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 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2023

Commission File Number: 001-38283

InflaRx N.V.

(Translation of registrant's name into English)

Winzerlaer Str. 2
07745 Jena, Germany
(Address of principal executive office)

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 ☐

EXPLANATORY NOTE

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 (File No. 333-221656) and (ii) the registration statement on Form F-3 (File No. 333-273058) of InflaRx N.V. and to be a part thereof from the date on which this report is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.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, as amended (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, as amended, or the Exchange Act.

EXHIBIT INDEX

Exhibit No.	Description
99.1	InflaRx N.V. Unaudited Condensed Consolidated Financial Statements as of and for the Three and Six Months Ended June 30, 2023
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 August 10, 2023
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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.

INFLARX N.V.

Date: August 10, 2023

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

Exhibit 99.1

INFLARX N.V.

UNAUDITED CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS – JUNE 30, 2023

These unaudited 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 euros (€).

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 Condensed Consolidated Financial Statements
for the three and six months ended June 30, 2023

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
for the three and six months ended June 30, 2023 and 2022

	Note	For the three months ended June 30, 2023 (unaudited)	For the three months ended June 30, 2022 (unaudited)	For the six months ended June 30 2023 (unaudited)	For the six months ended June 30 2022 (unaudited)
		(in €, except for share data)			
Research and development expenses		(10,919,595)	(11,180,958)	(25,651,503)	(21,652,881)
General and administrative expenses		(3,540,805)	(4,346,965)	(7,149,359)	(8,734,408)
Sales and marketing expenses		(276,051)	—	(276,051)	—
Other income	2	4,882,908	14,441,541	12,629,096	14,443,135
Other expenses		(2,624)	(279)	(3,190)	(844)
Operating Result		(9,856,168)	(1,086,661)	(20,451,007)	(15,944,999)
Finance income	3	1,087,011	82,401	1,543,047	110,362
Finance expenses	3	(5,052)	(7,945)	(10,580)	(32,531)
Foreign exchange result	3	767,646	1,563,580	(369,664)	2,291,513
Other financial result	3	(195,567)	(86,000)	2,241	39,000
Income Taxes		—	—	—	—
Income (Loss) for the Period		(8,202,130)	465,376	(19,285,963)	(13,536,654)
Share Information					
Weighted average number of shares outstanding		56,985,734	44,203,763	50,912,459	44,203,763
Income (Loss) per share (basic/diluted)		(0.14)	0.01	(0.38)	(0.31)
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign currency		(330)	4,408,940	(17,116)	5,718,815
Total Comprehensive Income (Loss)		(8,202,460)	4,874,316	(19,303,079)	(7,817,839)

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

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Financial Position
as of June 30, 2023 and December 31, 2022

	Note	June 30, 2023 (unaudited)	December 31, 2022
		(in €)	
ASSETS			
Non-current assets			
Property and equipment		296,382	328,920
Right-of-use assets		1,122,183	1,311,809
Intangible assets		90,789	138,905
Other assets	5	283,784	308,066
Financial assets	6	18,951,267	2,900,902

Total non-current assets		20,744,405	4,988,602
Current assets			
Inventories	4	578,705	—
Current other assets	5	6,405,867	14,170,510
Current tax assets		2,925,037	1,432,087
Financial assets from government grants	6	5,193,246	732,971
Other financial assets	6	77,601,286	64,810,135
Cash and cash equivalents	7	19,515,959	16,265,355
Total current assets		112,220,100	97,411,058
TOTAL ASSETS		132,964,505	102,399,660
EQUITY AND LIABILITIES			
Equity			
Issued capital	8	7,065,993	5,364,452
Share premium	8	334,211,338	282,552,633
Other capital reserves		38,874,961	36,635,564
Accumulated deficit		(262,746,253)	(243,460,290)
Other components of equity		7,239,965	7,257,081
Total equity		124,646,004	88,349,440
Non-current liabilities			
Lease liabilities	6	814,560	987,307
Other liabilities		36,877	36,877
Total non-current liabilities		851,437	1,024,184
Current liabilities			
Trade and other payables	6	5,200,809	4,987,538
Liabilities from government grants	6	801,632	6,209,266
Lease liabilities	6	356,099	369,376
Employee benefits		900,474	1,312,248
Other liabilities		208,051	147,608
Total current liabilities		7,467,065	13,026,036
Total Liabilities		8,318,502	14,050,220
TOTAL EQUITY AND LIABILITIES		132,964,505	102,399,660

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

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
for the six months ended June 30, 2023 and 2022

(in €, except for share data)	Note	Shares outstanding	Issued capital	Share premium	Other capital reserves	Accumulated deficit	Other components of equity	Total equity
Balance as of January 1, 2023		44,703,763	5,364,452	282,552,633	36,635,564	(243,460,290)	7,257,081	88,349,440
Loss for the period		—	—	—	—	(19,285,963)	—	(19,285,963)
Exchange differences on translation of foreign currency		—	—	—	—	—	(17,116)	(17,116)
Total comprehensive loss		—	—	—	—	(19,285,963)	(17,116)	(19,303,079)
Issuance of common shares	8	14,059,252	1,687,110	54,796,819	—	—	—	56,483,929
Transaction costs	8	—	—	(3,360,626)	—	—	—	(3,360,626)
Equity-settled share-based payments	9	—	—	—	2,239,397	—	—	2,239,397
Share options	9	120,257	14,431	222,512	—	—	—	236,943

exercised							
Balance as of June 30, 2023*	58,883,272	7,065,993	334,211,338	38,874,961	(262,746,253)	7,239,965	124,646,004
Balance as of January 1, 2022	44,203,763	5,304,452	280,310,744	30,591,209	(213,975,679)	3,050,271	105,280,996
Loss for the period	—	—	—	—	(13,536,654)	—	(13,536,654)
Exchange differences on translation of foreign currency	—	—	—	—	—	5,718,815	5,718,815
Total comprehensive loss	—	—	—	—	(13,536,654)	5,718,815	(7,817,839)
Equity-settled share-based payments 9	—	—	—	4,668,481	—	—	4,668,481
Balance as of June 30, 2022*	44,203,763	5,304,452	280,310,744	35,259,689	(227,512,333)	8,769,086	102,131,638

* unaudited

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

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Cash Flows
for the six months ended June 30, 2023 and 2022

		For the six months ended June 30,	
	Note	2023 (unaudited)	2022 (unaudited)
Operating activities		(in €)	
Loss for the period		(19,285,963)	(13,536,654)
Adjustments for:			
Depreciation & amortization of property and equipment, right-of-use assets and intangible assets		293,328	300,870
Net finance income	3	(1,165,044)	(2,408,345)
Share-based payment expense	9	2,239,397	4,668,481
Net foreign exchange differences	3	(23,953)	130,347
Changes in:			
Financial assets from government grants	6	(4,460,274)	(8,260,503)
Other assets		6,295,975	611,843
Employee benefits		(411,774)	(640,112)
Other liabilities		60,443	(7,869)
Liabilities from government grants received	6	(5,407,634)	(6,154,865)
Trade and other payables		213,270	(661,741)
Inventories	4	(578,705)	—
Interest received	3	556,068	631,504
Interest paid	3	(10,777)	(32,039)
Net cash used in operating activities		(21,685,642)	(25,359,081)
Investing activities			
Purchase of intangible assets, property and equipment		(24,673)	(9,728)
Purchase of current financial assets		(83,071,163)	(47,031,216)
Proceeds from the maturity of financial assets		55,202,491	59,595,044
Net cash from/(used in) investing activities		(27,893,346)	12,554,101
Financing activities			
Proceeds from issuance of common shares	8	56,483,929	—
Transaction costs from issuance of common shares	8	(3,360,626)	—
Proceeds from exercise of share options	9	236,943	—
Repayment of lease liabilities		(184,791)	(182,014)

Net cash from/(used in) financing activities		53,175,455	(182,014)
Net increase/(decrease) in cash and cash equivalents		3,596,467	(12,986,995)
Effect of exchange rate changes on cash and cash equivalents		(345,862)	2,153,152
Cash and cash equivalents at beginning of period		16,265,355	26,249,995
Cash and cash equivalents at end of period	7	19,515,959	15,416,152

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

InflaRx N.V. and subsidiaries

Notes to the Unaudited Condensed Consolidated Financial Statements

1. Summary of significant accounting policies and other disclosures

a) Reporting entity and the Group's structure

InflaRx N.V. (the "Company" or "InflaRx") 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 ordinary shares have been listed on the Nasdaq Global Select Market under the symbol IFRX.

InflaRx is a biopharmaceutical company focused on applying its proprietary anti-C5a and C5aR technologies to discover, develop and commercialize first-in-class, potent and specific inhibitors of the complement activation factor known as C5a. On April 4, 2023, the US Food and Drug Administration (FDA) issued an Emergency Use Authorization (EUA) for the emergency use of the Company's monoclonal anti-C5a antibody vilobelimab, under the brand name Gohibic, for the treatment of COVID-19 in hospitalized adults. 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").

b) Basis of preparation

These interim condensed consolidated financial statements for the three- and six-month reporting periods ended June 30, 2023, and 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. These 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, 2022 on form 20-F.

The interim condensed consolidated financial statements were authorized for issue by the board of directors of the Company (the "Board of Directors") on August 9, 2023.

The financial statements are presented in euros (€). The euro is the functional currency of InflaRx N.V. and InflaRx GmbH. The functional currency of InflaRx Pharmaceuticals Inc. is the U.S. dollar. Effective January 1, 2023, the functional currency of InflaRx N.V. changed from the U.S. dollar to the euro due to a change in the Company's operational function and, in turn, a change in the primary currency of its underlying transactions. This change in functional currency has been accounted for prospectively.

All financial information presented in euros have 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, 2022, except for the adoption of new standards effective as of January 1, 2023, as set out below. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective early.

The following IFRS standards have been applied starting in Q2 2023 for the first time ever, as no transactions in the scope of these IFRS standards had been previously recognized and are not expected to have a significant impact on the Company's consolidated financial statements in future periods.

- IAS 2 Inventories

According to IAS 2, inventories are stated at the lower amount of cost or their net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

- IFRS 15 Revenue from contracts with customers

Revenue will be recognized when a performance obligation has been satisfied through the transfer of a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue will be recognized at the point in time that the control of the products is transferred to the customer and measured considering return liabilities. As of June 30, 2023, no revenue has been recognized.

The following amendments were adopted effective January 1, 2023, and do not have a material impact on the consolidated financial statements of the Group:

- IFRS 17 Insurance Contracts
- 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
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies -

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:

- Amendments to IFRS 16 Leases: Leases on Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

2. Other income

	For the three months ended June 30,		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
	(in €)			
Other income				
Income from government grants	4,874,934	14,415,368	12,609,789	14,415,368
Other	7,974	26,173	19,307	27,767
Total	4,882,908	14,441,541	12,629,096	14,443,135

Other income for the three months ended June 30, 2023 amounted to €4.9 million (PY: €14.4 million) and for the six months ended June 30, 2023 amounted to €12.6 million (PY: €14.4 million), which is primarily attributable to income recognized from grant payments received from the German federal government for the development of vilobelimab as treatment for critically ill COVID patients, including expenses related to clinical development and manufacturing process development. The decrease in income from government grants is primarily due to a non-recurring catch-up effect of costs incurred in preceding periods for which income recognition was deferred until the three months ended June 30, 2022 when the recognition criteria were met.

3. Net financial result

The net financial result comprises the following items for the three- and six-months ended June 30, 2023 and 2022, respectively:

	For the three months ended June 30,		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
	(in €)			
Financial income				
Interest income	1,087,011	82,401	1,543,047	110,362
Financial expenses				
Interest expenses	(363)	(2,243)	(782)	(22,102)
Interest on lease liabilities	(4,689)	(5,702)	(9,798)	(10,429)
Total	1,081,959	74,456	1,532,467	77,831

Interest income is derived from marketable securities and short-term deposits held by the Company and its subsidiary InflaRx GmbH:

	For the three months ended June 30,		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
	(in €)			
Foreign exchange result				
Foreign exchange income	2,090,994	2,947,221	2,381,519	4,057,629
Foreign exchange expense	(1,323,348)	(1,383,641)	(2,751,183)	(1,766,116)
Total	767,646	1,563,580	(369,664)	2,291,513

Foreign exchange income and expense is mainly derived from the translation of the U.S. Dollar cash, cash equivalents and securities held by InflaRx GmbH and InflaRx N.V.

	For the three months ended June 30,		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
	(in €)			
Other financial result	(195,567)	(86,000)	2,241	39,000

Other financial result is attributable to the expected credit loss allowance, which is deducted from the Company's current and non-current financial assets.

4. Inventories

	As of June 30, 2023 (unaudited)	As of December 31, 2022
	(in €)	
Raw materials and supplies	337,407	—
Unfinished goods	132,624	—
Finished goods	108,674	—
Total	578,705	—

The Company valued inventories at manufacturing cost in its consolidated statements of financial position as of June 30, 2023. Inventories do not include costs relating to production of products before the granting of the EUA for Gohibic (vilobelimab), since those were expensed in previous reporting periods as research and development expenses in the period

incurred.

During the three and the six months ended June 30, 2023, there were no write-downs of inventories.

5. Other assets

	As of June 30, 2023 (unaudited)	As of December 31, 2022
	(in €)	
Non-current other assets		
Prepaid expenses	283,784	308,066
Total	283,784	308,066
Current other assets		
Prepayments on research & development projects	4,757,771	9,776,505
Prepaid expense	1,146,674	1,841,935
Others	501,422	2,552,071
Total	6,405,867	14,170,511
Total other assets	6,689,651	14,478,577

As of June 30, 2023, prepayments on research & development projects amounted to €4.8 million compared to €9.8 million as of December 31, 2022, and consist of prepayments on clinical and R&D material production contracts. The decrease in prepayments results from manufacturing development activities, which were partly completed in the six months ended June 30, 2023.

Prepaid expenses mainly consist of prepaid insurance expense.

The reduction of the amounts in the category “others” primarily relate to credit notes issued to the Company by CROs, which were still outstanding as of December 31, 2022 and were paid in 2023.

6. 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 June 30, 2023 and December 31, 2022:

	As of June 30, 2023 (unaudited)	As of December 31, 2022
	(in €)	
Financial assets at amortized cost		
Non-current financial assets	18,951,267	2,900,902
Financial assets from government grants	5,193,245	732,971
Other current financial assets	77,601,286	64,791,088
Financial liabilities at amortized cost		
Liabilities from government grants	801,632	6,209,266
Trade and other payables	5,200,809	4,987,538

As of June 30, 2023, the fair value of current and non-current financial assets (primarily quoted debt securities) amounted to €100.7 million (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.

As of June 30, 2023, liabilities from government grants amounted to €0.8 million. Liabilities from government grants partly comprise funds received for advance payments to third parties. If goods or services from such third parties have not been received, corresponding amounts are not recognized as other income. The Company’s right to retain these funds is contingent on meeting all grant conditions.

7. Cash and cash equivalents

	As of June 30, 2023 (unaudited)	As of December 31, 2022
	(in €)	
Short-term deposits		
Deposits held in U.S. dollars	7,825,926	3,422
Deposits held in euros	6,100,000	—
Total	13,925,926	3,422
Cash at banks		
Cash held in U.S. dollars	3,340,889	8,645,014
Cash held in euros	2,249,144	7,616,918
Total	5,590,033	16,261,932
Total cash and cash equivalents	19,515,959	16,265,354

8. Equity

In April 2023, the Company issued 3,235,723 ordinary shares under its ATM program resulting in $15.7 million (or €14.4 million) in net proceeds. The existing ATM program expired in July 2023 and no more shares are issuable under this program.

Through an underwritten public offering in April 2023, the Company sold and issued an aggregate of 10,823,529 ordinary shares, of which 1,411,764 were sold pursuant to the exercise of an overallotment option by the underwriters. The ordinary shares were sold at a price of $4.25 per share and have a nominal value of €0.12 per share. Proceeds of this offering after deducting €2.5 million ($2.8 million) in underwriting discounts amounted to €39.1 million ($43.2 million). Other offering expenses amounted to €0.4 million, resulting in a total of €38.7 million in net proceeds from this offering.

9. Share-based payments

a) Equity settled share-based payment arrangements

Prior to 2016, InflaRx GmbH granted options under the 2012 Stock Option Plan. Those InflaRx GmbH options were converted into options for ordinary shares of InflaRx N.V. at the time of its IPO in November 2017:

Number of share options	2023	2022
Outstanding as of January 1,	148,433	148,433
Exercised during the six months ended June 30	—	—
Outstanding as of June 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 ordinary shares to directors, senior management, and key employees. Those InflaRx GmbH options were converted into options for ordinary shares of InflaRx N.V. at the time of its IPO in November 2017:

Number of share options	2023	2022
Outstanding as of January 1,	888,632	888,632
Exercised during the six months ended June 30	—	—
Outstanding as of June 30,	888,632	888,632
thereof vested	888,632	888,632

InflaRx also granted share options under the 2017 LTIP subsequently to its IPO in November 2017. The total number of share options granted during the six months ended June 30, 2023 under the 2017 LTIP was as follows:

Number of share options	2023	2022
Total number of options outstanding as of January 1,	4,985,523	3,170,046
Granted during the six months ended June 30,	1,567,250	1,561,666
Exercised during the six months ended June 30,	105,327	—
Forfeited during the six months ended June 30,	—	(117,259)
Outstanding as of June 30,	6,447,446	4,614,453

thereof vested	4,788,759	3,306,162

The number of share options granted during the six months ended June 30, 2023 under the 2017 LTIP was as follows:

Share options granted 2023	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 24	1,454,250	$ 2.11	0.9008	€ 1.90	$ 2.37	1.35	5.30	3.571%
January 24	52,500	$ 2.13	0.9008	€ 1.92	$ 2.37	1.35	5.50	3.565%
May 31	60,500	$ 3,61	0.9203	€ 3.32	$ 4.19	1.35	4.50	3.820%
	1,567,250							

Of the 1,567,250 options granted in the six months ended June 30, 2023 (ended June 30, 2022: 1,561,666), 1,246,000 options (June 30, 2022: 1,362,500) were granted to members of the executive management or Board of Directors.

Expected dividends are nil for all share options listed above.

b) Share-based payment expense recognized

For the six months ended June 30, 2023, the Company has recognized €2.2 million (ended June 30, 2022: €4.7 million) of share-based payment expense/(benefit) in the statements of operations and comprehensive loss.

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

c) Share options exercised

During the six months ended June 30, 2023, 105,327 shares (ended June 30, 2022: 0) were issued upon the exercise of share options, resulting in proceeds to the Company in the amount of €98 thousand (ended June 30, 2022: 0). All share options exercised during the six months ended June 30, 2023 were granted under the 2017 LTIP.

10. 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 shareholders approved the right of an independent foundation under Dutch law, or protective foundation, to exercise a call option on preferred shares. Pursuant to the call option agreement, the Company shall issue an amount of preferred shares to the protective foundation, amounting to up to 100% of the Company's issued capital held by others than the protective foundation, minus one share. In order to exercise its right to such share issue, 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 the Company 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 ordinary shares and will accrue cash dividends at a pre-determined rate. The protective foundation would be expected to require 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 believe 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 canceled by us.

During the six months ended June 30, 2023, the Company expensed €45 thousand (2022: €30 thousand) of ongoing costs to reimburse expenses incurred by the protective foundation.

11. Subsequent events

Effective July 1, 2023, Dr. Camilla Chong was appointed the Company's Chief Medical Officer.

EX-99.2 3 ea183075ex99-2_inflarxnv.htm INFLARX N.V. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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, for the three- and six- months ended June 30, 2023 and 2022, respectively, 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 "ITEM 5. Operating and Financial Review and Prospects" and our audited consolidated financial statements for fiscal year 2022, and the notes thereto, which appear in our Annual Report on Form 20-F for the year ended December 31, 2022 (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 arithmetic aggregations 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 "ITEM 3. Key Information—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 biopharmaceutical company focused on applying our proprietary anti-C5a and C5aR technologies to discover, develop and commercialize first-in-class, potent and specific inhibitors of the complement activation factor known as C5a and its receptor known as C5aR. 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, 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.

Gohibic (vilobelimab) for the treatment of critically ill COVID-19 patients

In April 2023, we received an Emergency Use Authorization (EUA) from the U.S. Food and Drug Administration (FDA) for Gohibic (vilobelimab) for the treatment of critically ill, invasively mechanically ventilated COVID-19 patients. Specifically, we received an EUA for the treatment of COVID-19 in hospitalized adults when initiated within 48 hours of receiving invasive mechanical ventilation (IMV) or extracorporeal membrane oxygenation (ECMO). Gohibic (vilobelimab) is not FDA-approved for any indication, including for the treatment of COVID-19.

The EUA is supported by the previously announced results of the multicenter Phase III PANAMO trial. PANAMO is one of the largest 1:1 randomized, double-blind placebo-controlled trials in IMV COVID-19 patients in intensive care units. A total of 369 patients were randomly assigned to the vilobelimab treatment group (six 800 mg infusions) or the placebo group. Both groups also received standard of care, which included treatment with anticoagulants, corticosteroids like dexamethasone and other immunomodulators. The data showed that the vilobelimab treatment improved survival with a relative reduction in 28-day all-cause mortality by 23.9% compared to the placebo in the global data set. The data were published in The Lancet Respiratory Medicine in September 2022.

In June 2023, we began the commercialization of Gohibic (vilobelimab) in the United States for the treatment of COVID-19 in hospitalized adults when initiated within 48 hours of receiving IMV or ECMO. For this, we have hired and are continuing to hire U.S. experts with relevant experience in the commercialization of medical products in the hospital market, including in the areas of sales, sales operations, marketing, market access, distribution and others. Notably, we hired Dr. Camilla Chong as our Chief Medical Officer, who will also be supporting the commercialization efforts in the United States through her responsibility for medical affairs. In addition, we are building the necessary infrastructure, including IT systems, supply chain, financial reporting systems and inventory management systems both, internally and with the assistance of external service providers. In

June 2023, we announced that Gohibic (vilobelimab) was available in the United States. In connection with such announcement, we entered into agreements with certain subsidiaries of AmerisourceBergen Corp., which will act as our U.S. distributor and make Gohibic (vilobelimab) available for order by U.S. hospital customers under the EUA. AmerisourceBergen Corp. will provide cold storage, cold-chain distribution services, inventory management and secondary labeling/packaging, among other services.

In parallel, as part of our launch plan, we are finalizing our commercial strategic plan, building our sales force and medical affairs teams, preparing relevant promotional and medical education materials to target healthcare providers and other stakeholders, refining our medical affairs strategy to increase scientific awareness of the EUA within the target customers, and implementing a commercial strategy to allow for first revenues from sales of Gohibic (vilobelimab) in the United States from Q3 onwards.

To achieve full commercial scale and successfully exploit the full market potential of the product in the future, we also aspire to obtain full market approval for Gohibic (vilobelimab). We are therefore continuing discussions with the FDA related to a submission of a Biologics License Applications (BLA) for full approval of Gohibic (vilobelimab) in our COVID-19 indication and potentially, in the future, in similar indications that may apply to other virally induced acute respiratory distress conditions. We are also advancing our plans to prepare a submission for regulatory approval of Gohibic (vilobelimab) with the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP), which we anticipate being submitted soon.

In October 2021, we announced that we received a grant of up to €43.7 million from the German Ministry of Education and Research and the German Ministry of Health to support our development of vilobelimab for the treatment of severe COVID-19 patients. Due to subsequent changes in our research and development plan and fewer costs projected within the timeframe of the grant, we were notified that the amount available to us is €41.4 million. The grant is structured as a reimbursement of 80% of certain pre-specified expenses related to the clinical development and manufacturing of vilobelimab. The grant period ended on June 30, 2023. We expect to receive approximately €5.2 million of the remaining grant amount during the third quarter. In total, during the duration of the grant period, we were able to claim an amount of € 32.7 million to support our activities regarding the development of vilobelimab for the treatment of critically ill COVID-19 patients.

Vilobelimab for the treatment of Pyoderma Gangrenosum

We are developing vilobelimab for the treatment of pyoderma gangraenosum (PG). PG is a rare chronic inflammatory form of neutrophilic dermatosis characterized by accumulation of neutrophils in the affected skin areas. The exact pathophysiology is not fully understood, but it is postulated that inflammatory cytokine production, as well as neutrophil activation and dysfunction contribute to a sterile inflammation in the skin. PG often presents as painful pustules or papules, mainly on the lower extremities, which can rapidly progress to an extremely painful enlarging ulcers. Associated symptoms include fever, malaise, weight loss and myalgia. PG has a devastating impact on a patient's life due to the severe pain and induction of significant movement impairment depending on lesions' locations. The exact prevalence of PG is not yet known, but it is estimated that up to 51,000 patients in the United States and Europe are affected by this disease.

In April 2021, we completed an open-label, multicenter Phase IIa exploratory study enrolling 19 patients with moderate to severe PG in Canada, the United States and Poland. The main objectives of this study were to evaluate the safety and efficacy of vilobelimab in three different doses and to determine the appropriate dose for the future development of vilobelimab in registrational Phase III studies for the treatment of PG.

The reported final results showed a dose-dependent treatment effect, whereby in the highest dose cohort of 2,400 mg, six out of seven patients showed a clinical remission (PGA score ≤ 1) and closure of the target ulcer. The seventh patient showed a slight improvement (PGA score 4), with a decrease of the target ulcer area of over 50%. During the follow-up period, ulcers remained closed two months after treatment completion in all but one patient, and a sustained suppression of C5a was observed for up to 20 days after the last dosing. Final results from all patients were presented at the American Academy of Dermatology Association (AAD) Annual Meeting in March 2022.

With these results, vilobelimab was granted orphan drug designation for the treatment of PG by both the FDA in the United States and the EMA in Europe, as well as fast-track designation by the FDA. In January 2023, we announced details related to the design of our pivotal Phase III study with vilobelimab in ulcerative PG. The design is based on detailed feedback and recommendations from the FDA Division of Dermatology and Dentistry and was developed in close collaboration with the Company´s medical advisors from the United States, Europe and other regions. The randomized, double-blinded controlled study will comprise an active arm of 2,400 mg of vilobelimab versus its passive arm that will receive a placebo every other week for a treatment period of 26 weeks. Both arms will be initiated with a low-dose corticosteroid treatment, which will be tapered off during the first 8 weeks of the treatment period. The study will be conducted with an adaptive trial design, providing for a planned interim analysis after enrollment of 30 patients (15 per arm). At least 48 patients and up to 90 patients will be enrolled in the trial and be treated for a period of 26 weeks. Patients dropping out of the treatment will be considered as non-responders to the

treatment. The interim analysis by an independent data safety monitoring committee (blinded for the sponsor and investigators) will consider the then-observed difference in complete target ulcer closure between the two arms based on a set of predefined rules, and accordingly, the trial sample size will be continued with a 2:1 randomization in favor of vilobelimab, adapted in size, or the trial will be stopped due to futility.

We have submitted a Phase III clinical trial protocol to the FDA and initiated the preparatory activities for the study, including selection of clinical trial sites, obtaining regulatory and ethics approvals to conduct the study and expect to start the trial by enrolling patients in the United States, Europe and selected other regions in Q3 2023. The total enrollment period is projected to be at least two years, depending on the trial size after potential sample size adaptation.

Vilobelimab for the treatment of cutaneous squamous cell carcinoma (cSCC)

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 cumulative sun exposure and age, and individuals with fair skin and hair are more often affected. The potential for local recurrence or metastasis of cSCC varies with the pathologic variant and localization of the primary lesion, and 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 the study, which was initiated in April 2021, we recruted patients in two independent arms, vilobelimab alone (Arm A) and vilobelimab in combination with pembrolizumab (Arm B). The main objectives of the trial are to assess the safety and antitumor activity of vilobelimab monotherapy, to determine the maximum tolerated or recommended dose in combination with pembrolizumab, as well as to evaluate the safety and antitumor activity in the combination treatment arm in cSCC patients.

As of the date hereof, 10 patients were enrolled in Arm A, in which they received a run-in dose of 800 mg of vilobelimab on days 1, 4, 8 and 15, followed by a dose of 1,600 mg vilobelimab every two weeks starting on day 22. An interim analysis in Arm A of the 10 patients was conducted in July 2023 and the treatment responses in Arm A were evaluated. The interim efficacy analysis shows that 1 patient showed a complete response and one patient showed stable disease according to the protocol. One additional patient demonstrated stable disease per “Response Evaluation Criteria In Solid Tumors” (RECIST) only. Two of ten patients are still on treatment.

In Arm B, as of the date hereof, three patients have been treated in the first dosing cohort of the study (400 mg intravenous infusions of vilobelimab on days 1, 4, 8 and 15 and 800 mg from day 22 and every two weeks thereafter, in addition to 400 mg of pembrolizumab on day 8 and every six weeks thereafter). Six patients were treated at the next higher dose (600 mg intravenous infusions of vilobelimab on days 1, 4, 8 and 15 and 1,200 mg from day 22 and every two weeks thereafter, in addition to 400 mg of pembrolizumab on day 8 and every six weeks thereafter). In the third dosing cohort, an additional six patients were treated at the highest planned dose per protocol (800 mg intravenous infusions of vilobelimab on days 1, 4, 8 and 15 and 1,600 mg from day 22 and every two weeks thereafter, in addition to 400 mg of pembrolizumab on day 8 and every six weeks thereafter). Each dose escalation was done per recommendation and after review of the safety data by an independent study monitoring committee comprised of external clinical advisors. In total, as of the date hereof, 15 patients were enrolled in Arm B (3+6+6 in the three dosing cohorts). Before proceeding with the second stage of the study in Arm B, we plan to perform an efficacy interim analysis in Arm B. We plan to conduct such analysis once all ten patients treated with the maximum tolerated dose identified in stage one, are evaluable for the response assessment. We expect these data to be available in the first half of 2024. The decision on whether to progress to stage 2 of the study in arms A and/or B will be taken once the efficacy analysis in Arm B has been completed.

Anti-C5aR inhibitor INF904

We are developing INF904, an oral small-molecule drug candidate that targets the C5aR receptor. We plan on targeting complement-mediated, chronic autoimmune and inflammatory conditions for which an oral small molecule is the preferred route of administration for patients. In our investigational new drug (IND)-enabling preclinical studies we demonstrated the absence of any obvious toxicological findings even in the highest dose groups in required GLP toxicity analyses. In these preclinical studies, oral INF904 showed higher plasma exposure in animals, including non-human primates, and improved inhibitory activity in a hamster neutropenia model compared to the marketed C5aR inhibitor avacopan. Anti-inflammatory therapeutic effects in several preclinical disease models were also demonstrated by INF904. Further, in contrast to the marketed C5aR inhibitor avacopan, in vitro experiments showed that INF904 has substantially less inhibition of the cytochrome P450 3A4/5 (CYP3A4/5) enzymes, which play an important role in the metabolism of a variety of drugs, including glucocorticoids. We are currently conducting a Phase I single (SAD) and multiple ascending dose (MAD) study in healthy volunteers with the goal of confirming the safety of INF904 and to establish the pharmacokinetic and pharmacodynamic profile of this development candidate. We plan to show the effect of INF904 on C5a-induced downstream activity and to generate data in a format comparable with other published data on C5aR inhibitory molecules like avacopan. Results from the SAD part of the study are expected for Q3 2023 and results from the MAD part of the study are expected in Q4 of 2023.

Anti-C5a antibody IFX002

To expand the breadth of our anti-C5a technology, we are also developing IFX002 for the treatment of chronic inflammatory indications. IFX002 shares the same mechanism of action as vilobelimab, blocking C5a with high specificity, but is designed to have a dosing regimen that may be more suitable for chronic therapy through a potentially less frequent necessity to administer the product. IFX002 is currently in pre-clinical development.

Management changes

Effective April 26, 2023, Ms. Hege Hellstrom was appointed to the Board of Directos of InflaRx N.V. Mrs. Hellstrom has more than 30 years' experience in sales, marketing, strategy development, commercialization, partner alliances and executive management. Since December 2021, Ms. Hellstrom has been serving as the Chief Commercial Officer at Advicenne Pharma SA, a French pharmaceutical company specializing in the development of innovative treatments in Nephrology. In addition, Ms. Hellstrom has been a non-executive board member and audit committee member of Vivesto AB since 2019 and of Camurus AB since 2020; both are public biopharmaceutical Swedish companies. Ms. Hellstrom has also been the founder and managing director of Belnor BV, an investment and consulting company, since 2019. From 2013 to 2018, she worked as President for Europe, Middle East, North Africa and Russia at Sobi, a Swedish biopharmaceutical company, where she led several launches for drugs that threat rare diseases, such as hemophilia and metabolic diseases. Ms. Hellstrom holds a B.Sc. in biomedical laboratory science from Oslo Metropolitan University, Norway.

Effective July 1, 2023, we appointed Dr. Camilla Chong as our Chief Medical Officer. Dr. Chong is a medical doctor with 25 years of experience in the global pharmaceutical industry. She has successfully led clinical development, medical affairs, clinical operations, regulatory and pharmacovigilance teams and has managed global clinical development programs. She has extensive experience in the launch of many new pharmaceutical products in multiple geographies. She joined InflaRx from Kyowa Kirin Corporation, where she was vice president and global medical affairs therapy area head for immunology. Her previous senior management roles have spanned multiple therapeutic areas, including cardiology, immunology, respiratory, dermatology and orphan diseases at Pfizer, GlaxoSmithKline and Teva. Dr. Chong received her M.D. degree from the Royal Free Hospital School of Medicine, University College London, UK. She holds a diploma in pharmaceutical medicine and is a member of the faculty of pharmaceutical medicine (MFPM).

Financial highlights

As of June 30, 2023, we had cash and cash equivalents of €19.5 million and marketable securities of €95.7 million. We believe that our current funds on hand will be sufficient to fund our planned operations into 2026.

We anticipate that our expenses might increase if and as we:

- continue to expand the commercialization efforts for Gohibic (vilobelimab) in the United States by investing in our commercial infrastructure and seek partners to support commercialization of our other products;
- continue to develop and conduct clinical trials with respect to our lead product candidate, vilobelimab;

- continue research, preclinical and clinical development efforts for any future product candidates, including IFX002 and INF904;
- invest in our working capital;
- actively seek to identify additional research programs and additional product candidates;
- pursue full BLA and centralised marketing authorisation applications (MAA) approvals for Gohibic (vilobelimab);
- 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 scale-up and validation of the manufacturing process for the commercialization of Gohibic (vilobelimab) including the manufacturing of larger quantities for the completion of the development activities towards the establishment of a commercial manufacturing process and for further clinical development;

- collaborate with strategic partners to optimize the manufacturing process for vilobelimab, IFX002, INF904 and other pipeline products;

- maintain, expand and protect our intellectual property portfolio;

- hire and retain additional personnel, such as commercial, administrative, clinical, quality control and scientific personnel; 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 ability to become and remain profitable depends on our ability to generate revenue. Historically, we had no products or services from which we could generate revenues. In April 2023, the FDA issued an EUA for the emergency use of Gohibic (vilobelimab) for the treatment of COVID-19 in hospitalized adults. Gohibic (vilobelimab) is not FDA-approved for any indication, including for the treatment of COVID-19. Subsequently to obtaining the EUA in this indication, in June 2023 we launched Gohibic (vilobelimab) into the U.S. market by making it available through the ordering channels for hospitals. In the future, as long as the product is still authorized under the EUA, we may be able to generate limited revenues through sales of Gohibic (vilobelimab) to U.S. hospitals under the EUA.

For this, we are hiring experts with relevant experience in the commercialization of medical products and are building the necessary commercial and logistical infrastructure internally and/or with the potential assistance of external partners or service providers. However, in order to achieve full commercial scale and successfully exploit the full market potential of our products in the future, we or our collaborators will need to obtain full market approval for Gohibic (vilobelimab) and for our other product candidates in the future.

Successful commercialization of our products and product candidates will require achievement of key milestones, including successfully completing clinical trials; obtaining marketing approval for these product candidates; manufacturing, marketing and selling those products for which we, or any of our future collaborators, may obtain marketing approval; satisfying any post-marketing requirements of the FDA and other regulatory agencies and obtaining reimbursement for our products from private insurance or government payors. Because of the uncertainties and risks associated with these activities, we are unable to accurately predict the timing and amount of revenues, and if or when we might achieve profitability. We and any future collaborators may never succeed in these activities, and even if we do, or any future collaborators do, we may never generate revenue that is large enough for us to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis.

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 full regulatory approval of vilobelimab for the treatment of critically ill COVID-19 patients, our development plans in PG, cSCC and additional indications, as well as for other product candidates like INF904 or any potential addition of a technology platform or assets.

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.

Research and Development Expenses

Research and development expenses have consisted principally of:

- expenses incurred under agreements with contract research organizations, or CROs, and 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 stock-based compensation expenses based upon employees' roles within the organization; and

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

Our research and development expenses primarily relate to the following key programs:

- Vilobelimab. We expect our expenses associated with vilobelimab to increase in 2023 compared to 2022, as we are initiating the Phase III clinical study in PG and conducting our Phase II clinical program in cSCC. In addition, we are incurring, and expect to further incur, expenses in conjunction with filing market authorizations for vilobelimab in the United States and elsewhere, including expenses to obtain full BLA and MAA approval for Gohibic (vilobelimab). 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 establishing a commercial scale production process.

- INF904. We are also developing INF904, a product candidate that targets the C5aR receptor. We have been conducting a Phase I single and multiple ascending dose clinical study since November 2022 and expect to incur additional costs by advancing the development of INF904. We plan to study INF904 in complement-mediated, chronic autoimmune and inflammatory conditions for which an oral low molecular weight compound might have advantages or is needed for patients and for which oral delivery is the medically preferred route of administration.

- IFX002. We are also developing IFX002 for the treatment of chronic inflammatory indications. IFX002 is a highly potent anti-complement C5a antibody with a higher humanization grade and altered pharmacokinetic properties compared to vilobelimab and is currently in preclinical development. Expenses for this program mainly consist of salaries, costs for preclinical testing conducted by CROs and costs to produce 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.

In 2022, we incurred €37.5 million in research and development expenses. For the six months ended June 30, 2023 and 2022, we incurred research and development expenses of €25.7 million and €21.7 million, respectively. The increase in our research and development expenses was attributable to the completion of the development activities for vilobelimab for the treatment of critically ill COVID-19 patients, for which the FDA granted an EUA in April 2023. These expenses comprised of costs attributable to the establishment of a commercial scale manufacturing process for vilobelimab and regulatory expenses in conjunction with the EUA filing and other regulatory activities, as well as for the manufacturing of clinical trial-related material. 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.

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. Research and development activities are central to our business model.

The successful development of our product candidates is highly uncertain. We cannot reasonably and accurately predict 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 “ITEM 5. Operating and Financial Review and Prospects—Operating results” 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, we initiate commercial operations in conjunction with the recently granted EUA for Gohibic (vilobelimab), this will not only result in sales and marketing costs, but we believe will also result in an increase in general and administrative costs. There will also be additional costs associated with operating as a public company. It is expected that the costs of commercialization will also result in additional personnel, additional consulting costs in the connection of the expansion of our ERP system and internal and external reporting. 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.

In 2022, we incurred €14.9 million in general and administrative expenses. For the six months ended June 30, 2023 and 2022, we incurred general and administrative expenses of €7.1 million and €8.7 million, respectively.

Sales and marketing expenses

In the three- and six-months ended June 30, 2023, we report marketing and sales expenses for the first time. These expenses amounted to €0.3 million in the three- and six-months ended June 30, 2023.

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.

1. Comparison of the three months ended June 30, 2023 and 2022

	three months ended June 30,		
	2023	2022	Change
		(in €)	
Operating expenses			
Research and development expenses	(10,919,595)	(11,180,958)	261,363
General and administrative expenses	(3,540,805)	(4,346,965)	806,160
Sales and marketing expenses	(276,051)	—	(276,051)
Total operating expenses	(14,736,451)	(15,527,923)	791,472
Other income	4,882,908	14,441,541	(9,558,633)
Other expenses	(2,624)	(279)	(2,345)
Operating result	(9,856,168)	(1,086,661)	(8,769,507)
Finance income	1,087,011	82,401	1,004,610
Finance expenses	(5,052)	(7,945)	2,893
Foreign exchange result	767,646	1,563,580	(795,934)
Other financial result	(195,567)	(86,000)	(109,567)
Income (loss) for the period	(8,202,130)	465,376	(8,667,506)
Exchange differences on translation of foreign currency	(330)	4,408,940	(4,409,270)
Total comprehensive income (loss)	(8,202,460)	4,874,316	(13,076,776)

a) Sales and marketing expenses

	three months ended June 30,		
	2023	2022	Change
		(in €)	
Third-party expenses	124,930	—	124,930
Personnel expenses	104,884	—	104,884
Legal and consulting fees	42,891	—	42,891
Other expenses	3,347	—	3,347
Total sales and marketing expenses	276,051	—	276,051

In the three-months ended June 30, 2023, we incurred €0.3 million of sales and marketing espenses. These expenses are primarily comprised of €0.1 million personnel costs and €0.1 external services for distribution.

b) Research and development expenses

	three months ended June 30,		
	2023	2022	Change
		(in €)	
Third-party expenses	8,096,874	8,694,344	(597,470)
Personnel expenses	1,798,930	2,117,975	(319,045)
Legal and consulting fees	542,015	277,274	264,741
Other expenses	481,776	91,364	390,412
Total research and development expenses	10,919,596	11,180,958	(261,362)

We use our employee and infrastructure resources across multiple research and development programs directed toward developing vilobelimab in different indications and in 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 June 30, 2023 decreased slightly by €0.3 million compared to the three

months ended June 30, 2022.

c) General and administrative expenses

	three months ended June 30,		
	2023	2022	Change
		(in €)	
Personnel expenses	1,386,945	2,052,710	(665,765)
Legal, consulting and audit fees	1,085,521	1,141,416	(55,895)
Other expenses	1,068,338	1,152,838	(84,500)
Total general and administrative expense	3,540,805	4,346,965	(806,160)

General and administrative expenses decreased by €0.8 million to €3.5 million for the three months ended June 30, 2023, from €4.3 million for the three months ended June 30, 2022. This decrease is attributable to lower expenses associated with equity-settled share-based compensation recognized in personnel expenses of €0.6 million.

d) Other income

	three months ended June 30,		
	2023	2022	Change
		(in €)	
Income from government grants	4,874,934	14,415,368	(9,540,434)
Other	7,974	26,173	(18,199)
Total other income	4,882,908	14,441,541	(9,558,633)

Other income decreased by €9.6 million to €4.9 million for the three months ended June 30, 2023, from €14.4 million for the three months ended June 30, 2022. The decrease in income from government grants is primarily due to a non-recurring catch-up effect of costs incurred in preceding periods for which income recognition was deferred until the three months ended June 30, 2022, when the recognition criteria were met.

Other income is primarily attributable to income recognized from the grant payments received from the German federal government for the development of Gohibic (vilobelimab) in severe COVID-19 cases, including our expenses related to clinical development and manufacturing process development.

e) Net financial result

	three months ended June 30,		
	2023	2022	Change
		(in €)	
Interest income	1,087,011	82,401	1,004,610
Interest expenses	(363)	(2,243)	1,880
Interest on lease liabilities	(4,689)	(5,702)	1,013
Finance result	1,081,959	74,456	1,007,503
Foreign exchange income	2,090,994	2,947,221	(856,227)
Foreign exchange expense	(1,323,348)	(1,383,641)	60,293
Foreign exchange result	767,646	1,563,580	(795,934)
Other financial result	(195,567)	(86,000)	(109,567)
Net financial result	1,654,038	1,552,036	102,002

Net financial result increased by €0.1 million to a gain of €1.7 million for the three months ended June 30, 2023 from a gain of €1.6 million for the three months ended June 30, 2022. This increase is mainly attributable to an increase of interest income on marketable securities by €1.0, which was partially offset by €0.8 million lower foreign exchange result. Other financial result consists of an adjustment for expected credit losses on marketable securities.

2. Comparison of the six months ended June 30, 2023 and 2022

	six months ended June 30,		
	2023	2022	Change
		(in €)	
Operating expenses			
Research and development expenses	(25,651,503)	(21,652,881)	(3,998,622)
General and administrative expenses	(7,149,359)	(8,734,408)	1,585,049
Sales and marketing expenses	(276,051)	—	(276,051)
Total operating expenses	(33,076,914)	(30,387,289)	(2,689,625)
Other income	12,629,096	14,443,135	(1,814,039)
Other expenses	(3,190)	(844)	(2,346)
Operating result	(20,451,007)	(15,944,999)	(4,506,008)
Finance income	1,543,047	110,362	1,432,685
Finance expenses	(10,580)	(32,531)	21,951
Foreign exchange result	(369,664)	2,291,513	(2,661,177)
Other financial result	2,241	39,000	(36,759)
Income (loss) for the period	(19,285,963)	(13,536,654)	(5,749,309)
Exchange differences on translation of foreign currency	(17,116)	5,718,815	(5,735,931)
Total comprehensive income (Loss)	(19,303,079)	(7,817,839)	(11,485,240)

a) Sales and marketing expenses

	six months ended June 30,		
	2023	2022	Change
		(in €)	
Third-party expenses	124,930	—	124,930
Personnel expenses	104,884	—	104,884
Legal and consulting fees	42,891	—	42,891
Other expenses	3,347	—	3,347
Total sales and marketing expenses	276,051	—	276,051

In the six months ended June 30, 2023 we had incurred €0.3 million of sales and marketing expenses. These expenses are mainly composed of €0.1 million personnel costs and €0.1 external services for distribution.

b) Research and development expenses

	six months ended June 30,		
	2023	2022	Change
		(in €)	
Third-party expenses	20,500,002	16,782,955	3,717,047
Personnel expenses	3,410,009	4,225,598	(815,589)
Legal and consulting fees	1,087,166	471,361	615,805
Other expenses	654,327	172,967	481,360
Total research and development expenses	25,651,503	21,652,881	3,998,622

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 six months ended June 30, 2023 increased compared to the corresponding period in 2022 by €4.0 million. This increase was primarily due to higher expenses in conjunction with our EUA application of vilobelimab in COVID-19. The main driver were costs related to manufacturing development and regulatory activities and was driven by an overall increase in third-party expenses of €3.7 million. The €0.8 million decrease in personnel expenses was mainly related to equity-settled share-based compensation.

c) General and administrative expenses

	six months ended June 30,		
	2023	2022	Change
		(in €)	
Personnel expenses	2,992,950	4,529,727	(1,536,777)
Legal, consulting and audit fees	2,071,433	1,911,707	159,726
Other expenses	2,084,976	2,292,974	(207,998)
Total general and administrative expense	7,149,359	8,734,408	(1,585,049)

General and administrative expenses decreased by €1.6 million to €7.1 million for the six months ended June 30, 2023, from €8.7 million for the six months ended June 30, 2022. This decrease is primarily attributable to a decrease in expenses associated with equity-settled share-based compensation recognized in personnel expenses.

d) Other income

	six months ended June 30,		
	2023	2022	Change
		(in €)	
Income from government grants	12,609,789	14,415,368	(1,805,579)
Other	19,307	27,767	(8,460)
Total other income	12,629,096	14,443,135	(1,814,039)

Other income decreased by €1.8 million to €12.6 million for the six months ended June 30, 2023, from €14.4 million for the six months ended June 30, 2022. The decrease in income from government grants is primarily due to a non-recurring catch-up effect of costs incurred in preceding periods for which income recognition was deferred until the three months ended June 30, 2022 when the recognition criteria were met.

Other income is primarily attributable to income recognized from the grant payments received from the German federal government for the development of Gohibic (vilobelimab) in severe COVID-19 cases, including our expenses related to clinical development and manufacturing process development.

e) Net financial result

	six months ended June 30,		
	2023	2022	Change
		(in €)	
Interest income	1,543,047	110,362	1,432,685
Interest expenses	(782)	(22,102)	21,320
Interest on lease liabilities	(9,798)	(10,429)	631
Finance Result	1,532,467	77,831	1,454,636
Foreign exchange income	2,381,519	4,057,629	(1,676,110)
Foreign exchange expense	(2,751,183)	(1,766,116)	(985,067)
Foreign exchange result	(369,664)	2,291,513	(2,661,177)
Other financial result	2,241	39,000	(36,759)
Net financial result	1,165,044	2,408,344	(1,243,300)

Net financial result decreased by €1.2 million to €1.2 million for the six months ended June 30, 2023, from €2.4 million for the six months ended June 30, 2022. This decrease was mainly attributable to lower foreign exchange results which decreased by €2.7 million, partly compensated by the increase in interest income of €1.4 million due to increased interest payments from marketable securities

Liquidity and capital resources

Since inception, we have incurred significant operating losses. For the six months ended June 30, 2023, we incurred a net loss

of €19.3 million. To date, we have financed our operations primarily through the sale of our securities. As of June 30, 2023, we had cash, cash equivalents in the amount of €19.5 million and financial assets in the amount of €101.7 million, comprised of marketable securities in the amount of €95.7 million and other financial assets amounting to €6.1 million, including receivables from our governmental grant. Our cash and cash equivalents primarily consist of bank deposit accounts and fixed U.S. dollar term deposits.

Cash flows

The table below summarizes our consolidated statement of cash flows for the six months ended June 30, 2023 and 2022:

	six months ended June 30,	
	2023	2022
	(in €)	
Net cash used in operating activities	(21,685,642)	(25,359,081)
Net cash from investing activities	(27,893,346)	12,554,101
Net cash from/ (used in) financing activities	53,175,455	(182,014)
Cash and cash equivalents at the beginning of the period	16,265,355	26,249,995
Exchange gains on cash and cash equivalents	(345,862)	2,153,152
Cash and cash equivalents at the end of the period	19,515,959	15,416,152

3. Net cash used in operating activities

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

Net cash used in operating activities decreased to €21.7 million in the six months ended June 30, 2023, from €25.4 million in the six months ended June 30, 2022.

4. Net cash from/used in investing activities

Net cash from investing activities decreased by €40.4 million in the six months ended June 30, 2023, mainly due to higher investments in marketable securities in the three months ended June 30, 2023 compared to the three months ended June 30, 2022.

5. Net cash from/used in financing activities

Net cash from financing activities increased by €53.5 million in the six months ended June 30, 2023, compared to the six months ended June 30, 2022.

In the six months ended June 30, 2023, we issued an additional 3,235,723 ordinary shares under our at-the-market program (refer to Note 8 “Equity”), resulting in €14.4 million in net proceeds. The existing ATM program expired in July 2023 and no more shares are issuable under this program.

Through an underwritten public offering in April 2023, the Company sold and issued an aggregate of 10,823,529 ordinary shares, of which 1,411,764 were sold pursuant to the exercise of an overallotment option by the underwriters. The ordinary shares were sold at a price of $4.25 per share and have a nominal value of €0.12 per share. Proceeds of this offering after deducting €2.5 million ($2.8 million) in underwriting discounts amounted to €39.1 million ($43.2 million). Other offering expenses amounted to €0.4 million, resulting in a total of €38.7 million in net proceeds from this offering.

Funding requirements

We expect our expenses associated with vilobelimab to increase in 2023 compared to 2022, as we continue discussion with the FDA related to submission of a BLA for full approval of Gohibic (vilobelimab) in severe COVID-19, pursue commercialization of Gohibic (vilobelimab) under the EUA for emergency use as granted by the FDA, complete developing vilobelimab in other indications, including PG in our Phase III trial, and continue the Phase II clinical program in cSCC. In addition, we are also incurring expenses related to the manufacturing of clinical trial material and by validating our manufacturing process for vilobelimab to meet regulatory standards for approval as a commercial grade manufacturing process. Furthermore, we also have established commercial scale production options and are initiating manufacturing campaigns to be able to serve the market needs in the United States under the granted the EUA.

We also plan to advance the development of INF904 by completing the ongoing Phase I clinical program consisting of a SAD

and a MAD arm in H2 2023. In parallel, we are also continuing with non-clinical development activities in relation to CMC and additional non-clinical animal studies in order to prepare for the future initiation of a Phase II clinical development.

If clinical data is supportive, we may seek marketing approval for any product candidates that we successfully develop. Additionally, we will validate and further develop the manufacturing process of our products to be able to apply for marketing authorization and to be able to provide a commercial-grade product. 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. 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 into 2026.

Until such time, if ever, that we can generate substantial product revenues, 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 revenues from product sales. 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 grant licenses on terms that may not be favorable to us.

For more information as to the risks associated with our future funding needs, see “ITEM 3. Key Information—Risk factors” in our Annual Report.

Off-balance sheet arrangements

As of June 30, 2023, and during the periods presented, we did not have any off-balance sheet arrangements other as described under “ITEM 5. Operating and financial review and prospects—off-balance sheet arrangements” in our 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 “ITEM 5. Operating and Financial Review and Prospects—Liquidity and capital resources—Contractual obligations and commitments” in the Annual Report.

Quantitative and qualitative disclosures about market risk

During the six months ended June 30, 2023, there were no significant changes to our quantitative and qualitative disclosures about market risk from those reported in “ITEM 11. Quantitative and Qualitative Disclosures About Market Risk” in the Annual Report and our quarterly report for the three months ended March 31, 2023 included as Exhibit 99.1 and 99.2 to the Report on Form 6-K, filed on May 11, 2023, except as set forth below:

The manufacturing and distribution of Gohibic (vilobelimab) is subject to a number of risks that could harm our reputation, business, financial condition and operating results.

The manufacturing and distribution of Gohibic (vilobelimab) is subject to a number of risks that could harm our reputation, business, financial condition and operating results.

- Manufacturing: The manufacturing processes of Gohibic (vilobelimab) is complex. We may encounter manufacturing difficulties, including difficulties related to product storage and shelf life. Such difficulties could result from the complexities of manufacturing product batches at a larger scale, equipment failure, availability of excipients and other product components/ingredients (including related to choice and quality of raw materials), analytical testing technology and product instability. Specifically, insufficient product stability or shelf life of Gohibic (vilobelimab) or its components could materially limit or delay our or our collaborators’ ability to distribute and commercialize Gohibic (vilobelimab) at the current price or at all. Further, if Gohibic (vilobelimab) becomes subject to a product recall, including as the result of manufacturing errors, design/labeling defects or other deficiencies, our reputation would be adversely affected.

- Distribution: Gohibic (vilobelimab) is a "cold-chain product" that must be shipped and stored at cold temperatures. We could lose supply of Gohibic (vilobelimab) due to distribution difficulties, including generally related supply chain management (e.g., shelf-life expiration) and specifically related to shipping and storing Gohibic (vilobelimab) at cold temperatures. If so, we could incur additional manufacturing costs in order to supply required quantities to U.S. hospitals under the EUA.

Any such manufacturing and distribution difficulties may harm our reputation, business, financial condition and operating results.

Our ability to successfully commercialize and generate revenue from sales of Gohibic (vilobelimab) is subject to a number of risks that could harm our business, financial condition and operating results.

Our ability to successfully commercialize Gohibic (vilobelimab) is subject to a number of risks that could impact our business, financial condition and operating results. Specifically, our ability to generate revenue from sales of Gohibic (vilobelimab) is uncertain, including due to the market opportunity for, and interest and perception in, Gohibic (vilobelimab). In particular, given fluctuations in the number of patients developing severe symptoms from COVID-19 infections, the size of the addressable patient population and, thus, the market opportunity for Gohibic (vilobelimab) is uncertain and may shrink over time. In addition, since Gohibic (vilobelimab) has an EUA, but not FDA approval, sales of Gohibic (vilobelimab) depend on whether healthcare providers at U.S. hospitals are interested in and receptive to providing Gohibic (vilobelimab) as a treatment for COVID-19. If we are unable to successfully commercialize and generate revenue from sales of Gohibic (vilobelimab), our business, financial condition and operating results could be adversely affected.

Critical judgments and accounting estimates

There have been no material changes to the significant accounting policies and estimates described in "ITEM 5. Operating and Financial Review and Prospects—Critical judgments and accounting estimates" in the Annual Report other than a change in the functional currency of the InflaRx N.V. entity from the U.S. dollar to the euro. Refer to our unaudited interim condensed consolidated financial statements and notes as of June 30, 2023 for additional information.

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:

- the receptiveness of Gohibic (vilobelimab) as a treatment for COVID-19 by COVID-19 patients and U.S. hospitals;
- our ability to commercialize Gohibic (vilobelimab) and our other product candidates;
- our expectations regarding the size of the patient populations for, market opportunity for, estimated returns and return accruals for, coverage and reimbursement for and clinical utility of Gohibic (vilobelimab) in its approved or authorized indication or for vilobelimab and any other product candidates, under the EUA and in the future if approved for commercial use in the United States or elsewhere;

- 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;
- the timing, progress and results of clinical trials of our product candidates, and 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;

- our interactions with regulators regarding the results of clinical trials and potential regulatory approval pathways, including related to our biologics license application, or BLA, submission for Gohibic (vilobelimab), and our ability to obtain and maintain full regulatory approval of vilobelimab or Gohibic (vilobelimab) for any indication;

- whether the FDA, the EMA, or any 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;

- our expectations regarding the scope of any approved indication for vilobelimab;

- our ability to leverage our proprietary anti-C5a and C5aR technologies 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;

- 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 for commercial supply of vilobelimab and for the finished product Gohibic (vilobelimab);

- our estimates of our expenses, ongoing losses, future revenue, capital requirements and our needs for or ability to obtain additional financing;

- our ability to defend against liability claims resulting from the testing of our product candidates in the clinic or, if, approved, any commercial sales;

- 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; and

- our competitive position and the development of and projections relating to our competitors in the development of C5a and C5aR inhibitors or our industry.

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—Risk factors" section of our 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 or in our Annual Report 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 Second Quarter 2023
Financial Results & Operating Update

- Quarter highlighted by the Emergency Use Authorization (EUA) and commercial launch of Gohibic (vilobelimab) in the United States
- Oral C5aR inhibitor INF904 progressing in single ascending dose (SAD) and multiple ascending dose (MAD) Phase I trial
- Progress in clinical development of vilobelimab in other indications, including cutaneous squamous cell carcinoma (cSCC) and pyoderma gangrenosum (PG)
- Strong addition to management team as Camilla Chong, M.D., joins as Chief Medical Officer
- Cash, cash equivalents and marketable securities of €115.2 million, expected to fund operations at least into 2026

Jena, Germany, August 10, 2023 – InflaRx N.V. (Nasdaq: IFRX), a clinical-stage biopharmaceutical company developing and commercializing anti-inflammatory therapeutics by targeting the complement system, announced today financial results for the three and six months ended June 30, 2023 and provided an operating update.

“It was truly thrilling to launch Gohibic (vilobelimab) for the treatment of certain critically ill COVID-19 patients in the United States and to be in the position of making our drug available for patients in U.S. hospitals,” said Prof. Niels C. Riedemann, Chief Executive Officer and Founder of InflaRx. “Our development work in other disease areas where C5a and C5aR may play a significant role is progressing well as we strive to make Gohibic (vilobelimab) available to other patients who may benefit from it and to further our C5aR inhibitor INF904 into research in additional disease areas. Today, we also announced first data from an ongoing clinical trial in cutaneous squamous cell carcinoma.” He continued: “With all the important work ahead, I am very pleased that Dr. Camilla Chong has joined the team to drive our future clinical development work with both vilobelimab and our oral C5aR inhibitor INF904. With her impressive background in the pharmaceutical industry, including her experience in launching new pharmaceutical products, she will be instrumental in advancing our complement-targeting therapies through the clinic and ultimately into the market.”

Recent Highlights and Business Update

Camilla Chong, M.D. joins InflaRx as Chief Medical Officer:

Dr. Camilla Chong was appointed as Chief Medical Officer, effective July 1, 2023. She is a medical doctor with 25 years of experience in the global pharmaceutical industry. Dr. Chong has successfully led clinical development, medical affairs, clinical operations, regulatory and pharmacovigilance teams and has managed global clinical development programs. She has extensive experience in the launch of many new pharmaceutical products in multiple geographies. She joined InflaRx from Kyowa Kirin Corporation, where she was Vice President and Global Medical Affairs Therapy Area Head - Immunology. Dr. Chong is leading all clinical development activities at InflaRx.

Commercial Launch of Gohibic (vilobelimab) for the Treatment of Critically ill COVID-19 Patients following the EUA in the United States:

In April 2023, the U.S. Food and Drug Administration (FDA) issued an EUA for Gohibic (vilobelimab) for the treatment of COVID-19 in hospitalized adults when initiated within 48 hours of receiving invasive mechanical ventilation (IMV) or extracorporeal membrane oxygenation (ECMO). Gohibic (vilobelimab) has been commercially available to hospitals across the United States since late Q2.

InflaRx is building an experienced and highly focused commercial team to support the drug's launch and distribution to hospitals. At the same time, the Company has set up a robust supply chain to allow for uninterrupted supply of Gohibic to the U.S. market. Lastly, InflaRx is raising awareness for this treatment option in the medical community through dedicated medical information campaigns.

Further, the Company is continuing discussions with the FDA related to the submission of a Biologics License Application (BLA) for a potential future full approval of Gohibic (vilobelimab) in the United States. InflaRx has also completed encouraging meetings with the rapporteur and co-rapporteur member state teams of the European Committee for Medicinal Products for Human Use (CHMP) related to a planned Marketing Authorization Application with the European Medicines Agency (EMA). The Company will provide updates on the status of regulatory submissions in the United States and elsewhere once available.

Development of Vilobelimab in Pyoderma Gangrenosum (PG):

In January 2023, InflaRx presented details related to the design of its planned pivotal Phase III study with vilobelimab in ulcerative PG, following compelling Phase II results for the treatment of this rare neutrophilic and inflammatory skin disease with destructive, painful cutaneous ulcers. The multi-national, randomized, double-blind, placebo-controlled trial has an adaptive design with an interim analysis that will determine the planned total patient number. InflaRx submitted a Phase III clinical trial protocol to the FDA, initiated the preparatory activities and expects the first patient to be enrolled in Q3 2023.

INF904 – Low Molecular Weight, Oral C5aR Inhibitor:

InflaRx is currently conducting a single (SAD) and multiple ascending dose (MAD) Phase I clinical trial in healthy volunteers to assess the safety, tolerability and pharmacokinetic / pharmacodynamic properties of InflaRx' new and proprietary low molecular weight C5aR inhibitor INF904. The Company plans to show the effect of INF904 on C5a-induced downstream activity and to generate data in a format comparable with other published data on C5aR inhibitory molecules like avacopan. Results from the SAD part of the study are expected for Q3 2023 and results from the MAD part of the study are expected in Q4 2023. In the future, InflaRx plans to develop INF904 for complement-mediated, chronic autoimmune and inflammatory diseases where oral administration is the preferred choice for patients.

Initial Results for Development of Vilobelimab in Cutaneous Squamous Cell Carcinoma:

InflaRx is conducting an open-label, multicenter Phase II study, evaluating vilobelimab in two study arms - as stand-alone therapy (Arm A) and in combination with pembrolizumab (Arm B) - in patients with programmed cell death protein 1 (PD1) or programmed cell death ligand 1 (PDL1) inhibitor resistant/refractory, locally advanced or metastatic cutaneous squamous cell carcinoma (cSCC). The main objectives of this trial are to assess the safety and antitumor activity of vilobelimab in the monotherapy arm and to assess the maximum tolerated or recommended dose of vilobelimab and the safety and antitumor activity of this drug pair in the combination arm.

An interim analysis of ten evaluable patients in the monotherapy Arm A, which was not powered for significance due to the small number of patients in this cohort, showed first evaluable signals of efficacy: one patient had a complete response and another patient displayed overall stable disease; and a third patient showed stable disease of the target lesion according to "Response Evaluation Criteria In Solid Tumors" (RECIST) criteria. Vilobelimab treatment did not result in signals of concern related to safety or tolerability in these patients with advanced cSCC, who typically are of higher age and frequently suffer from multiple comorbidities.

In Arm B, patients are currently being enrolled and treated in the highest dose cohort. An interim analysis is planned to be performed once ten patients in the highest dose cohort are evaluable for response assessment. So far, six patients have been enrolled, and the interim results are expected to be available in H1 2024. The decision on whether to progress to stage two of the study in arms A and/or B will be taken once the efficacy analysis in Arm B has been completed.

Although generally, cSCC patients can be effectively treated, some patients become resistant or refractory to current treatment options. Those patients have very high fatality rates and currently no approved treatment options. Based on these first encouraging activity signals in this difficult to treat patient population, the Company will decide on next development steps once more results of the combination arm where patients receive a PD-1 inhibitor in addition to vilobelimab become available.

Financing Activities

In April 2023, the Company issued 3,235,723 ordinary shares under its ATM program, resulting in €14.4 million in net proceeds. Also in April 2023, the Company completed an underwritten public offering of an aggregate of 10,823,529 ordinary shares, of which 1,411,764 were sold pursuant to the full exercise of an overallotment option granted to the underwriters. The ordinary shares were sold at a price of $4.25 per share and have a nominal value of €0.12 per share. Aggregate proceeds from these equity offerings amounted to €53.5 million after deducting underwriting discounts.

On July 12, 2023, InflaRx filed a shelf registration statement on Form F-3 with the U.S. Securities and Exchange Commission (SEC) in order to replace its expiring shelf registration statement and to authorize the issuance of up to $250 million in securities in registered offerings.

Dr. Thomas Taapken, Chief Financial Officer of InflaRx, said: “It is an exciting time for InflaRx as we evolve into a commercial-stage company and build a strong team to support the commercialization of Gohibic. However, with the lower numbers of severe COVID-19 cases, which we are grateful for, we are expecting moderate demand and first revenues in H2 2023. Thanks to our recent successful financing activities, we are well positioned to invest in the necessary infrastructure to make Gohibic available to hospitals across the United States, in addition to supporting our clinical development activities, including the Phase III trial with vilobelimab in pyoderma gangrenosum and the future development of our promising C5aR inhibitor INF904. Despite a financial market environment that has remained highly challenging, we are well funded to support our operations well into 2026.”

Financial Highlights – Q2 2023

Research and Development Expenses

Research and development expenses incurred in H1 2023 increased compared to the corresponding period in 2022 by €4.0 million. This increase was primarily due to higher third-party expenses of €3.7 million related to manufacturing, development and regulatory activities in conjunction with the EUA application for vilobelimab in COVID-19.

General and Administrative Expenses

General and administrative expenses in H1 2023 decreased by €1.6 million to €7.1 million from €8.7 million in H1 2022. This decrease was primarily attributable to decreasing expenses associated with equity-settled share-based compensation recognized in personnel expenses.

Sales and Marketing Expenses

During H1 2023, InflaRx reported sales and marketing expenses for the first time, which amounted to €0.3 million, as a result of the initiation of the commercialization of Gohibic (vilobelimab). These expenses were mainly comprised of €0.1 million in personnel costs and €0.1 million in external distribution services.

Other Income

Other income, which was primarily derived from income from government grants, decreased by €1.8 million to €12.6 million for the first half of 2023, from €14.4 million for the comparable period in 2022. The decrease was primarily due to the absence of a non-recurring catch-up effect of costs incurred in periods before Q2 2022, for which income recognition was deferred until Q3 2022, when the recognition criteria were considered to be met.

Net Financial Result

Net financial result decreased by €1.2 million to €1.2 million for the six months ended June 30, 2023, from €2.4 million in the same period of 2022. This decrease was mainly attributable to lower foreign exchange results which decreased by €2.7 million, partly compensated by the increase in interest income of €1.4 million due to increased interest payments from marketable securities.

Net Loss

Net loss in H1 2023 amounted to €19.3 million, compared to €13.5 million in H1 2022.

Net Cash Used in Operating Activities

Net cash used in operating activities in H1 2023 decreased to €21.7 from €25.4 million in H1 2022.

Liquidity and Capital Resources

As of June 30, 2023, the Company's total available funds were approximately €115.2 million, composed of €19.5 million in cash and cash equivalents and €95.7 million in marketable securities. These funds are expected to finance operations at least into 2026.

Additional Financial Information

Additional information regarding these results and other relevant information is included in the notes to the unaudited interim condensed consolidated financial statements as of June 30, 2023, and the three and six months ended June 30, 2023, and 2022, as well as the consolidated financial statements as of and for the year ended December 31, 2022, in "ITEM 18. Financial Statements," in InflaRx's Annual Report on Form 20-F for the year ended December 31, 2022, as filed with the SEC.

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
for the three and six months ended June 30, 2023 and 2022

	For the three months ended June 30,		For the six months ended June 30,	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
	(in €, except for share data)			
Research and development expenses	(10,919,595)	(11,180,958)	(25,651,503)	(21,652,881)
General and administrative expenses	(3,540,805)	(4,346,965)	(7,149,359)	(8,734,408)
Sales and marketing expenses	(276,051)	—	(276,051)	—
Other income	4,882,908	14,441,541	12,629,096	14,443,135
Other expenses	(2,624)	(279)	(3,190)	(844)
Operating Result	(9,856,168)	(1,086,661)	(20,451,007)	(15,944,999)
Finance income	1,087,011	82,401	1,543,047	110,362

Finance expenses	(5,052)	(7,945)	(10,580)	(32,531)
Foreign exchange result	767,646	1,563,580	(369,664)	2,291,513
Other financial result	(195,567)	(86,000)	2,241	39,000
Income Taxes	—	—	—	—
Income (Loss) for the Period	(8,202,130)	465,376	(19,285,963)	(13,536,654)
Share Information				
Weighted average number of shares outstanding	56,985,734	44,203,763	50,912,459	44,203,763
Income (Loss) per share (basic/diluted)	(0.14)	0.01	(0.38)	(0.31)
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign currency	(330)	4,408,940	(17,116)	5,718,815
Total Comprehensive Income (Loss)	(8,202,460)	4,874,316	(19,303,079)	(7,817,839)

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Financial Position
as of June 30, 2023 and December 31, 2022

	June 30, 2023 (unaudited)	December 31, 2022
	(in €)	
ASSETS		
Non-current assets		
Property and equipment	296,382	328,920
Right-of-use assets	1,122,183	1,311,809
Intangible assets	90,789	138,905
Other assets	283,784	308,066
Financial assets	18,951,267	2,900,902
Total non-current assets	20,744,405	4,988,602
Current assets		
Inventories	578,705	—
Current other assets	6,405,867	14,170,510
Current tax assets	2,925,037	1,732,087
Financial assets from government grants	5,193,246	732,971
Other financial assets	77,601,286	64,810,135
Cash and cash equivalents	19,515,959	16,265,355
Total current assets	112,220,100	97,411,058
TOTAL ASSETS	132,964,505	102,399,660
EQUITY AND LIABILITIES		
Equity		
Issued capital	7,065,993	5,364,452
Share premium	334,211,338	282,552,633
Other capital reserves	38,874,961	36,635,564
Accumulated deficit	(262,746,253)	(243,460,290)
Other components of equity	7,239,965	7,257,081
Total equity	124,646,004	88,349,440
Non-current liabilities		
Lease liabilities	814,560	987,307
Other liabilities	36,877	36,877
Total non-current liabilities	851,437	1,024,184

Current liabilities		
Trade and other payables	5,200,809	4,987,538
Liabilities from government grants	801,632	6,209,266
Lease liabilities	356,099	369,376
Employee benefits	900,474	1,312,248
Other liabilities	208,051	147,608
Total current liabilities	7,467,065	13,026,036
Total Liabilities	8,318,502	14,050,220
TOTAL EQUITY AND LIABILITIES	132,964,505	102,399,660

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
for the six months ended June 30, 2023 and 2022

(in €)	Issued capital	Share premium	Other capital reserves	Accumulated deficit	Other components of equity	Total equity
Balance as of January 1, 2023	5,364,452	282,552,633	36,635,564	(243,460,290)	7,257,081	88,349,440
Loss for the period	—	—	—	(19,285,963)	—	(19,285,963)
Exchange differences on translation of foreign currency	—	—	—	—	(17,116)	(17,116)
Total comprehensive loss	—	—	—	(19,285,963)	(17,116)	(19,303,079)
Issuance of common shares	1,687,110	54,796,819	—	—	—	56,483,929
Transaction costs	—	(3,360,626)	—	—	—	(3,360,626)
Equity-settled share-based payments	—	—	2,239,397	—	—	2,239,397
Share options exercised	14,431	222,512	—	—	—	236,943
Balance as of June 30, 2023	7,065,993	334,211,338	38,874,961	(262,746,253)	7,239,965	124,646,004
Balance as of January 1, 2022	5,304,452	280,310,744	30,591,209	(213,975,679)	3,050,271	105,280,996
Loss for the period	—	—	—	(13,536,654)	—	(13,536,654)
Exchange differences on translation of foreign currency	—	—	—	—	5,718,815	5,718,815
Total comprehensive loss	—	—	—	(13,536,654)	5,718,815	(7,817,839)
Equity-settled share-based payments	—	—	4,668,481	—	—	4,668,481
Balance as of June 30, 2022	5,304,452	280,310,744	35,259,689	(227,512,333)	8,769,086	102,131,638

InflaRx N.V. and subsidiaries

Unaudited Condensed Consolidated Statements of Cash Flows
for the six months ended June 30, 2023 and 2022

	For the six months ended June 30,	
	2023 (unaudited)	2022 (unaudited)
	(in €)	
Operating activities		
Loss for the period	(19,285,963)	(13,536,654)
Adjustments for:		
Depreciation & amortization of property and equipment, right-of-use assets and intangible assets	293,328	300,870
Net finance income	(1,165,044)	(2,408,345)
Share-based payment expense	2,239,397	4,668,481
Net foreign exchange differences	(23,953)	130,347
Changes in:		
Financial assets from government grants	(4,460,274)	(8,260,503)
Other assets	6,295,975	611,843
Employee benefits	(411,774)	(640,112)
Other liabilities	60,443	(7,869)
Liabilities from government grants received	(5,407,634)	(6,154,865)
Trade and other payables	213,270	(661,741)
Inventories	(578,705)	—
Interest received	556,068	631,504
Interest paid	(10,777)	(32,039)
Net cash used in operating activities	(21,685,642)	(25,359,081)
Investing activities		
Purchase of intangible assets, property and equipment	(24,673)	(9,728)
Purchase of current financial assets	(83,071,163)	(47,031,216)
Proceeds from the maturity of financial assets	55,202,491	59,595,044
Net cash from/(used in) investing activities	(27,893,346)	12,554,101
Financing activities		
Proceeds from issuance of common shares	56,483,929	—
Transaction costs from issuance of common shares	(3,360,626)	—
Proceeds from exercise of share options	236,943	—
Repayment of lease liabilities	(184,791)	(182,014)
Net cash from/(used in) financing activities	53,175,455	(182,014)
Net increase/(decrease) in cash and cash equivalents	3,596,467	(12,986,995)
Effect of exchange rate changes on cash and cash equivalents	(345,862)	2,153,152
Cash and cash equivalents at beginning of period	16,265,355	26,249,995
Cash and cash equivalents at end of period	19,515,959	15,416,152

About InflaRx

InflaRx GmbH (Germany) and InflaRx Pharmaceuticals Inc. (USA) are wholly owned subsidiaries of InflaRx N.V. (together, InflaRx).

InflaRx (Nasdaq: IFRX) is a biopharmaceutical company focused on applying its proprietary anti-C5a and C5aR technologies to discover and develop and commercialize first-in-class, potent and specific inhibitors of the complement activation factor known as C5a and its receptor known as C5aR. C5a is a powerful inflammatory mediator involved in the progression of a wide variety of autoimmune and other inflammatory diseases. InflaRx' lead product candidate, vilobelimab, 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. 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.de.

The COVID-19 related work described herein is partly funded by the German Federal Government through grant number 16LW0113 (VILO-COVID). All responsibility for the content of this work lies with InflaRx.

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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,” “estimate,” “believe,” “predict,” “potential” or “continue,” among others. 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 ability to commercialize and the receptiveness of Gohibic (vilobelimab) as a treatment for COVID-19 by COVID-19 patients and U.S. hospitals or our other product candidates; our expectations regarding the size of the patient populations for, market opportunity for, coverage and reimbursement for, estimated returns and return accruals for, and clinical utility of Gohibic (vilobelimab) in its approved or authorized indication or for vilobelimab and any other product candidates, under an EUA and in the future if approved for commercial use in the United States or elsewhere; 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; the timing, progress and results of clinical trials of our product candidates, and 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; our interactions with regulators regarding the results of clinical trials and potential regulatory approval pathways, including related to our BLA submission for Gohibic (vilobelimab), and our ability to obtain and maintain full regulatory approval of vilobelimab or Gohibic (vilobelimab) for any indication; whether the FDA, the EMA, or any 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; our expectations regarding the scope of any approved indication for vilobelimab; our ability to leverage our proprietary anti-C5a and C5aR technologies 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; 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 for commercial supply of vilobelimab and for the finished product Gohibic (vilobelimab); our estimates of our expenses, ongoing losses, future revenue, capital requirements and our needs for or ability to obtain additional financing; our ability to defend against liability claims resulting from the testing of our product candidates in the clinic or, if approved, any commercial sales; 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; and our competitive position and the development of and projections relating to our competitors in the development of C5a and C5aR inhibitors or our industry; and the risks, uncertainties and other factors described under the heading “Risk Factors” in our periodic filings with the SEC. 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.