various timepoints and time to complete closure (remission) of the target ulcer. Over a treatment period of 26 weeks, patients were treated biweekly with vilobelimab 800mg, 1600mg or 2400mg, after an initial run-in phase with three doses of 800mg on days 1, 4 and 8. Per protocol, a dose increase to the next higher dosing group was possible upon disease assessment on day 57. Following the treatment period, patients continued to be observed for a period of two months, which is ongoing for the third cohort.

As reported in October 2021, in the third and final dosing cohort at 2400mg biweekly, six of the seven patients achieved clinical remission with a PGA score of ≤1, which reflects a closure of the target ulcer. All patients in cohort 3 had elevated C5a levels at baseline that were continuously suppressed after initiation of vilobelimab.

InflaRx previously reported data for ten evaluable patients in the first two dose cohorts at day 99. The patient in the second dosing cohort demonstrating complete target ulcer closure had been increased from the 1600mg dose group to the highest dose of 2400mg dose on day 57 of the study, and the ulcer closed after the dose escalation. At day 99, this patient had a PGA score of 1, and by the end of the treatment period at day 189 had a PGA score of 0.

Overall, vilobelimab was well tolerated in the study. From all cohorts, two patients had related serious adverse events (SAEs) that were reported: One patient experienced an erysipelas leading to hospitalization (judged as non-related by sponsor), another developed a rash due to a delayed hypersensitivity reaction and withdrew from the study (which had been previously disclosed from cohort 2). No dose-related AEs were found. Overall, the observed AE profile was in line with the underlying diseases.

Vilobelimab in Severe COVID-19

In October 2021, InflaRx reported that enrollment had completed in the Phase III part of the global Phase II/III trial evaluating vilobelimab in mechanically ventilated patients with COVID-19. A total of 369 patients across several countries, including in Europe, South America and other regions, were enrolled. Topline data at the 28-day mortality primary endpoint are expected to be available in Q1 2022.

In October 2021, InflaRx announced that it had received a grant of up to EUR 43.7 million from the German Ministry of Education and Research and the German Ministry of Health to support the Company's development of vilobelimab for the treatment of severe COVID-19 patients. The initial tranche amounts to EUR 25.8 million (approximately USD 29.9 million) and is structured as reimbursement of 80% of certain pre-specified expenses related to the clinical development and manufacturing of vilobelimab. The remainder of the grant will be awarded in three additional subsequent tranches, each conditional on reaching agreed-upon development and manufacturing-related milestones for the preceding tranche and structured as reimbursement for Company expenses. Individual tranches will not be paid if the preceding milestone of a tranche is not met. Payments from this grant to the Company are expected to begin in Q4 2021.

Vilobelimab in ANCA-associated Vasculitis (AAV)

In May 2021, InflaRx reported topline data from the US IXPLORE Phase II study of vilobelimab in AAV. The results indicated that vilobelimab, when given in addition to best standard of care, was well tolerated.

InflaRx is expecting data from the AAV Phase II study in Europe (IXCHANGE), a randomized, double-blind, placebo-controlled trial with 57 patients, by the end of 2021.

Vilobelimab in Cutaneous Squamous Cell Carcinoma (cSCC)
An open-label, multicenter Phase II study evaluating vilobelimab alone and in combination with pembrolizumab in patients with PD-1 or PD-L1 inhibitor resistant/refractory locally advanced or metastatic cSCC is currently enrolling patients.

To date, a total of five patients have been enrolled in the study, four in the monotherapy arm and one in the combination arm. After five weeks of treatment with the first three patients in the monotherapy arm, a safety assessment was completed, and enrollment in the combination arm was opened.

Financial highlights – Q3 2021

Research and development expenses incurred for the nine months ended September 30, 2021 increased over the corresponding period in 2020 by €5.7 million to €25.6 million. This increase was primarily due to higher expense for the Phase III part of the COVID-19 trial and was driven by an overall increase in third-party expenses of €4.2 million. The €1.3 million increase in personnel expenses was mainly related to equity-settled share-based compensation.

General and administrative expenses increased by €3.1 million to €9.1 million for the nine months ended September 30, 2021, from €6.1 million for the nine months ended September 30, 2020. This increase is attributable to higher expenses from equity-settled share-based compensation recognized in personnel expenses. Furthermore, legal, consulting and other expenses increased by €0.8 million to €3.9 million for the nine months ended September 30, 2021, from €3.2 million for the nine months ended September 30, 2020 due to increased finance-related, legal and consulting fees.

Net financial result increased by €1.1 million to €1.7 million for the nine months ended September 30, 2021, from €0.6 million for the nine months ended September 30, 2020. This increase is mainly attributable to higher foreign exchange gains, which increased by €2.2 million, partially offset by higher foreign exchange losses of €0.5 million while interest on marketable securities declined by €0.8 million due to lower interest rates available on debt securities in capital markets.

Net loss for the nine months ended September 30, 2021 was €33.0 million, compared to €25.1 million for the nine month ended September 30, 2020. On September 30, 2021, the Company's total funds available were approximately €120.6 million, composed of cash and cash equivalents of €70.0 million and financial assets of €50.7 million.

Net cash used in operating activities increased to €28.2 million in the nine months ended September 30, 2021, from €26.8 million in the nine months ended September 30, 2020.

Additional information regarding these results and other relevant information is included in the Notes to the Unaudited Interim Condensed Consolidated Financial Statements as of September 30, 2021, as well as the financial statements as of December 31, 2020, in "ITEM 18. Financial statements," which is included in InflaRx's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (SEC).

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Operations and
Comprehensive Loss for the three and nine months ended September 30, 2021 and 2020

(in €, except for share data)	For the three months ended September 30, 2021 (unaudited)	2020 (unaudited)	For the nine months ended September 30, 2021 (unaudited)	2020 (unaudited)
Operating Expenses				
Research and development expenses	(9,359,850)	(5,246,536)	(25,566,005)	(19,901,661)
General and administrative expenses	(3,395,606)	(1,166,070)	(9,115,783)	(6,057,767)
Total Operating Expenses	(12,755,456)	(6,412,606)	(34,681,788)	(25,959,428)
Other income	22,850	3,471	43,529	200,763
Other expenses	—	(13)	(844)	(9,184)
Operating Result	(12,732,606)	(6,409,148)	(34,639,103)	(25,767,849)
Finance income	27,380	95,086	85,964	844,842
Finance expenses	(9,527)	(9,995)	(16,261)	(15,253)
Foreign exchange result	715,799	(660,907)	1,621,165	(112,933)
Other financial result	(56,000)	126,000	(13,000)	(74,000)
Income Taxes	—	—	—	—
Loss for the Period	(12,054,955)	(6,858,964)	(32,961,235)	(25,125,193)
Share Information				
Weighted average number of shares outstanding	44,186,279	27,733,778	40,740,353	26,674,233
Loss per share (basic/diluted)	(0.27)	(0.25)	(0.81)	(0.94)
Loss for the Period	(12,054,955)	(6,858,964)	(32,961,235)	(25,125,193)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign currency	2,536,278	(3,022,687)	4,613,675	(2,761,792)
Total Comprehensive Loss	(9,518,677)	(9,881,651)	(28,347,560)	(27,886,985)

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Financial Position
as of September 30, 2021 and December 31, 2020

in €	September 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Non-current assets		
Property and equipment	299,896	408,263
Right-of-use assets	1,500,865	546,694
Intangible assets	262,641	350,183
Other assets	340,572	353,522
Financial assets	26,716,011	272,268
Total non-current assets	29,119,985	1,930,930
Current assets		
Current other assets	5,409,079	3,734,700
Current tax assets	918,021	1,419,490
Financial assets	23,957,605	55,162,033
Cash and cash equivalents	69,967,424	25,968,681
Total current assets	100,252,128	86,284,904
TOTAL ASSETS	129,372,113	88,215,834
EQUITY AND LIABILITIES		
Equity		
Issued capital	5,302,354	3,387,410
Share premium	280,261,994	220,289,876
Other capital reserves	30,082,596	26,259,004
Accumulated deficit	(201,306,855)	(168,345,620)
Other components of equity	886,884	(3,726,791)
Total equity	115,226,973	77,863,880
Non-current liabilities		
Lease liabilities	1,155,432	220,525
Other liabilities	34,770	33,323
Total non-current liabilities	1,190,202	253,847
Current liabilities		
Trade and other payables	11,517,356	8,258,133
Lease liabilities	363,877	338,516
Employee benefits	943,640	1,368,731
Other liabilities	130,066	117,727
Provisions	—	15,000
Total current liabilities	12,954,938	10,098,107
Total Liabilities	14,145,140	10,351,954
TOTAL EQUITY AND LIABILITIES	129,372,113	88,215,834

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity for the nine months ended September 30, 2021 and 2020

(in €, except for share data)	Issued capital	Share premium	Other capital reserves	Accumulated deficit	Other components of equity	Total equity
Balance as of January 1, 2021	3,387,410	220,289,876	26,259,004	(168,345,620)	(3,726,790)	77,863,880
Loss for the period	—	—	—	(32,961,235)	—	(32,961,235)
Exchange differences on translation of foreign currency	—	—	—	—	4,613,675	4,613,675
Total comprehensive loss	—	—	—	(32,961,235)	4,613,675	(28,347,560)
Issuance of common shares and warrants	1,873,203	63,269,346	—	—	—	65,142,549
Transaction costs	—	(4,219,222)	—	—	—	(4,219,222)
Share-based payment expense	—	—	3,823,592	—	—	3,823,592
Share options exercised	41,741	921,994	—	—	—	963,735
Balance as of September 30, 2021 (unaudited)	5,302,354	280,261,994	30,082,596	(201,306,855)	886,884	115,226,973
Balance as of January 1, 2020	3,132,631	211,006,606	25,142,213	(134,362,006)	2,227,228	107,146,673
Loss for the period	—	—	—	(25,125,193)	—	(25,125,193)
Exchange differences on translation of foreign currency	—	—	—	—	(2,761,792)	(2,761,792)
Total comprehensive loss	—	—	—	(25,125,193)	(2,761,792)	(27,886,985)
Share-based payment expense	—	—	897,438	—	—	897,438
Share options exercised	19,797	477,149	—	—	—	496,946
Balance as of September 30, 2020 (unaudited)	3,387,410	220,289,876	26,039,651	(159,487,199)	(534,564)	89,695,174

InflaRx N.V. and subsidiaries
Unaudited Interim Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020

in €	For the nine months ended September 30, 2021 (unaudited)	For the nine months ended September 30, 2020 (unaudited)
Operating activities		
Loss for the period	(32,961,235)	(25,125,193)
Adjustments for:		
Depreciation & amortization of property and equipment, right-of-use assets and intangible assets	502,605	533,687
Net financial result	(1,677,868)	(642,656)
Share-based payment expense	3,823,592	897,438
Net foreign exchange differences	(3,185)	(869,402)
Changes in:		
Other assets	(1,159,960)	(226,811)
Employee benefits	(438,436)	(191,042)
Other liabilities	12,130	13,896
Trade and other payables	3,259,223	(2,415,210)
Interest received	443,531	1,238,643
Interest paid	(15,072)	(15,546)
Net cash used in operating activities	(28,214,674)	(26,802,196)
Investing activities		
Purchase of intangible assets, property and equipment	(21,691)	(83,855)
Purchase of financial assets	(40,512,715)	(68,169,518)
Proceeds from the maturity of financial assets	48,250,724	97,465,290
Net cash from investing activities	7,716,318	29,211,918
Financing activities		
Proceeds from issuance of common shares	65,142,549	9,770,944
Transaction costs from issuance of common shares	(4,219,222)	(729,841)
Proceeds from exercise of share options	963,735	496,946
Repayment of lease liabilities	(271,608)	(275,323)
Net cash from financing activities	61,615,454	9,262,726
Net increase in cash and cash equivalents	41,117,098	11,672,447
Effect of exchange rate changes on cash and cash equivalents	2,881,645	30,362
Cash and cash equivalents at beginning of period	25,968,681	33,131,280
Cash and cash equivalents at end of period	69,967,424	44,834,089

About vilobelimab (IFX-1):

Vilobelimab 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, vilobelimab 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. Vilobelimab 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. Vilobelimab is believed to be the first monoclonal anti-C5a antibody introduced into clinical development. Over 300 people have been treated with vilobelimab in completed clinical trials, and the antibody has been shown to be well tolerated. Vilobelimab is currently being developed for various inflammatory indications, including hidradenitis suppurativa, ANCA-associated vasculitis and pyoderma gangraenosum, as well as severe COVID-19 and cutaneous squamous cell carcinoma (cSCC).

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, USA. For further information please visit www.inflarx.com.

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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,” “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 impact of the COVID-19 pandemic on the Company; the timing and our ability to commence and conduct clinical trials; potential results from current or potential future collaborations; our ability to make regulatory filings, obtain positive guidance from regulators, 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.