Annual Report 2023

MOBERG PHARMA

Moberg in 2 minutes

Moberg Pharma is a specialty pharmaceutical company in dermatology focused on the commercialization of proprietary drugs based on proven substances. Headquartered in Stockholm, its share is listed on the Small Cap segment of NASDAQ OMX Nordic Exchange Stockholm (OMX: MOB).

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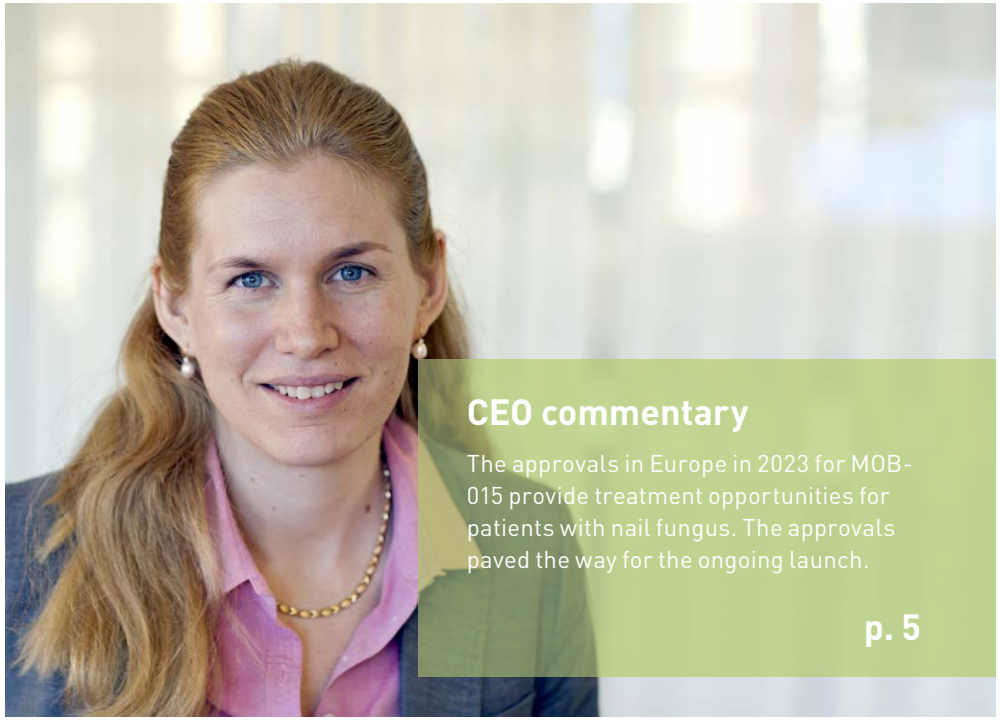

CEO commentary

The approvals in Europe in 2023 for MOB-015 provide treatment opportunities for patients with nail fungus. The approvals paved the way for the ongoing launch.

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MOB-015 launched as Terclara®

The company is now entering commercial phase together with market partners such as Bayer, Cipher and Allderma in place for the EU and Canada, among other markets. The launch begun in February 2024 in Sweden with great interest from pharmacies.

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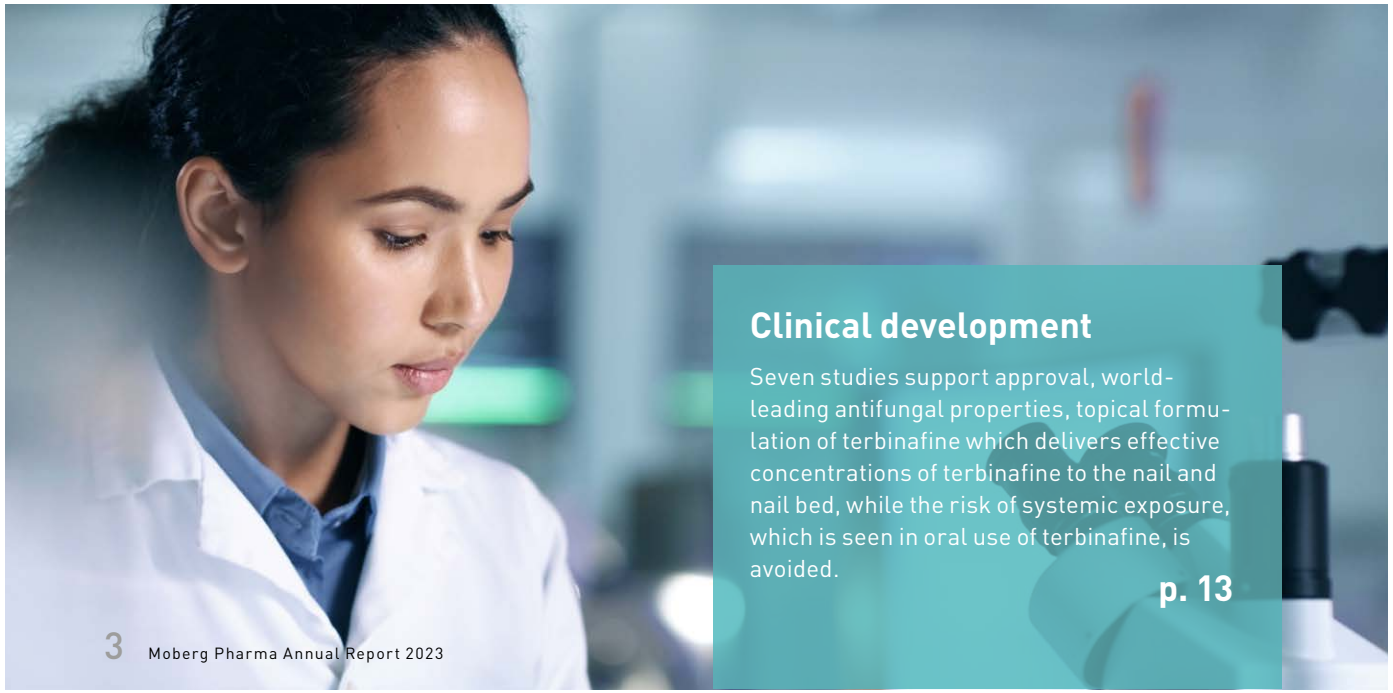
Events during 2023

An intense year with drug approvals in 10 European countries, intensive launch preparations and progress in the North American trial where patient enrollment was completed ahead of schedule.

p. 8



Clinical development

Seven studies support approval, world-leading antifungal properties, topical formulation of terbinafine which delivers effective concentrations of terbinafine to the nail and nail bed, while the risk of systemic exposure, which is seen in oral use of terbinafine, is avoided.

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Content

Moberg Pharma in 2 minutes

Moberg Pharma is a specialist pharmaceutical company focused on the commercialization of proprietary drugs based on proven substances. The goal is to take the company's product, MOB-015, to a world-leading position in the treatment of nail fungus. The first market approval was received in 2023. In total, 10 European countries have approved MOB-015, 3 more approvals are expected near term. Now in spring 2024, MOB-015 is being launched in the company´s home market, under the brand name Terclara®.

Terclara® cutaneous solution 98mg/ml is an OTC treatment containing terbinafine for treating mild to moderate fungal infections of the fingernails and toenails. Not recommended for children and adolescents under 18 years of age. Terclara can be used if you have previously been diagnosed by a physician. Consult your physician or pharmacist if you are pregnant, breast-feeding, have diabetes, immunological disorders or peripheral arterial disease. If your symptoms do not improve after 6 months for fingernails and 9-12 months for toenails, contact your physician. Read package leaflet carefully before use. Allderma AB, terclara.se

Moberg Pharma intends to repeat the journey that was made with Kerasal Nail®, the company's first-generation nail fungus product, combining direct sales in the U.S. with strategic collaborations in a number of major territories. The most important markets for MOB-015 are expected to be the U.S., EU, Japan, Canada and China, all with approved patent protection through to 2032. In addition to granted patents, the company also has ongoing patent applications which, if approved, could provide significantly longer patent protection.

The results from clinical Phase 3 studies with 800+ patients indicate that MOB-015 has the potential to become the future market leader in the treatment of nail fungus. MOB-015 is developed based on Moberg Pharma's patented formulation technology, which facilitates the delivery of high concentrations of the proven antifungal substance terbinafine through the nail.

A total of five agreements with commercial partners are in place for MOB-015: Cipher Pharmaceuticals for Canada; Allderma in Scandinavia; Padagis in Israel; Dong-Koo Bio & Pharma Co., Ltd, the market leader in dermatology in the Republic of Korea; and Bayer AG, a world leader in the OTC fungus treatments with the brand Canesten, for Europe. The agreements give these partners exclusive rights to market and sell MOB-015 in their respective markets, while Moberg Pharma retains production and supply responsibility.

The launch has begun with Allderma, our market partner in Sweden, which as of spring 2024 is marketing MOB-015 under the brand name Terclara®. Currently, the majority of pharmacies throughout Sweden have decided to start selling Terclara®. We estimate the products global sales potential at USD 250–500 million per year, with a large part of revenues expected to come from the high-priced U.S. prescription drug market.

100

million patients in the EU and U.S. suffer from Onychomycosis

76%

of patients were fungus free in the phase 3 for MOB-015

13

MOB-015 is recommended for approval in 13 European countries.

CEO commentary

MOB-015 has now been launched in Sweden under the brand name Terclara® – the result of a multi-year effort by Moberg Pharma.

I am extremely proud that our medication is now available to patients who previously lacked good treatment alternatives.

Extensive teamwork has led to market approval in 10 European countries and that we today have a product on the shelves of pharmacies with the potential to become the market leader in nail fungus.

We have succeeded in obtaining approval for MOB-015 in 10 European countries, the first marketing authorizations for our new drug for nail fungus globally. The approval represents a paradigm shift, both for Moberg Pharma as a company and for the patients who suffer from nail fungus today.

I am extremely proud that we, as a small Swedish company, have succeeded in taking a drug candidate the whole way from idea to approved pharmaceutical. It is tremendously gratifying to see that the hard work and dedication of our team has paid off and that we have reached this successful milestone. It is an acknowledgement of our commitment to improve human health and well-being around the world.

The second half of 2023 was focused on the activities that take place between EU approval and launch, with dialogues with the various national regulatory agencies to agree on local language, at the same time that production has to be adapted to the final local language as well as that pharmacy chains require a long lead time to get a new product on their shelves, the decisions on which products are brought in are made months before they actually reach a shelf.

Together with our market partner in Scandinavia, Allderma, we reached our goal of launching the product during the "February window" of 2024, one of three times during the year when the pharmacy chains reset their shelves. This means that MOB-015 is now available to Swedish patients ahead of high season in Q2 for those who want to begin the journey towards attractive, fungus-free nails before sandal season and the summer holiday.

Interest among pharmacies during the inselling process has been high and right from the start a majority of pharmacies have decided to sell Terclara®. This provides confirmation that Allderma once again is a suitable partner in our home market. Allderma is managed by the commercial leaders who were responsible for the successful Nordic launch of Nalox®, Moberg Pharma's first-generation nail fungus product.

Another partner that we collaborated closely with in 2023 is Bayer, a world leader in OTC fungus treatments with the brand Canesten®. Bayer will implement the pan-European launch of MOB-015, coinvest in the development work and has been great support during the regulatory process that culminated in the approval.

"In June 2023, it was announced that MOB-015 is recommended for national approval in 13 European countries. The first approval was received as soon as the end of July for Ireland, and we have now received a total of 10 granted national approvals"

It is hugely important for us to obtain approval as an OTC pharmaceutical in as many markets as possible, since the largest sales volumes in Europe are expected to come from markets where the product has OTC status – which will take different lengths of time for different markets and won't be possible everywhere. This is why the welcome decisions by the Austrian, Hungarian, Norwegian and Swedish, that the product from the outset will be available at pharmacies without a prescription, as a major success.

In June 2023, the Swedish Medical Products Agency announced that the Decentralized Procedure had ended with a positive outcome and that MOB-015 is recommended for national approval in 13 European countries for the treatment of mild to moderate fungal infections of the nails in adults. This was followed by the national approval process, where the first approval was received as soon as the end of July for Ireland, and we hav now received a total of 10 granted national approvals.

Of the two API manufacturers originally included in our registration file, only one was approved. This is why we have limited access to terbinafine in the near term, where Sweden is the priority market.

"We reached our goal of launching the product during the "February window" in 2024. This means that MOB-015 is now available to Swedish patients ahead of high season in Q2 for those who want to begin the journey towards attractive, fungus-free nails before sandal season and the summer holiday."

Together with our intended terbinafine supplier, we have submitted an application to add them for MOB-015. Approval is expected before year-end. Additionally, we are working actively to secure another terbinafine supplier, thus giving us two parallel tracks to ensure a stable supply of terbinafine ahead of the planned pan-European rollout.

In total, five agreements are in place with commercial partners for MOB-015: Cipher Pharmaceuticals for Canada, Padagis in Israel, DongKoo in in the Republic of Korea, Allderma in Scandinavia and the Consumer Health division of Bayer for Europe. The agreements give these partners exclusive rights to market and sell MOB-015 in each respective market, while Moberg Pharma is responsible for production and supply. Within the framework of the agreements Moberg Pharma can receive milestone payments of up to a total USD 70 million upon successful development and commercialization, in addition to royalties and compensation for delivered products.

Previously, Moberg Pharma has successfully commercialized products in the U.S. and has therefore retained the rights to MOB-015 for the U.S. market. The aim is to repeat the journey taken with Kerasal Nail®, where direct sales in the U.S. was combined with strategic collaborations in a number of major territories.

The U.S. is by far the largest market and in the case of MOB-015 corresponds to around half of the global market, approximately USD 175-250 million in potential annual sales of an estimated total sales potential of USD 250–500 million. The most important markets for MOB-015 are expected to be the U.S., EU, Japan, Canada and China, all with patent protection. In addition to granted patents, the company also has ongoing patent applications which, if approved, could provide significantly longer patent protection.

Market approval in the EU is based on two Phase 3 studies that provide strong support for MOB-015. The primary endpoint was

"We are now in a transformation phase from a late-stage pharmaceutical development company to launching the competencies needed to be a company with the approval to sell pharmaceuticals. This means among other things more focus on quality assurance, product supply and strategic market issues."

reached in both Phase 3 studies with a total of more than 800 patients, where the mycological cure was achieved in 76 percent of the patients, the highest among topical treatments and on par with oral treatment, but without the risk of serious side effects. For market approval in the U.S., the FDA normally requires two studies that demonstrate superiority (statistically superior to the comparator) for the primary endpoint. We have one of the studies in place in the completed North American Phase 3 study. A second North American study is now being conducted to enable registration in the U.S. market. An important milestone was the conclusion of patient enrollment in North America in early October, by a wide margin within 2023, thanks to the outstanding efforts of the team and engaged investigators. A total of 384 patients have been randomized at 33 study centers in the U.S. and Canada.

The timing when the last patient is enrolled in the study determines the timeline when data can be presented, and thanks to the fact that enrollment was completed in October, we expect to be able to present topline results as soon as January 2025.

Patients are being evaluated over 52 weeks and the primary endpoint is the percentage of subjects achieving complete cure of their target nail. The study design builds on the experience gained from previous Phase 3 studies and Moberg Pharma is cooperating with the same CRO, same lead investigator and high-performance clinics from the previous North American study. The purpose of the new study is to facilitate market approval in the U.S. as well as strengthen the product's clinical evidence and marketing claims globally.

The company is now in a transformation phase from a late-stage pharmaceutical development company to launching the competencies needed to be a company with approval to sell pharmaceuticals. This means among other things more focus on quality assurance, product supply and strategic market issues.

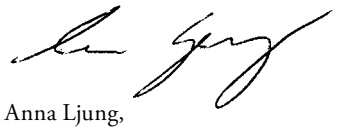
As we enter a commercial phase, we strengthened the management team during the year by adding Christina Erixon as Head of Pharmaceutical Development & Operations and Robert Ehrl as Head of Supply. Both roles have been expanded from part-time consultants to full-time positions.

"The fact that the launch has begun in our home market is important since Sweden becomes a reference market for partners in new territories. The launch will provide valuable insight into consumer behavior, patient feedback and user data to support a direct Rx to OTC switch in more countries."

We also completed a directed issue of units in 2023, which strengthened the company's cash position. The net proceeds are being used to finance clinical and regulatory activities for MOB-015 as well as preparations ahead of market launch.

The fact that the launch has begun in our home market is important not only for the direct revenue that is expected, but also because Sweden becomes a reference market for partners in new territories. The launch enables us to gain valuable insight into consumer behavior, collect patient feedback and provide user data to support a direct Rx to OTC switch in more countries.

The Swedish launch in 2024 is therefore an important springboard to realize our vision – to make MOB-015 the leading nail fungus treatment worldwide. We took a big step forward in 2023 with the approval. Now we look forward to continuing the journey!



Anna Ljung,
CEO of Moberg Pharma

Significant events during the year 2023

March: Moberg Pharma regains full rights to MOB-015 in Japan.

April: The Nomination Committee proposed Håkan Wallin as a new member of the Board of Directors.

May: Progress according to plan with regulatory interactions in the EU, 120-day report and subsequent 145-day questions received.

May: The Annual General Meeting on May 16 resolved to among other things implement a long-term incentive plan as well as a reverse share split. Håkan Wallin was elected as a new Board member.

June: The Decentralized Procedure ended with a positive outcome and MOB-015 is recommended for national approval in 13 European countries for the treatment of mild to moderate fungal infections of the nails in adults.

- Approval in the European Union represents the first marketing authorizations for Moberg Pharma's new onychomycosis treatment worldwide.
- Approval is supported by two Phase 3 trials where MOB-015 demonstrated superior levels of mycological cure (76% vs up to 42% for comparators) and a significantly better complete cure rate compared to vehicle, without any serious adverse reactions.
- MOB-015 is a topical formulation of terbinafine, enabling effective concentrations of terbinafine to the nail and nail bed while avoiding the risk of systemic exposure seen with oral terbinafine use.

June: The rights issue of units comprised of shares and warrants was resolved by the Board of Directors on June 28. The Board of Directors also resolved on a directed issue to guarantors in the rights issue.

June: The commercialization rollout will be a two-step process, planned to start in the company's home market of Scandinavia. Step 2 of the launch will be a pan-European rollout, following the results of the ongoing North American study. Short term the company has limited supply of the active substance terbinafine as only one of the two original terbinafine manufacturers included in the registration file was approved.

July: First national approval was received in Ireland.

August: National approval was received for the company's home market. Sweden was the second country that has granted national approval for MOB-015 and the first market where MOB-015 has been approved for OTC sales.

August: Moberg Pharma's rights issue of SEK 100 million was oversubscribed – subscription rate 130%. The Board of Directors' resolutions were approved by the Extraordinary General Meeting on August 8 and the Extraordinary General Meeting on October 9.

October: Enrollment in the North American study is completed by a wide margin in 2023; 384 patients have been randomized at 33 study centers in the U.S. and Canada. Topline results are expected in January 2025.

November: Market update, national approvals have been received in the following countries: Austria, Czech Republic, Denmark, Finland, France, Hungary, Ireland, Norway, Spain and Sweden.

November: The organization was strengthened ahead of upcoming launch. The management team added two new members in Christina Erixon, Head of Pharmaceutical Innovation & Operations, and Robert Ehrl, Head of Supply. Both roles have been expanded from part-time consultants to full-time positions.

Business model

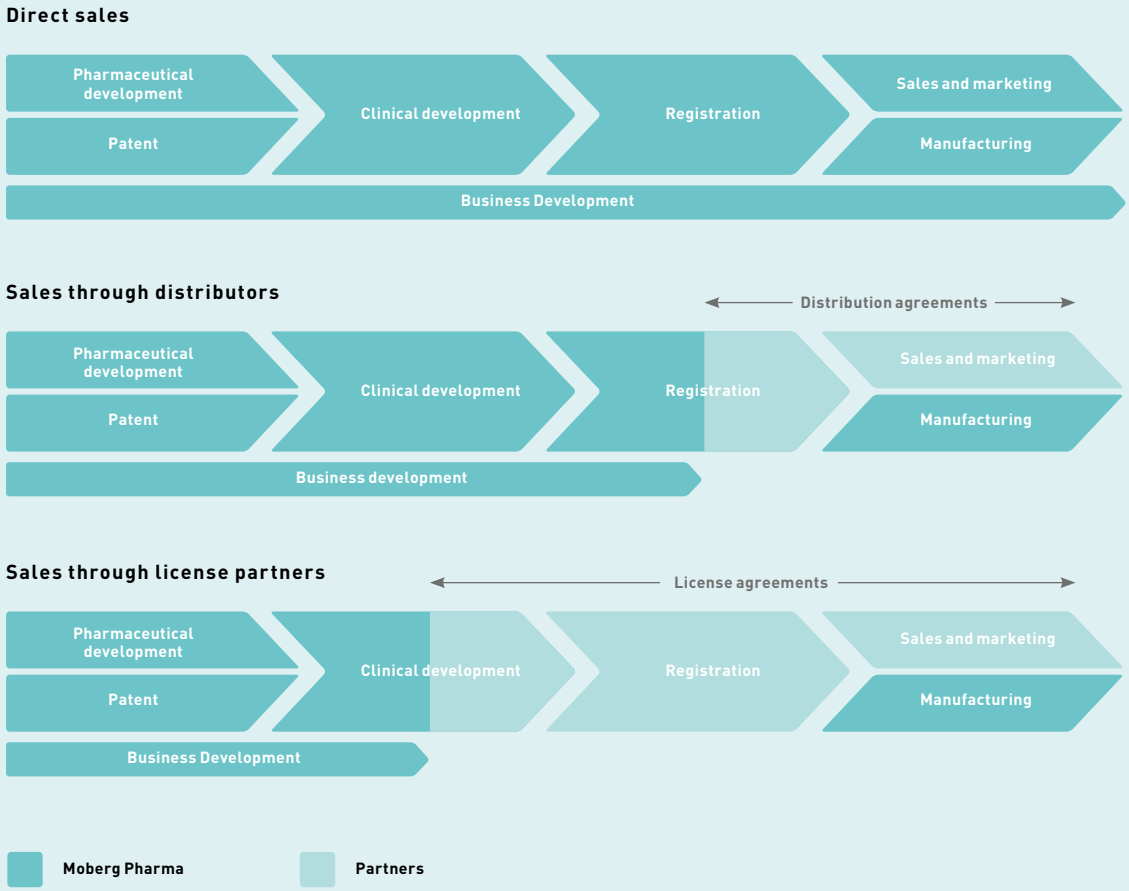
Goal

Moberg Pharma's goal is to make MOB-015 the leading treatment alternative for nail fungus globally and to build a specialist pharmaceutical company with its own sales in the U.S. and sales through partners in other markets. With MOB-015 as an anchor, the company intends to expand its product portfolio with more proprietary and acquired products in related areas.

Business model

Moberg Pharma's business model includes direct sales and sales through distributors and partners. Product development is based on proven compounds, reducing time to market, development costs and risk compared with conventional drug development. Phase 2 trials for our projects are fairly quickly initiated to evaluate the product in a limited number of patients.

The choice of regulatory route is important – Moberg Pharma has experience with products that can be registered as pharmaceuticals, medical devices or cosmetics. The business and marketing team at Moberg Pharma has extensive experience in global product development and commercialization. The organization is complemented by external expertise in areas including clinical development, production and commercialization. This work is underpinned by valuable experience from the commercialization of Kerasal Nail®, the company's first-generation nail fungus product.



World-leading anti-fungal effect

- 76% mycological cure in Phase 3
- Topical terbinafine for treatment of nail fungus
- Negligible systemic levels of terbinafine

Estimated global sales potential

- USD 250-500 million per annum
- Partners in Europe, Canada, Israel and the Republic of Korea
- Two-step launch plan, beginning in Scandinavia followed by pan-European launch
- Nail fungus affects 10%, more common among older people

Launch ongoing in Sweden under brand name Terclara®

- National marketing authorization received in 10 EU countries, recommended for approval in additional 3 EU countries
- Phase 3 studies completed in North America, n=365, and Europe, n=452. Primary endpoints reached without serious side effects
- New Phase 3 study for North America ongoing, n=384

Patent protection until 2032 and additional ongoing patent applications

- Patents granted in major markets, including the U.S., the EU, Canada, Japan and China
- Patents include new topical formulations of allylamines (including terbinafine) and treatment methods for nail fungus using the new formulations

MOB-015

MOB-015 is a nail fungus treatment aimed at both over-the-counter (OTC) and prescription markets around the world. With an annual global sales potential of USD 250-500 million, the company is confident that MOB-015 has the potential to become the future market leader in the treatment of nail fungus.

The patented formulation technology facilitates the delivery of high concentrations of the proven antifungal substance terbinafine into and through the nail. MOB-015 also has a softening and keratolytic effect that contributes to rapid improvement.

Nail fungus is very common and affects around 10% of the general population[1]. There are a number of topical treatments on the market, both OTC and prescription. While the most effective treatment at present is oral, based on the same antifungal substance as MOB-015 (terbinafine), oral treatment is also associated side effects such as interactions with other medications and liver damage, which are avoided with topical treatment[2]. Dermatologists around the world agree on the great need for better topical treatments without the risk of liver damage and systemic side effects. There is therefore great interest in MOB-015, which meets this need by administering terbinafine locally. The product is patent protected until 2032 in most major markets, including the U.S., EU, Japan and China. In addition to granted patents, Moberg Pharma also have ongoing patent applications which, if approved, could provide significantly longer patent protection. Furthermore, by submitting a full registration application, Moberg Pharma have data exclusivity/market protection in Europe until 2033.

Around five million nail fungus treatments are prescribed annually in the American market[3], which is driven by an aging population The majority of patients, however, are untreated or do not complete treatment for various reasons, including unsatisfactory outcomes from existing products. Previous launches show that the market is highly receptive to new products and that the patient base increases when a new product is launched. With 30–40 million Americans affected by nail fungus, there is significant opportunity to grow the market with a new, effective treatment.[4] A survey conducted in 2017 of 90 US physicians (podiatrists and dermatologists) concluded that there is high demand for better topical treatments without the safety issues associated with oral treatments. Seven of ten physicians stated that they avoid prescribing oral terbinafine due to the risk of liver damage. Six of ten stated that they would prefer a topical treatment with MOB-015's profile to other topical treatments available on the market today, compared with just 6-15% who would continue to prescribe existing treatments. In a follow-up question for the physicians who prescribe oral treatment, 65% said they would prefer a topical treatment with MOB-015's profile, alone or in combination with oral terbinafine, to avoid the risk of liver damage.

Market conditions vary from one region to the next, with prescription treatments, high list prices (more than USD 500/month) and extensive discount systems in the U.S., Japan and Canada among other countries, and lower-priced OTC treatments (about USD 15-40/package) in other regions such as the EU, MENA and Asia. Assuming an 8-12% market share in the U.S. and industry standard discounts, the potential revenue for MOB-015 in the U.S. alone is USD 150–300 million and USD 50-100 million each in Japan/Canada and the EU/rest of the world, respectively.

Over the years with the OTC business, Moberg Pharma has gathered valuable knowledge and experience ahead of the commercialization through Kerasal Nail®, where the company have been involved in, or responsible for, marketing in a large number of regions, including the U.S. In the U.S., the emphasis this time is on the considerably larger prescription market for nail fungus treatments. The company sees a very interesting opportunity to build our own commercial platform in the U.S. to target podiatrists with MOB-015 as the main product, and which will be complemented going forward by additional niche products. Moberg Pharma also intends to collaborate with a U.S. partner that has an established sales force targeting dermatologists.

USD 250-500m potential global product sales for MOB-015

US **USD 150–300m**	**US Rx potential** USD 150–300m (pricing on par with branded competitors and a target market share of 8 - 12%)
Other Rx markets **USD 50 –100m**	**Other Rx markets, E.G., Japan and Canada** USD 50–100m (USD 40–100/unit ex factory and targeting a market share of 10–20%)
ROTC markets **USD 50–100m**	**OTC markets in EU and ROW** USD 50–100m (3.5 - 7 million units à EUR 15/unit ex factory)

1) PLoS Pathog, 2014 Jun, 10(6):e1004105.
2) See https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4047123/ concerning oral treatments.
3) Market data – filled prescriptions.
4) Based on 10% of the population

cipher PHARMACEUTICALS

Agreement with up to USD 14.6 million in milestones. The Canadian market for OTC nail fungus drugs is steadily growing.
Market size: USD 58 million.

Allderma Pharmaceuticals

Collaboration with Allderma AB in Scandinavia. Allderma sells MOB-015 in Sweden under the brand name Terclara®. Allderma is managed by the commercial leaders who were responsible for the Nordic launch of Nalox®, Moberg Pharma's first-generation nail fungus product.
Market size: USD 10 million.

BAYER

The Consumer Health division of Bayer AG for Europe, world leader in OTC fungus treatments with the brand Canesten. Agreement with up to EUR 50 million in milestones.
Market size: USD 200 million.

Padagis

Padagis is a leading provider of extended topical and other specialty pharmaceuticals in Israel. Distribution agreement with attractive margins.
Market size: USD 7 million.

DongKoo Bio&Pharma Co.,Ltd.

Market leader in dermatology in the Republic of Korea, with superior coverage of dermatology clinics.
Market size: USD 40 million.

Moberg PHARMA

For the US, Moberg Pharma knows consumer marketing in the nail segment well, having previously taken Kerasal Nail® from launch to a leading position with 30 % market share, sold at more than 30,000 sales locations in the U.S.. The focus this time is on the considerably larger prescription market for nail fungus treatments.

Partners are in place markets valued at over

USD 300m

Clinical development and results

The clinical program that serves as the basis of the drug's approval in the EU comprises seven clinical studies in which a total of 953 patients have been treated with MOB-015.

Phase 3 study North America

MOB-015 met both the primary endpoint and key secondary endpoints in the study. The study included 365 patients with mild to moderate onychomycosis who received daily treatment. By week 52, significantly more MOB-015 patients had achieved complete cure compared with the vehicle (p=0.019). The primary endpoint, the proportion of patients who achieved complete cure of their target toenail at 52 weeks, was achieved in 4.5 percent of patients for MOB-015, but in none of the patients who received the vehicle. Complete cure is a composite measure of efficacy that requires both a completely clear nail and mycological cure. Mycological cure was achieved in 70 percent of the patients (p<0.0001). Mycological cure in combination with completely or almost completely cured toenail was achieved in 15.4 percent of the patients (p=0.0018). A clear majority (83 percent) of the patients completing the study reported visible improvement from MOB-015 as early as 12 weeks after starting treatment, and at week 52, 33 percent reported that their treated toenails were cured or almost completely cured. No safety issues were identified in the trial and no serious adverse events related to MOB-015 were reported. The low proportion reporting complete cure found in an expert analysis was due to temporary whitening caused by an elevated water content in the nail. The experts concluded that this can remedied by adjusting to a shorter daily treatment period followed by a maintenance period.

Phase 3 study Europe

MOB-015 achieved the primary treatment goal and no serious adverse events were reported. The EU study showed that treatment with MOB-015 is just as effective (non-inferior) as treatment with ciclopirox. The primary endpoint, the proportion of patients achieving complete cure of their target toenail at 52 weeks, was achieved in 1.8 percent of patients receiving MOB-015 and 1.6 percent of patients receiving ciclopirox. Mycological cure was achieved in 84 percent of patients who received MOB-015, significantly better than 42 percent for ciclopirox. Combination with completely or almost completely healed nail was achieved in 21.9 percent of patients with MOB-015 compared with 18.9 percent with ciclopirox. The study confirms the rapid onset of the anti-fungal effect of MOB-015 seen in the North American study, with 46 percent fungus-free patients as early as after 12 weeks of treatment.

Phase 2 study Europe

A previous clinical Phase 2 study observed that MOB-015 delivers high microgram levels of terbinafine to the nail and to the nail bed, 40 times higher than with oral treatment*. Plasma levels of terbinafine after MOB-015 treatment were significantly lower than with tablet treatment (1000 times lower), which reduces the risk of liver damage and other systemic side effects associated with tablet treatment. Although patients with more widespread nail fungus were included, an average of 60 percent of the nails were affected, 54 percent of patients reached the primary treatment goal of mycological cure.

Ongoing phase 3 study in the U.S.

For market approval in the U.S., the FDA normally requires two studies that demonstrate superiority (statistically superior to the comparator) for the primary endpoint. An additional North American study is ongoing to enable registration in the U.S. market.
Moberg Pharma submitted documentation on the new study to the FDA in March 2022, the first patient was enrolled in May 2022 and the enrollment of 384 patients was completed in October 2023. Topline results are expected in January 2025. The randomized, vehicle-controlled, multicenter Phase 3 study is being conducted at 33 study centers in the U.S. and Canada. The patients are evaluated over 52 weeks and the primary endpoint will be the proportion of subjects achieving complete cure of their target nail. The study design builds on the experience gained from the previous Phase 3 studies and Moberg Pharma is cooperating with the same CRO, same lead investigator and high-performance clinics from the previous North American study. The new study has a shorter treatment period followed by maintenance treatment, which increases the attractiveness of the product profile for MOB-015 with the goal to achieve a high level of complete cure while maintaining a high level of mycological cure.

Pediatric study Europe

After the approval from the EMA's paediatric committee Moberg Pharma conducts a pediatric study with 30 children in Europe. This study does not affect the approval process for adults, but when approval can be expanded to include use by children.

* Based on limited amount of data. Faergemann, Rensfeldt. An open, single center pilot study of efficacy and safety of topical MOB015B in the treatment distal subungual onychomacosis. Poster at AAD 2015.

Sustainability

At the core of a sustainable society are health and well-being. To be a long-term successful company, we are convinced that you must be part of the solution to the world's sustainability challenges. Sustainability is therefore an important and a clear part of Moberg Pharma´s focus.

Our vision for the future is to continue working on strengthening our social and environmental responsibility, which is crucial for long-term success and the opportunity to contribute to a sustainable society.

Moberg Pharma contributes to the UN´s Sustainable Development Goals

The global goals, the 2030 Agenda (UN's sustainable development goals, SDGs), shall contribute to socially, economically and environmentally sustainable development and be achieved by 2030. Moberg Pharma contributes both directly and indirectly to the majority of these goals.

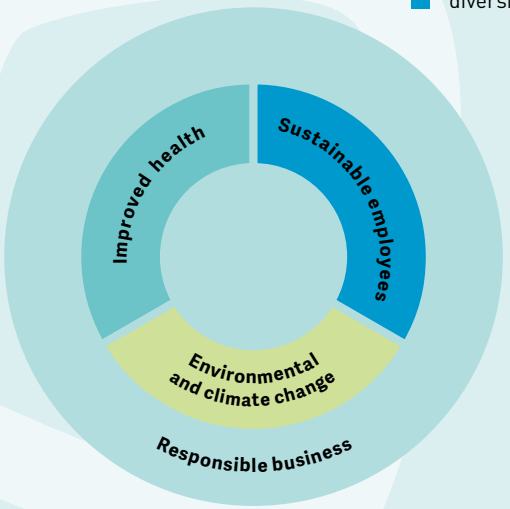
Our sustainability strategy is based on four focus areas

Improved health

We develop innovative medicines to meet medical needs in Sweden and the rest of the world.

Sustainable employees

Create a healthy working climate in all our teams where equality, inclusion and diversity are a matter of course.



Environmental and climate change

Our ambition is to reduce our impact on environmental and climate change across all our activities and our products.

Responsible business

Responsible entrepreneurship based on trust, transparency, integrity and zero tolerance for corruption is central to all operations and a basis for sustainability work.

Team

The ability to attract, motivate and retain the right people is fundamental to Moberg Pharma's growth strategy. We look for experienced people with drive, commitment and integrity, and in return offer a stimulating, supportive teamwork environment and an entrepreneurial culture.

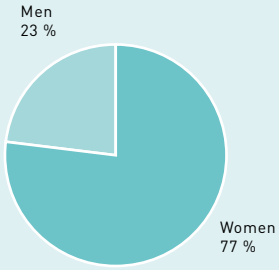
People
Moberg Pharma has 13 co-workers, of whom 10 are employed by the company while the others are consultants. We employ people with a range of specialties and extensive experience in pharmaceuticals. In addition, the company has a number of external suppliers, partners and consultants around the world, providing services within manufacturing, clinical development and sales.

The ability to attract, motivate and retain the right people is fundamental to the company's growth strategy. Moberg Pharma aspires to recruit the best employees and partners globally within our focus areas. We look for experienced people with drive, commitment and integrity. We believe that a diverse workforce benefits the business and enables us to think outside the box. In return, we offer a stimulating, supportive teamwork environment and an entrepreneurial culture that emphasizes the importance of individual contributions.

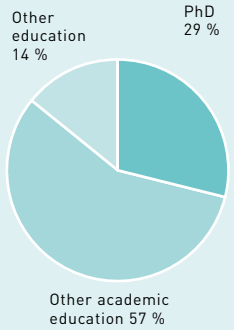
These values are also incorporated into our compensation programs, which include both short-and long-term incentives for all employees. Moberg Pharma encourages innovation and initiative and rewards performance at an individual, team and company level.

Manufacturing
Moberg Pharma works with partners and consultants to find the best solutions to develop, manufacture and distribute products with the smallest possible impact on the environment and the highest ethical standards. The company's internal department for sourcing and quality assurance is responsible for the network of contract manufacturers and distributors to ensure that we meet regulatory requirements.

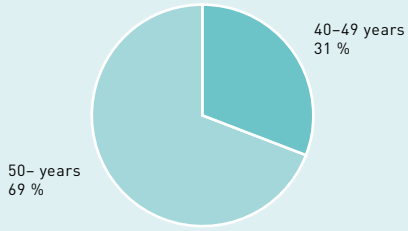
Gender distribution*



Education level*



Age distribution*



* Based on 13 co-workers, including both employees and consultans

Corporate Governance Report - responsible, sustainable and efficient

Moberg Pharma AB (publ) hereby submits the 2023 corporate governance report, which summarizes how corporate governance is organized and how it has been conducted and developed within the Group in the financial year 2023. This corporate governance report was reviewed by the company's auditor. The auditor's opinion can be found on page 26.

In a constantly changing world, with a focus both internally and externally on good corporate governance, Moberg Pharma is working to continuously improve its corporate governance model. Good corporate governance leads to better quality in the decisions made by those who manage the business. Moberg Pharma's focus on product quality, the environment and sustainability, responsible leadership and ethical decision-making also contributes to a sustainable business and long-term value creation.

Following market approval in 2023, Moberg Pharma is now in a transformation phase from a late-stage pharmaceutical development company to launching the competencies needed to be a company with pharmaceuticals on the market. This means among other things more focus on quality systems and sourcing. Corporate governance work creates the conditions for Moberg Pharma to ensure that it meets the expectations it faces, including how sustainability issues are integrated throughout the business.

"Moberg Pharma's focus on product quality, the environment and sustainability, responsible leadership and ethical decision-making contributes to a sustainable business and long-term value creation"

One focus area in 2023 was to work with continuity risks in the company's operations, including securing a long-term supply of terbinafine. This work will continue in 2024. All in all, the corporate governance year resulted in further improvements that even better equip Moberg Pharma for the future.

About the report

This corporate governance report has been prepared and adopted by the Board of Directors of Moberg Pharma AB (publ) in accordance with the provisions of the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. The corporate governance report presents an overview of Moberg Pharma's corporate governance, including a description of the system for internal control as well as risk management of the financial reporting.

Updated information on Moberg Pharma's corporate governance in accordance with the requirements in the Swedish Code of Corporate Governance are available on www.mobergpharma.com/investors/corporate-governance. Information on the website does not constitute part of this corporate governance report.

Moberg Pharma's overarching corporate governance structure

Moberg Pharma's overarching corporate governance structure is determined partly by external regulations and partly by internal operational frameworks.

Moberg Pharma as a company

Moberg Pharma AB (publ), corporate registration number 556697-7426, is a Swedish limited liability company headquartered in Stockholm, Sweden.

The head office is located in Stockholm. The company shall engage in the development, manufacture, direct and indirect sale, marketing and licensing of pharmaceuticals, medical technology products and skincare products, and other activities compatible therewith.

The company's articles of association do not contain any limitations on how many votes each shareholder can cast at a general shareholders meeting. There are no special provisions on the appointment and dismissal of Board members or on revisions to the articles of association.

The articles of association are available on Moberg Pharma's website, https://www.mobergpharma.com/investors/corporate-governance/articles-association.

The share and shareholders

The company's share has been listed on the Small Cap segment of Nasdaq Stockholm (OMX: MOB) since 2011. The total number of shares is 28,407,452. All are ordinary shares with a quotient value of SEK 1.

At the end of the financial year 2023, the single largest shareholder, Östersjöstiftelsen, held 11.5% of the outstanding shares and votes in the company and was the only direct or indirect shareholder with a shareholding in the company representing at least one tenth of the votes for all shares in the company.

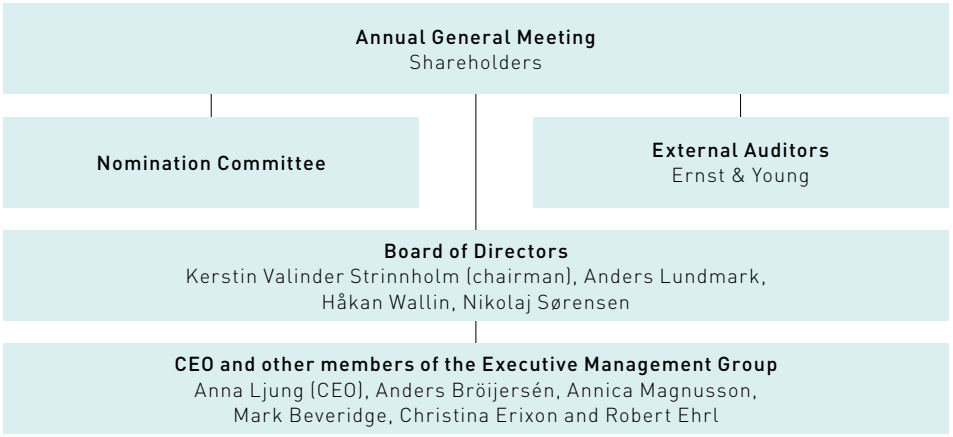
For more information on shareholders and the Moberg Pharma share, see the Annual Report on pages 178–180 as well as on www.mobergpharma.com/investors.

Swedish Corporate Governance Code, Nasdaq Stockholm rules and good practice on the stock market

In addition to Swedish legislation, rules and regulations, applicable EU regulations, other applicable laws and regulations, best practices on the stock market and Nasdaq's Rulebook for Issuers, corporate governance is based on the Swedish Code of Corporate Governance and applicable instructions, which are available on www.bolagsstyrning.se. Companies do not have to comply with all of the Code's rules and may instead choose alternative solutions that they deem to be better suited to their circumstances, provided that any instances of noncompliance are reported; the alternative solution is described and the causes are explained (comply or explain approach) in the corporate governance report. Moberg Pharma complies with all of the Code's rules, based on the version of the Code per December 31, 2023. Nasdaq Stockholm's Rulebook for Issuers are available on www.nasdaqomxnordic.com and the Swedish Securities Council's rulings on good practice in the Swedish stock market are available on aktiemarknadsnamnden.se.

No breaches of stock exchange rules or good practice

There have been no breaches of stock exchange rules, nor have any breaches of good practice on the securities market been reported by the Disciplinary Committee of Nasdaq Stockholm or the Swedish Securities Council.



Principal governing bodies within Moberg Pharma

The principle governing bodies within Moberg Pharma are as follows:

- The Annual General Meeting of Moberg Pharma
- The Board of Directors of Moberg Pharma
- The CEO and management of Moberg Pharma

Frameworks: Internal regulatory structures and policies that affect corporate governance

- Articles of association
- Board of Directors' Rules of Procedure and CEO's Instructions
- Remuneration Principles for Senior Executives
- Risk Management Policy
- Sustainability policy
- IT policy, data protection policy, data breach policy
- Handbooks for financial control, human resources and occupational health & safety
- Information policy
- Code of Conduct

Shareholders' meetings

In accordance with the Swedish Companies Act, Moberg Pharma's highest decision-making body is a general meeting. At general meetings, shareholders exercise their right to vote on key issues, such as the adoption of the statement of comprehensive income and financial position, appropriation of the company's earnings, discharge of the Board of Directors and Chief Executive Officer from personal liability, election of Board members and auditors, and remuneration of the Board of Directors and auditors. In addition to the Annual General Meeting, extraordinary general meetings may also be convened. The articles of association state that official notice of an AGM or Extraordinary general meeting must be provided in the form of an advertisement in Post- and Inrikes Tidningar and published on Moberg Pharma's website. Information that the official notice of an AGM or general meeting has taken place is published in Dagens Industri.

Right to attend a general meeting

Shareholders who wish to attend a general meeting must be registered in the shareholder register maintained by Euroclear five working days before the meeting and must also notify the company that they will attend the meeting no later than the date stated in the notice of the Meeting. In addition to notifying the company of their attendance, shareholders whose shares are registered in the name of a nominee via a bank or financial institution must, via the nominee, temporarily register their shares in their own name with Euroclear to be entitled to attend the meeting. Shareholders should notify the nominee about this in good time before the reconciliation date. Shareholders may attend the general meeting in person or via an authorized representative and may be accompanied by up to two advisors. One share entitles the holder to one vote at general meetings, and there are no limits as to how many votes each shareholder can cast at a general meeting. Resolutions at general meetings require a simple majority, except in cases where the Annual Accounts Act requires a higher percentage of shares represented at the meeting as well as votes cast. Shareholders are normally able to register for a general meeting in several ways, details of which are given in the notice of the meeting.

Shareholder initiatives

Shareholders who wish to have a particular issue addressed at a general meeting are required to submit a written request to the Board of Directors. Such requests should normally be received by the Board no later than seven weeks before the general meeting.

Moberg Pharma's website provides the minutes from and information on the company's previous general meetings; see www.mobergpharma.com/investors/corporate-governance/general-shareholders-meetings.

Annual General Meeting 2024

The 2024 Annual General Meeting will be held at 2:00 p.m. on May 14, 2024 at the offices of Advokatfirman Schjødt, Hamngatan 27 in Stockholm. The shareholders are provided the opportunity to vote by mail. Shareholders must submit requests no later than March 26, 2024 if they wish to have a matter considered at the Annual General Meeting.

Annual General Meeting 2023

The Annual General Meeting for the financial year January – December 2022 convened on May 16, 2023 in the company's head office in Stockholm. The Annual General Meeting resolved in accordance with the Board of Directors' and the Nomination Committee's proposals as set out below:

- Adoption of the income statement and balance sheet. The Annual General Meeting discharged the Board members and the CEO for the financial year 2022
- No dividend was paid for the financial year 2022
- Unchanged remuneration to the Board of Directors and auditor
- Re-election of Chairman of the Board Kerstin Valinder Strinnholm and Board members Nikolaj Sörensen and Anders Lundmark as well as election of Håkan Wallin as a new Board member
- Approval of the remuneration report
- Resolution on reverse share split and amendments of the limits for the share capital and the number of shares in the articles of association, by consolidating ten (10) existing shares into one (1) new share (Sw: Sammanläggning 1:10)
- Resolution to implement a long-term incentive program
- Resolution to authorize the Board of Directors to resolve to increase the company's share capital by issuing new shares equivalent to a maximum of twenty (20) percent of the shares in the company

Extraordinary General Meeting, August 8, 2023

The Extraordinary General Meeting resolved to approve the Board of Directors' resolution on June 28, 2023 on a new issue of units consisting of ordinary shares and warrants of series 2023:1 with preferential rights for current shareholders in the company, whereby each unit consists of one ordinary share and one free warrant of series 2023:1.

Extraordinary General Meeting, October 9, 2023

The Extraordinary General Meeting resolved to approve the Board of Directors' resolution on September 8, 2023 on the issue of 664,370 warrants of series 2023:1 to guarantors who chose to receive their guaranty commission in the form of units in the rights issue of units, consisting of ordinary shares and warrants of series 2023:1, resolved by the Board of Directors on June 28, 2023.

Board of Directors

The Board of Directors is the company's second highest decision-making body after the general meeting. Under the Companies Act, the Board is responsible for the company's administration and organization, which means that the Board is responsible for adopting goals and strategies, ensuring that procedures and systems for evaluating adopted goals are in place, monitoring Moberg Pharma's financial position and results and evaluating the company's operational management. The Board is responsible for ensuring that the Annual Report and consolidated financial statements and interim reports are prepared in time. It also appoints the Chief Executive Officer. Board members are elected each year at the AGM for the period until the end of the next AGM. According to Moberg Pharma's articles of association, the Board should consist of at least three and no more than ten Board members and no more than two alternates. According to the Code, no alternates are to be appointed for AGM-elected Board members.

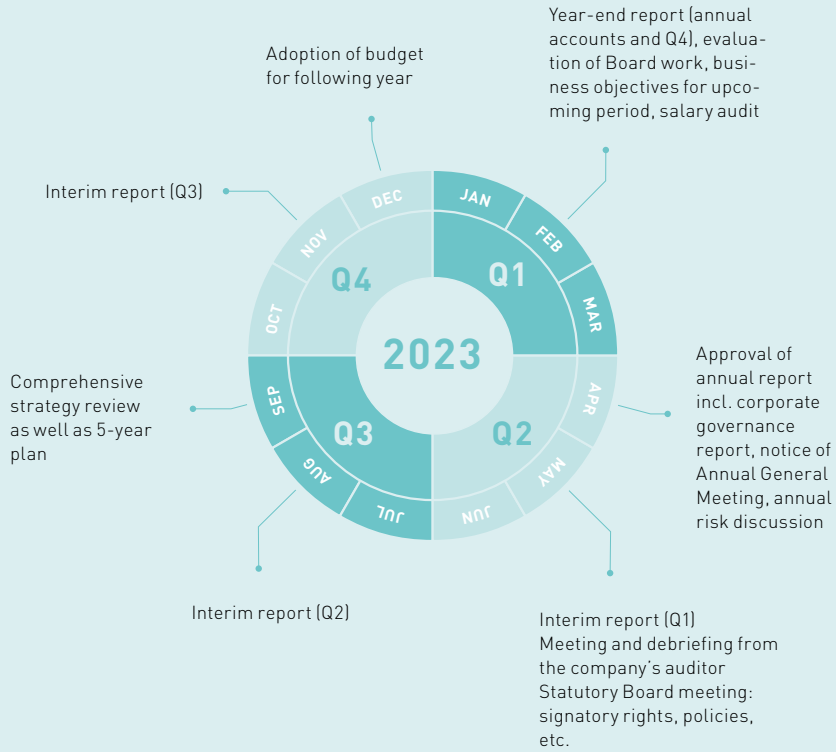
The Chairman of the Board is elected by the AGM and holds a special responsibility for leading the work of the Board and ensuring that the Board operates in an organized and efficient manner. The Chairman of the Board is not involved in the operational management of the company.

The Board operates in accordance with written rules of procedure that are reviewed and adopted annually at the statutory Board meeting. The rules of procedure regulate Board procedures, functions and the division of responsibilities between the Board members and CEO. In connection with the first Board meeting, the Board also establishes instructions for financial reporting and instructions for the CEO.

The Board normally meets four to six times a year. Besides these meetings, additional meetings can be arranged to deal with issues that cannot be referred to a regular meeting. In addition to Board meetings, the Chairman of the Board and the CEO have an ongoing dialogue on significant issues for the company. Moberg Pharma conducts an annual evaluation of the Board's work. The 2023 evaluation focused mainly on issues concerning the Board's management and working methods, the quality of the Board's working methods, control systems and underlying documentation, and the Board's composition and competence. The results have been presented to and discussed within the Board and have also been shared with the Nomination Committee. Moberg Pharma's Board currently consists of four members. The company has no committees, the work is performed by the Board in its entirety, as separate audit or remuneration committees are not considered justified in view of the company's operations and the composition of the Board. A presentation of the Board members can be found in the annual report on page 20.

	Attendance (no. of Board meetings 2023)	Directors' fees 2022, SEK 000	Elected	Independent in relation to Company	Independent in relation to Owners
Chairman of the Board					
Kerstin Valinder Strinnholm	20	360	2022	Yes	Yes
Board members					
Mattias Klintemar (until 2023-05-16)	5	71	2015	Yes	Yes
Nikolaj Sörensen	20	170	2021	Yes	Yes
Anders Lundmark	20	170	2022	Yes	Yes
Håkan Wallin (elected 2023-05-16)	15	99	2023	Yes	Yes

Annual cycle of board meetings



Extraordinary Board meetings are typically held to address special or emergency issues related to various themes such as financial issues, partner discussions, risk management and investments.

Board of Directors

KERSTIN VALINDER STRINNHOLM, Chairman. Born 1960. Active in the company since 2022. Kerstin holds a degree in journalism from the University of Gothenburg, Sweden. Kerstin brings more than 30 years of international pharma experience. She has worked in leading positions at, e.g., Astra Zeneca and Nycomed/Takeda, with a primary focus on commercial and strategic areas. Currently, Kerstin acts as business advisor on transactions within the life science field and is member of the board of Camurus AB and Immedica AB. Shareholding: 24,166 shares and 15,466 warrants TO2.

ANDERS LUNDMARK Born 1958. Member since 2022. Anders holds a Master of Science in Business Administration and Economics from the Uppsala University. Anders Lundmark is a partner and co-founder of Tellacq Partners, an investment company focused on life science. He has 25 years of experience as a CFO along with growth-related operational responsibilities. He has worked extensively under private equity regimes as well as in both listed and privately held companies, including as CFO of Phadia Group, Iggesund Paperboard, Trelleborg Industries and Observer/Cision. Anders Lundmark is member of the board of Biosite Holdings AB, Antrad Medical AB, Tellacq Group AB and Secure Appox AB. Shareholding: 201,406 shares and 64,800 warrants TO2.

NIKOLAJ SØRENSEN Born 1972. Member since 2021. Nikolaj Sörensen more than 20 years of experience in the life sciences and pharmaceuticals in Sweden and internationally. Nikolaj Sörensen is currently CEO of Orexo AB. Previously, he held several executive positions at Pfizer and served as a strategy consultant at Boston Consulting Group (BCG). Nikolaj Sörensen has an M.Sc. in International Business from Copenhagen Business School and is member of the board of Gesynta Pharma AB. Shareholding: 20,902 shares and 13,377 warrants TO2.

HÅKAN WALLIN Born 1962. Member since 2023. Håkan has many years of both operative and financial experience from advisory positions as well as from board- and management positions in both listed and non-listed life science companies. Previous positions include responsible partner for the life science sector within corporate finance at ABG Sundal Collier, Head of Business Development at Medivir and Chairman of the Board of Directors in Palette Life Sciences (previously Pharmanest AB) and auditor at Arthur Andersen. Håkan has experience from several other sectors and is today CFO at NP3 Fastigheter AB (publ.) Håkan Wallin is member of the board of Cibola Holding AB and HWA Advisory & Capital AB. Shareholding: 0 shares.

Nomination Committee

The Nomination Committee submits proposals for the election of the Chairman of the Board and other Board members, as well as proposals concerning remuneration and fees for Board members. The Nomination Committee also submits proposals concerning the election and remuneration of auditors.

The Annual General Meeting on May 16, 2023 resolved to entrust the Chairman of the Board to contact the company's two largest shareholders or groups of shareholders (hereby referring to both directly registered shareholders and nominee registered shareholders), according to Euroclear's shareholder register on September 30, 2023. Each has the opportunity to appoint one representative, who together with the Chairman of the Board will make up the Nomination Committee for the time until a new Nomination Committee is appointed by the next AGM. If any of the two largest shareholders or shareholder groups does not wish to appoint a representative, this entitlement transfers to the third largest shareholder or shareholder group and so on until the Nomination Committee consists of three members.

If a member leaves before their work is completed and if the Nomination Committee considers it necessary to replace this member, it will appoint a new member in accordance with the procedure above but based on Euroclear's shareholder register as soon as possible after the member steps down. Any change in the composition of the Nomination Committee must be announced immediately. No fee is paid to members for their work on the committee.

The Nomination Committee's composition leading up to the AGM for the financial year 2023 was announced on Moberg Pharma's website and through a press release on October 17, 2023. The Nomination Committee consists of three members: Gillis Cullin, appointed by the Baltic Sea Foundation; Ida Marie Lindberg, appointed by Kjelsmark Holding; and Kerstin Valinder Strinnholm, Chairman of the Board. The Nomination Committee's proposal to the Annual General Meeting was announced through a press release on February 19, 2024.

Auditor

Moberg Pharma AB (publ)'s auditor is elected by the Annual General Meeting. The auditor audits the annual report, accounting records and consolidated accounts as well as the administration of the company by the Board and the CEO according to generally accepted auditing standards in Sweden. After the end of each financial year, the auditor submits an audit report for the parent company and a consolidated audit report to the AGM. The auditor also audits Moberg Pharma's nine-month report. The Auditor-in-Charge reports his audit to the Board of Directors.

The AGM on May 16, 2023 re-elected the audit firm Ernst & Young AB (Jakobsbergsgatan 24, Box 7850, SE-103 99 Stockholm, Sweden) as the auditor for Moberg Pharma, for a term extending according to the articles of association until the end of the next AGM. Authorized Public Accountant Jens Bertling has been the Auditor-in-Charge since spring 2023. Born in 1981, Jens Bertling is a member of FAR.

Remuneration of auditors

The remuneration paid to the auditor is subject to approval by a general meeting. The AGM on May 16, 2023 resolved to approve remuneration of the auditor on a continuous basis.

In 2023, remuneration of SEK 0.8 million was paid to the auditor, of which audit assignments accounted for SEK 0.6 million, audit work in addition to the assignment for SEK 0.2 million. Audit assignments are defined as the examination of the annual report and accounting records and of the Board of Directors and CEO's administration of the company, other tasks incumbent on the auditor as well as advice and other assistance occasioned by observations made in the course of such examinations or the performance of such other tasks. Audit work in addition to the assignment comprises examinations of other opinions in accordance with the Swedish Companies Act.

Management

ANNA LJUNG, CEO, M.Sc. Econ. Born 1980. Active in the company since 2006. Anna Ljung has more than 15 years of experience in the pharmaceutical industry, including as CFO of other biotech companies such as Athera Biotechnologies AB and Lipopetide AB and as independent technology licensing consultant. She is board member of Saniona AB and ADDvise Group AB. Shareholding: 24,033 shares, 16, 654 warrants TO2 and 450,000 performance share units that may entitle the holder to a maximum of 379,846 shares.

ANDERS BRÖIJERSÉN, Chief Medical Officer. Born 1964. Active in the company since 2023. Anders Bjöijersén is board certified in internal medicine and has more than 15 years of experience from the pharmaceutical industry with leading positions within medical affairs, clinical development and pharmacovigilance in companies such as Sobi, Boehringer-Ingelheim, MSD and InDex Pharmaceuticals. Shareholding: 1,533 shares, 2,005 warrants TO2 and 30,000 performance share units that may entitle the holder to a maximum of 82,958 shares.

ANNICA MAGNUSSON, Senior Director of Regulatory Affairs. Born in 1963. Annica Magnusson has worked for the company since 2013. Annica Magnusson is a pharmacist with more than 20 years of experience in international work within the pharmaceutical industry and Regulatory Affairs at AstraZeneca. She has worked with the development and registration of pharmaceuticals, vaccines and medical de- vices in the EU, U.S., Japan with several markets. Shareholding: 873 shares and 430,000 performance share units that may entitle the holder to a maximum of 324,541 shares.

MARK BEVERIDGE, Vice President Finance, B.Com (Accounting) at University of Western Sydney (Australia) and GradDipCA at Institute of Chartered Accountants Australia. Born 1978. Active in the company since 2015. Mark Beveridge has more than 15 years of experience as a senior advisor in accounting, assurance and auditing, primarily from Crowe Horwath and Visma Services. Mark has also worked as an independent consultant within financial control, transaction consultancy and implementation of business systems. AB. Shareholding: 43,158 shares and 430,000 performance share units that may entitle the holder to a maximum of 324,541 shares.

CHRISTINA ERIXON, Head of Pharmaceutical Development & Operations. Born 1970. Christina Erixon has a broad experience of development, regulatory and quality within the pharmaceutical industry. She has held leading positions within the pharmaceutical industry and at regulatory authorities, including roles as manager of clinical trials at the Swedish Medical Products Agency, senior product developer at AstraZeneca, business manager and associate director Pharmaceutical Development at APL, and most recently as the director of Drug Development at SDS Life Science. Christina Erixon is a pharmacist with a doctoral degree in pharmaceutics from Uppsala University. Shareholding: 0 shares and 0 performance share units.

ROBERT EHRL, Head of Supply. Active in the company since 2023. Robert Ehrl holds a PhD in organic chemistry with over 20 years of broad experience in the pharmaceutical industry. Robert has held leadership positions at AstraZeneca and Valneva Sweden AB, mainly within process development, supply, and manufacturing. He has worked with both small molecule and biological drugs/vaccines, from API to prepackaged product. Shareholding: 0 shares and 0 performance share units.

CEO and other senior executives

The CEO reports to the Board and is primarily responsible for the company's day-to-day operations. The division of responsibilities between the Board and CEO is set out in the rules of procedure governing the activities of the Board and the instructions for the CEO. The CEO is also responsible for drafting reports and compiling information from management in preparation for Board meetings and for presenting the material at the meetings.

Under the instructions for financial reporting, the CEO is responsible for financial reporting in the company and is thus required to ensure that the Board obtains sufficient information to enable it to continuously evaluate Moberg Pharma's financial position.

The CEO is required to keep the Board informed of Moberg Pharma's development, the company's performance and financial position, liquidity and credit situation, important business events and other circumstances that cannot be assumed to be irrelevant for the company's shareholders (including material disputes, the termination of agreements that are important to Moberg Pharma and significant circumstances affecting the company's products and projects).

Remuneration of directors and senior executives

Remuneration of Directors

Fees and other remuneration to the Board of Directors, including the Chairman, are set by a general meeting. At the AGM on May 16, 2023, it was resolved that the Board's fees (on an annual basis), totaling a maximum of SEK 870,000 excluding social security contributions, would be paid and distributed as follows: SEK 360,000 to the Chairman and SEK 170,000 to each of the other Board members.

None of the company's Board members are entitled to any benefits after stepping down from the Board.

Remuneration of senior executives

The AGM on May 16, 2023 resolved on the following principles for remuneration to senior executives of Moberg Pharma: "Senior executives" refer to the CEO, Head of Pharmaceutical Development & Operations, Senior Director Regulatory Affairs, Vice President Finance, Head of Supply and Chief Medical Officer. The remuneration principles also apply to Board members to the extent they receive remuneration out- side the scope of their Board assignment. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed after adoption of the guidelines by the Annual General Meeting 2023. These guidelines do not apply to any remuneration that is decided on or approved by the general meeting. The guidelines are shown in Note 7 in the Annual Report.

Promotion of Moberg Pharma's business strategy, long-term interests and sustainability

Moberg Pharma's business strategy includes in-house sales combined with sales through distributors and partners. The company's product development is performed through proven substances, which reduces the time to the market, the development cost and the risks compared to traditional drug development.

A condition for the successful implementation of Moberg Pharma's business strategy and long-term interests, including its sustainability, is that Moberg Pharma is able to continue to recruit and retain qualified employees, the basic principle being that the remuneration system for the senior executives and other employees is market-based and competitive. These guidelines enable the company to offer the senior executives a competitive total remuneration.

Moberg Pharma has ongoing long-term incentive programs in place that have been resolved by the AGM and therefore are excluded from these guidelines.

The incentive programs consist of performance share units and are designed to promote the company's long-term interests by motivating and rewarding senior executives and other employees. The performance share units have been granted free of charge. All permanent employees who have been employed for at least 12 months as of December 31, 2023 are included in the company's incentive schemes. The number of shares and performance share units held by Board members, the CEO and other senior executives is presented in the annual report on pages 20–22.

The performance requirements used to determine the outcome of Moberg Pharma's long-term incentive programs have a clear connection to the long-term value creation, including its sustainability. LTIP 2021, LTIP 2022 and LTIP 2023 has performance requirements connected to the company's operations and targets. The programs also require a vesting period of three years. For more information on these programs, see Note 19 in the annual report.

2023	Base salary[1]	Variable renume-ration[2]	Other benefits	Pension charges	Share based payments[3]	Other benefits	Total
CEO, Anna Ljung	1,988	561	-	381	581	-	3,511
Other executives (5 pers)	8,305	1,229	-	889	1,224	-	11,647
Total	**10,293**	**1,790**	**-**	**1,270**	**1,805**	**-**	**15,158**

[1] Remuneration to Mark Beveridge and Agneta Larhed has been paid in the form of consulting.

[2] Variable remuneration is attributable to the financial year 2023 and is paid during 2024.

[3] These costs do not involve payment and do not affect the company´s cash flow. Estimated costs for social security contributions is not included in the reported values.

Internal control and risk managementof financial reporting

The overall purpose of internal controls is to provide reasonable assurance that the company's operational strategies and goals are being monitored and that shareholders' investments are protected. Additionally, internal controls shall provide reasonable assurance that external financial reporting is reliable and prepared in accordance with generally accepted accounting practices, applicable laws and ordinances, and the requirements of listed companies. At Moberg Pharma, internal control over financial reporting is designed, for example, to ensure efficient and reliable management and accounting of purchases and sales, other revenue recognition and the company's financing arrangements. The internal control environment mainly comprises the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The control environment at Moberg Pharma forms the framework for the direction and culture which the company's Board and management communicate to the organization. Internal management and control in accordance with accepted frameworks are a high priority for management. Moberg Pharma's Board and management define and design decision channels, authorizations and responsibilities, which are clearly defined and communicated within the organization. The company's Board also strives to ensure that governing documents, such as internal instructions and policies, cover identified focus areas, and that they provide the right guidance for the work of the various executives of the company.

Risk assessment

The company's Board conducts continuous and systematic risk assessments to identify risks and take the necessary actions. Risk assessment is also designed to identify risks that significantly impact the internal control of financial reporting.

The commercialization and development of new drugs is a risky and capital-intensive process. Risk factors considered of particular significance for Moberg Pharma's future development are tied to the results of clinical studies, the actions of public authorities, patents and trademarks, key persons, cyclicality, future capital requirements and financial risk factors. A more detailed description of Moberg Pharma's risk exposure and how it is managed can be found in the annual report on page 32.

Control activities

The primary purpose of control activities is to prevent, detect and rectify misstatements in the financial reporting. Processes and activities have been structured to manage and mitigate significant risks related to the financial reporting. These activities include analytical updates and comparisons of profits or items, the reconciliation of accounts and balances, and the approval of business transactions and collaboration agreements, powers of attorney and certification instructions, and accounting and valuation policies.

Information and communication

Moberg Pharma is a listed company in one of the most regulated industries in the world – pharmaceuticals. In addition to the stringent demands that NASDAQ OMX Nordic Stockholm and supervisory authorities impose on the scope and accuracy of information, Moberg Pharma's internal information and communication functions are designed to ensure that correct financial and other corporate information is communicated to employees and other stakeholders.

The company's internal instructions and policies, which are available to all employees, provide information on applicable procedures in all parts of the company and describe the control functions and how they are implemented.

The security of all information that could affect the company's market value and that such information is communicated externally in a correct and timely fashion are cornerstones of the company's undertaking as a listed company. These two factors, and the procedures for managing them, ensure that the financial reporting is received by the financial market's players simultaneously and provides an accurate presentation of the company's financial position and performance.

Monitoring compliance

Compliance with internal policies, principles, manuals and codes as well as the appropriateness and functionality of the established control activities are monitored on a continuous basis. Measures and procedures for the financial reporting are also regularly monitored. Moberg Pharma's management conducts monthly performance follow-ups with analysis of discrepancies from the budget and preceding period. The Board of Directors reviews the annual report and interim reports prior to publication. The Board meets the company's auditor each year to discuss the internal control and the financial reporting.

Assessment of the need for an internal audit

Moberg Pharma has no separate auditing function (internal audit). The Board evaluates the need for such a function annually and, in view of the company's size, with relatively few employees, and the scope of transactions, in which most significant transactions are similar in nature and relatively uncomplicated, has found no reason to establish a formal internal audit function.

Compliance with the Swedish stock exchange rules, etc. during the fiscal year
During fiscal year 2023, Moberg Pharma was not subject to any decisions by NASDAQ OMX Nordic Exchange Stockholm's disciplinary committee or statements by the Swedish Securities Council regarding infringement of NASDAQ OMX Nordic Exchange Stockholm's regulations or accepted market practices.

Stockholm April 12, 2024

Kerstin Valinder Strinnholm
Chairman of the Board

Anders Lundmark
Board member

Nikolaj Sörensen
Board member

Håkan Wallin
Board member

Anna Ljung
CEO

Auditor´s report on the Corporate Governance Statement

To the general meeting of the shareholders of Moberg Pharma AB (publ), corporate identity number 556697-7426

Engagement and responsibility
It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2023 on pages 16–26 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

On this day in Stockholm noted by the electronic signature

Ernst & Young AB

Jens Bertling
Authorized Public Accountant

Financial information

Directors' Report

The Board of Directors and Chief Executive Officer of Moberg Pharma AB (publ), Corp. Reg. No. 556697-7426, hereby present the Annual Report and the Consolidated Financial Statements for the fiscal year January 1, 2023 to December 31, 2023.

Amounts are expressed in TSEK (thousands of Swedish kronor) unless otherwise stated. Amounts and figures in parentheses are comparative figures for the same period in 2022.

Company information

The Group operates as a limited liability company headquartered in Stockholm, Sweden. The address of the head office is Gustavslundsvägen 42, 5th floor, SE-167 51 Bromma. The Group consists of the parent company, Moberg Pharma AB (publ), corp. reg. no. 556697-7426, and the wholly owned subsidiary Moberg Derma Incentives AB, corp. reg. no. 556750-1589.

Operations

Moberg Pharma AB (publ) was formed in 2006 and is a rapidly growing Swedish pharmaceutical company which develops and commercializes of proprietary pharmaceuticals based on proven substances. The company's main asset is MOB-015 – a novel topical treatment for onychomycosis (nail fungus). Clinical Phase 3 studies with more than 800 patients for MOB-015 indicate that the product has the potential to become the future market leader in nail fungus. Moberg Pharma has agreements with commercial partners in place in among other places Europe and Canada. The pharmaceutical has been approved in 10 European countries, approvals in 3 additional EU-countries are expected near term. MOB-015 was launched in Sweden in February 2024 under the brand name Terclara®. The company estimates the annual market potential for MOB-015 at USD 250–500 million globally. Moberg Pharma has its headquarters in Stockholm and its shares are traded in the Small Cap segment of NASDAQ OMX Nordic Exchange Stockholm (OMX: MOB).

Workforce

As of December 31, 2023, Moberg Pharma had 10 employees (7), of whom 80 percent (100) were women. All were employed by the parent company. See Note 7 for more information on employees and personnel costs.

Profit/loss and financial position

Revenue and profit/loss

The business consists of research and development, business development and administrative functions. The majority of development expenses is directly attributable to the clinical Phase 3 study in North America for MOB-015, which is capitalized. The largest expense items in profit for the period therefore consist of business development and administration costs of SEK 21.6 million (20.1), followed by research and development costs of SEK 3.7 million (1.2).

Investments

Net investments in intangible assets in 2023 related to capitalized expenditure for development work for MOB-015 of SEK 124.1 million (81.1). The increase in investments is due to the North American Phase 3 study initiated in spring 2022, where recruitment of patients was completed in October 2023.

Liabilities

Moberg Pharma has no interest-bearing liabilities (except leasing liabilities).

Liquidity and financial position

With its strategy, Moberg Pharma will continue to invest considerable resources in research and development as well as business development. These investments are covered at present by available cash and cash equivalents and Moberg Pharma has a good financial position. Moberg Pharma is in an expansion phase and is engaged in development-intensive operations with investments aimed at securing future revenues. If opportunities for faster growth arise, for example, through acquisitions, Moberg Pharma may need to raise additional capital through share issues or additional borrowing.

Cash flow from operating activities was SEK -33.2 million (-16.8). Cash flow from investing activities amounted to SEK -124.1 million (-68.1). Investing activities include capitalized expenditure for intangible non-current assets, which mainly consists of capitalized expenditure for development work for MOB-015. Cash flow from financing activities was SEK 92.3 million (107.8) and mainly relates to the rights issue during the year. The total change in cash and cash equivalents in the year was SEK 65.0 million (22.9). Cash and cash equivalents in the Group amounted to SEK 60.6 million (25.6) at the end of the period.

Insurance

In addition to corporate insurance, Moberg Pharma's insurance coverage includes special insurance for patients who participate in clinical studies and product liability insurance for products under development and products in the market. The insurance coverage is subject to continuous review. The Board deems the insurance coverage to be well-suited to the current scope of the business.

Environment and liability
Moberg Pharma's operations do not entail special environmental risks and do not require any special environmental permits or decisions from authorities. Moberg Pharma is of the opinion that the company conducts its operations in accordance with applicable health and safety regulations and offers its employees a safe and healthy working environment.

Disputes
Moberg Pharma is not, and has never been, party to any legal or arbitration proceedings which have or have had a material impact on Moberg Pharma's financial position or profitability at any time.

Work of the Board in 2023
The Annual General Meeting on May 16, 2023 elected four members for the period until the next Annual General Meeting. The members' areas of competence include drug development, medical research, marketing, finance and strategy. The Board of Directors held 20 meetings at which minutes were kept during the fiscal year, of which 9 by per capsulam. Reports were mainly presented by the CEO, but also by other members of the management team.

The focus of the Board's work in 2023 was on strategic issues, particularly product development, business development and regulatory issues, as well as further development of the company's business plan. The work of the Board follows established rules of procedure, which regulate areas such as the division of responsibilities, number of mandatory meetings, the form of summons, supporting documents and minutes, disqualifications, mandatory matters which the CEO must submit to the Board, and company signatories. The Board deals with ongoing issues such as business conditions, interim audits, the budget, strategies and external information. All issues have been dealt with by the Board in its entirety.

For personal information on the Board members, see page 20.

Nomination committee
The Nomination Committee for the Annual General Meeting for the fiscal year 2023 consists of four members: Gillis Cullin, representing Baltic Sea Foundation (Östersjöstiftelsen) and the members Ida Marie Lindberg, representing Kjelsmark Holding and Kerstin Valinder Strinnholm, Chairman of the Board. The Nomination Committee submits proposals for the election of the Chairman and other members of the Board, as well as proposals for fees and other remuneration to the Board members. The Nomination Committee also submits proposals for election and remuneration of the auditor.

Corporate Governance
Moberg Pharma has applied the Swedish Corporate Governance Code since May 26, 2011, the date when Moberg Pharma's shares were listed on NASDAQ OMX Nordic Exchange Stockholm. See page 16 for the corporate governance report.

Information disclosure
Moberg Pharma strives to uphold good communication with shareholders. Company information must be correct, clear, factual, credible and timely. Communication from Moberg Pharma must also be characterized by openness, with regular interim and annual reports published in Swedish and English. Events which could influence the value of the share are made public in a press release.

Proposal for the company's annual general meeting 2024 – Board of Directors' proposal for remuneration guidelines for senior executives
The Board proposes that the Annual General Meeting decide on the following guidelines for remuneration to senior executives. "Senior executives" refer to the CEO, Head of Pharmaceutical Development & Operations, Senior Director Regulatory Affairs, Vice President Finance, Head of Supply and Chief Medical Officer. The guidelines also apply to board members to the extent they receive remuneration outside the scope of their Board assignment. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed after adoption of the guidelines by the Annual General Meeting 2024. These guidelines do not apply to any remuneration that is decided on or approved by the general meeting.

Promotion of Moberg Pharma's business strategy, long-term interests and sustainability
Moberg Pharma's business strategy includes in-house sales combined with sales through distributors and partners. Product development is performed through proven substances, which reduces time to market, development costs and risks compared with traditional drug development.

A condition for the successful implementation of Moberg Pharma's business strategy and long-term interests, including its sustainability, is that Moberg Pharma is able to continue to recruit and retain qualified employees, the basic principle being that the remuneration system for the senior executives and other employees is market-based and competitive. These guidelines enable the company to offer the senior executives a competitive total remuneration.

Moberg Pharma has ongoing long-term incentive programs in place that have been resolved by the AGM and therefore are excluded from these guidelines. The performance requirements used to determine the outcome of Moberg Pharma's long-term incentive programs have a clear connection to the long-term value creation, including its sustainability. The Board of Directors' proposal for LTIP 2024, which will be presented at the 2024 Annual General Meeting, has performance requirements connected to the company's operations and targets. The programs also require a vesting period of three years. For more information on the long term incentive programs, see Note 19.

Forms of compensation, etc.
Remuneration to senior executives may consist of a fixed salary, variable remuneration, pension and other customary benefits. The Annual General Meeting may in addition - and independently of these guidelines - decide, for example, on share and share price-related remuneration.

Fixed salary

Fixed salary shall be market-based and individually differentiated on the basis of the individual's role, performance, results and responsibilities.

Variable salary

Variable salary shall be proportionate to the responsibilities and powers of the individual in question. Variable remuneration is based on the profit for the company in relation to the targets established by the Board of Directors. These targets shall be designed so as to contribute to Moberg Pharma's business strategy and long-term interests, including its sustainability. Pensionable salary only consists of base salary. Variable remuneration is generally capped at 30 percent of each executive's annual base salary. The evaluation of whether the predetermined performance targets have been fulfilled shall be made at the end of the measurement period and be based on the determined financial basis for the relevant period. Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment.

Pension and other benefits

The Group Chief Executive Officer has a set pension contribution of 25 percent of base salary.
Other senior executives have a set pension contribution of maximum 30 percent of base salary.
Other benefits may, for example, consist of health insurance, telephone benefits, meal benefits and shall be paid to the extent that it is considered to be market-based.

Termination

The notice period shall be at least three months in the event of termination on the initiative of the senior executive and in the event of termination by the company between three and twelve months. Severance pay can be paid, but the total compensation and severance pay can never exceed twelve months' salary and variable salary.

Consultancy fees to Board members

In cases where Board members perform work in addition to the usual Board work, the Board must in special circumstances be able to decide on additional remuneration in the form of consulting fees.

Salary and terms of employment for employees

In preparing the Board's proposal for these remuneration guidelines, the salaries and employment terms of the company's employees have been taken into account by incorporating information on employees' total remuneration, remuneration components, and the increase and rate of increase in remuneration over time in the Remuneration Committee's and Board's decision when evaluating the reasonableness of the guidelines and the limitations thereof.

Preparation of remuneration issues

The Board decides on remuneration and terms of employment for the CEO. The Board annually evaluates the work of the CEO. Regarding the remuneration and terms of employment of other senior executives, the CEO decides on the basis of the compensation guidelines for senior executives that have been approved by the Annual General Meeting.

The Board shall prepare proposals for new guidelines at least every four years and submit a proposal for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the general meeting. The Board shall also monitor and evaluate variable remuneration programs as well as current remuneration structures and remuneration levels in Moberg Pharma. The CEO or other persons in the company's management are not present during the Board's consideration of and decisions on remuneration-related matters, insofar as they are personally affected.

Deviation from the guidelines

The Board of Directors shall have the right to temporarily deviate from these guidelines if there are special reasons in an individual case and a deviation is necessary to meet Moberg Pharma's long-term interests, including its sustainability, or to ensure Moberg Pharma's financial viability, such as additional remuneration attributed to outstanding performance due to extraordinary events.

Significant events after the end of the fiscal year

See Note 27 for further information on events after the balance sheet date.

Outlook

Moberg Pharma's goal is to create value and provide attractive shareholder returns through the successful commercialization of its pipeline assets.

In June 2023, the Decentralized Procedure ended with a positive outcome and MOB-015 recommended for national approval in 13 European countries for the treatment of mild to moderate fungal infections of the nails in adults. National approvals are now underway in each country, where 10 countries have approved the pharmaceutical to date.

The company have initiated the launch in Sweden and as of February 2024, MOB-015 is available at pharmacies under the brand name Terclara®. Pharmacies are now filling their shelves, after which marketing to the consumer will begin ahead of high season – as summer and the sandal season approach, interest in treating nail fungus peaks. The Swedish launch is an important springboard to realize our vision – to make MOB-015 the leading nail fungus treatment worldwide.

Moberg Pharma is also conducting a North American Phase 3 study, where patient enrollment was completed in October 2023 and topline results are expected in January 2025. The study has the potential to enable drug registration in the U.S. and further strengthen the product claims.

Parent Company Moberg Pharma AB (publ)

Moberg Pharma AB (publ), org. No. 556697–7426, is the parent company of the Group. The Group's operations are conducted primarily in the parent company and consist of research and development, sales and marketing, and administrative functions.

Information regarding the Moberg Pharma share

Per December 31, 2023, the total number of shares issued was 28,407,452 (10,085,933) with a quotient value of SEK 1.0 each. Each share (excluding own held shares) has the right to one vote and an equal proportion of any distribution made.

As of December 31, 2023, Moberg Pharma AB held 445,974 shares in treasury. The shares are intended to be used to cover potential obligations under Moberg's incentive programs.

Further information regarding changes in share equity is shown in note 19.

Proposed distribution of appropriated profit (SEK 000)

On January 1, 2016, a revision was made to the Swedish Annual Accounts Act whereby, in order to capitalize internally generated development expenditure, the company must recognize the corresponding amount in a restricted reserve under equity, "Reserve for development expenditure." Moberg Pharma had a capitalized internally generated development expenditure of SEK 124 million in 2023 and thereby recognized a total of SEK 528 million in the reserve for development expenditure. Changes in the equity of the parent company are shown on page 42.

The amount available for appropriation at the Annual General Meeting comprises the following unrestricted reserves, profit carried forward and the profit for the year in the parent company:

Share premium reserve	800,137,759
Profit carried forward	-723,953,324
Profit for the year	-21,093,291
	55,091,144

The Board of Directors proposes that profit for the year be carried forward. Following the distribution, unrestricted equity amounts to:

Share premium reserve	800,137,759
Profit carried forward	-745,046,615
	55,091,144

Risk factors

Moberg Pharma's business is associated with risk. Risks are understood by Moberg Pharma to mean events that could lead to business interruptions, damages or losses with a substantial adverse impact on the prospect of achieving the Group's objectives. How risks are managed is of fundamental importance to Moberg Pharma's success. In order to manage risks in a well-balanced way, they must be identified and assessed. Moberg Pharma conducts risk management work where risks are evaluated systematically. The risk factors that are considered to be of particular importance to the Group's future development are indicated below. The risk factors are not listed by priority and do not purport to be exhaustive. There is no guarantee Moberg Pharma can successfully manage the following or other risks.

Risk management and control strategies

The company's Board of Directors conducts continuous and systematic risk assessments in order to identify risks and mitigate them. The company applies a risk management policy designed to identify and assess risks, and to develop a risk management plan. Both the policy and the plan are updated at least annually and approved by the Board. The internal control environment mainly comprises the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

For every identified risk of a material nature, a risk management strategy and an action plan are formulated. The planning involves world-leading external expertise in, for example, regulatory matters or the design of clinical studies.

Overview of Moberg Pharma's risks, risk management and control strategies

RISKS RELATED TO OPERATIONS					RISKS RELATED TO THE COMPANY SHARES
Risks associated with pharmaceutical development	**Risks associated with the Company's operations**	**Risks associated with the market**	**Risks associated with regulatory compliance**	**Financial risks**	
• Decisions and authorizations issued by authorities • Preclinical and clinical studies • Dependence on third parties • Side effects	• Protection of intellectual property rights • Partners and distributors • Production • Company secrets and Know-How • Security leaks • Key persons • Acquisitions • Incentive programs	• Expected results • Competition from other pharmaceutical companies and parallel imports • Risks related to global economic factors	• Compliance • Product liability and insurance	• Financial risk management • Foreign exchange risk • Amortization of intangible assets • Refinancing risk and future capital recruitments • Interest rate risk and liquidity risk • Credit and counterparty risk • Taxes • Tax losses carried forward • Unsustainable revenue sources	• Share price and liquidity • Dividend • Future rights issues

RISK MANAGEMENT AND CONTROL STRATEGIES	
• Policy documents, manuals and recommendations • Internal control activities, either preventive or detective • Analyses • Quality system in place	• Reduced reliance on partners through own sales organization in the U.S. • Product liability insurance • Cooperation with reputable patent agents • Structured investment decisions

Risks associated with pharmaceutical development

Development of new pharmaceutical and medical products

Decisions and authorizations by authorities

Moberg Pharma develops and commercializes medical products and is, like other companies in the industry, dependent on assessments and decisions by relevant authorities, such as the Medical Products Agency in Sweden, the Food and Drug Administration ("FDA") in the United States or the European Medicines Agency ("EMA") in the EU. Such assessments precede decisions on, among other things, authorizations for conducting clinical studies and authorizations for marketing and selling pharmaceutical or medical products. However, there is a risk that Moberg Pharma will not obtain the necessary decisions by authorities to develop commercially and financially valuable products on the market.

An application for market approval requires extensive documentation on, among other things, clinical results, quality assurance and production that meet national and international requirements. Although the company prepares a large part of this documentation parallel to the clinical studies, there is a risk that unforeseen circumstances will cause delays. Since pharmaceutical authorities may request supplemental filings or have other reservations concerning the application, the time and costs of potential market approval are associated with uncertainty.

Further, the company is affected by the decisions of authorities regarding, e.g., changes in customs duties or taxes, conditions for prescribing medicines, pricing of medicines covered by reimbursement systems and discounts on pharmaceutical products. There is a risk that the regulatory conditions in the market will change so that the company's ability to develop and manufacture commercially valuable products will be impaired. Such decisions may result in increased costs for the company or higher pricing of the company's pharmaceutical products, which may lead to lower margins on products sold as well as lower sales, resulting in the company's profit being worse than expected.

Preclinical and clinical studies

Moberg Pharma conducts development of new pharmaceutical and other medical products. In order to obtain permission from authorities to commence sales, Moberg Pharma – or its partners, if any – must show the efficacy and safety of potential pharmaceutical products on each specified indication. The scope of the required preclinical and clinical studies varies depending on the product candidate's classification, indication, previously published data, and the regulatory requirements that apply to the specific product candidate. However, there is a risk that ongoing or future clinical studies cannot demonstrate sufficient efficacy and safety to obtain the necessary regulatory approvals or that they fail to lead to products that can be sold on the market.

Preclinical and clinical development are time-consuming and costly activities affected by a number of factors including factors that are beyond Moberg Pharma's control, e.g., the results of stability studies or slower-than-expected patient recruitment. Unforeseen failures can also occur in cases where previous studies have demonstrated positive results that were satisfactory for both the company and regulatory authorities. The EMA, FDA, an Institutional Review Board (IRB) or other regulatory authority may decide at any time to terminate clinical studies for a number of reasons. Such reasons may include a belief that the patients who participate in the study have been exposed to unacceptable health risks or harmful side effects. In the same way, an ethics committee may decide that clinical studies being conducted in a specific location must cease.

MOB-015 has completed two Phase 3 clinical studies in Europe and North America that met the primary treatment goal and there were no serious adverse reactions related to MOB-015 reported in either study. These studies has been used as a basis for product registration in Europe, where 10 countries have approved the pharmaceutical. For market approval in the United States, an additional study is likely to be needed to secure registration in the U.S. market. Such a study is now underway with topline results expected in January 2025. Because the U.S. market is of material importance to MOB-15's predicted sales potential, the company would lose large sales revenues if such a study was unsuccessful, which would have a material adverse effect on the company's expected earnings and thus the company's future prospects.

Dependence on third parties

Moberg Pharma uses consultants and contract research organizations ("CRO's") in the development of pharmaceuticals and other medical products. There is a risk that such third parties will not fulfill their obligations to Moberg Pharma or that Moberg Pharma will be unable to monitor their work adequately, which may give rise to delays, higher costs, quality problems or other deficiencies in the development work. There is also a risk that Moberg Pharma will be unable to procure such consultants or CRO's with sufficient qualifications, at a favorable price or at all. Any deficiencies or delays in the implementation of the company's development program may reduce or delay Moberg Pharma's ability to commercialize existing product candidates, which may result in significant costs. Difficulties with supplementing the project portfolio with new product candidates would have a material adverse effect on the company's expected results due to the company's loss of revenue.

Side effects

Since the company's main area of activity is the sale and development of pharmaceuticals and medical products, there is a risk that patients who use the company's products, participate in clinical studies with the company's products or otherwise come into contact with the company's products experience side effects, even if the company primarily works with topical preparations based on proven substances with well-documented side effect profiles. If side effects are detected in future studies or the sale of the company's products, there is a risk that the company would suffer consequences. Such consequences may include injured patients, delays or interruptions during the continued product development, and the restriction or prevention of the product's commercial use. If the company were compelled to stop selling its product, it would have a material adverse effect on the company's revenues, which are strongly dependent on the sale of the pharmaceutical. Another possible consequence is that patients who suffer from side effects may claim damages or bring legal actions against the company, whereby the company may incur significant legal costs, receive negative publicity and become liable for damages.

Risks associated with the company's operations

Protection of intellectual property rights

In the type of business that Moberg Pharma conducts, there is always a risk that the company's patents, trademarks or other intellectual property rights will not provide adequate protection for the company, that registration applications will not be granted or that the company's rights cannot be enforced. Furthermore, patents or trademarks may be infringed, which can result in costly disputes.

For the losing party, disputes over intellectual property can lead to lost protection, an injunction against the continued exercise of the relevant right or an obligation to pay damages. In addition to patents granted, the company has patents pending that have not yet been granted in all relevant markets. The company also has the opportunity to obtain data exclusivity for certain periods in various markets. There is a risk that outstanding patent applications or data exclusivity will not be granted or that copies of the company's products will begin to be sold on adjacent markets where the company's product has not been granted a patent. Future expiration of patent protection, the termination of data exclusivity and the entry of generic products on the market may adversely affect the company's sales. If copies of the company's products begin to be sold in the same markets as the company's products, or customers turn to nearby markets that have alternative, cheaper products, there is a risk that the company's expected sales will decrease. If such a risk materializes, the company may have to adapt pricing to unforeseen competitors, which could lead to lower sales and/or margins on products sold, resulting in a lower profit.

Partners and distributors

Moberg Pharma is dependent on its relationships with other companies for sales, marketing and commercialization of the company's product candidates in certain markets. There is a risk that such agreements cannot be concluded on favorable terms, that collaborations will be unsatisfactory or that counterparties will not fulfill their obligations under concluded agreements. Additionally, there is a risk that future launches and sales may not achieve results comparable to the results achieved historically. Furthermore, there is a risk that Moberg Pharma will end up in disputes with these companies or that the company's relationship with other companies will deteriorate.

Production

Moberg Pharma uses contract manufacturers for production, which means that the company is dependent on external deliveries to meet agreed terms regarding, inter alia, quantity, quality and delivery time or in terms of special materials. There is a risk that Moberg Pharma could suffer from delayed or absent deliveries from these contract manufacturers, which may delay the company's sales of its product candidates and adversely affect the company's liquidity. The company could find itself with a limited supply of critical raw or packaging materials that can only be obtained from one, or a limited number of, suppliers. This could cause delays in production or clinical studies, significant revenue losses or force the company to assume a liability or similar commitment to third parties. All delays in the delivery of raw materials, or failure on the part of the company to acquire such raw materials on commercially acceptable terms, could harm the company's operations by causing delays in the company's clinical studies, prevent the commercialization of approved products or increase the company's expenses. If these risks materialize, it could have a material adverse effect on the company's financial position.

Trade secrets and internal intelligence

Moberg Pharma relies to some extent on unpatented trade secrets, know-how and continued technological innovation in order to develop and maintain its position in the market. If the company were to be unsuccessful in protecting its trade secrets, know-how and technology, there is a risk that the company's market position will deteriorate and that the value of the company's commercialized products, technology and product candidates may be adversely affected. If the value of the company's products were to decrease, the company will need to adjust its pricing, which will affect expected sales revenues as a result of lower margins on products sold.

Security leaks

The IT systems of the company and the company's consultants and partners are exposed to the risk of being subject to computer viruses, unauthorized intrusions, natural disasters, terrorism, war, and breakdowns in telecommunications or the electricity grid. Such events could cause disruptions to the company's operations, such as loss of data from future clinical studies on the company's product candidates. Leakage of unregistered intellectual property rights may impair the company's market position, which may lead to a lower market share for the company and consequently a decrease in sales. Such events could also cause delays in the development of products and submission of applications for approval to the regulatory authorities and increase the company's costs.

Key persons

Moberg Pharma is dependent on the company's senior executives and other key persons, for instance, in order to conduct qualitative marketing, business and product development, and related activities. If the company were to lose any of its key employees, there is a risk of delays and interruptions in development programs, licensing or commercialization of the company's product candidates. Such delays or interruptions may have a negative impact on the company's expansion and growth. There is a risk that Moberg Pharma will not be able to recruit the number of newly qualified employees that the business requires. In addition to internal key personnel, Moberg Pharma is also dependent on certain executives of sales and distribution organizations, contract manufacturers and other subcontractors. There is a risk that these relationships will not be able to be maintained over time, for example, due to the termination of their respective positions.

Acquisitions

Moberg Pharma's operations have historically included acquisitions of new assets. The company may also evaluate acquisition opportunities in the future. Implementing an acquisition entails risks. There is a risk that the company will not be able to complete acquisitions at attractive prices, or at all. Additionally, there is a risk that the acquired trademarks or patents will be challenged by competing companies that question Moberg Pharma's right to these trademarks or patents. Furthermore, Moberg Pharma bears a risk that the value of these assets decreases due to unforeseen events.

Besides company-specific risks, the acquired company's relationships with customers, suppliers and key persons may be negatively impacted by an acquisition. Integration processes in connection with completed and future acquisitions may become more costly or time-consuming than projected

and anticipated synergies may be completely or partially absent. Establishment of manufacturing of acquired products by new contract manufacturers may fail or become more costly or time-consuming than expected. The difficulties in combining operations may include coordination of geographically dispersed operations and facilities from an operational, financial and legal perspective.

Incentive programs

Moberg Pharma has introduced a number of share-based incentive programs in the form of performance share units. The purpose of the programs is to motivate and reward key employees by making them co-owners of the company and thereby promoting the company's long-term interests. However, there is a risk that these aims are not achieved, which may result in the company's employees performing their work less effectively than expected. Share-based incentive programs also entail a tax risk, as the company's assessment of applicable tax legislation may prove to be inaccurate, which could result in an increased future tax burden and the imposition of tax-related penalties on the company. Additionally, share-related incentive programs entail a dilution for existing shareholders when shares that will be assigned to holders of performance share units are issued.

Risks associated with the market

Expected results

There are difficulties associated with estimating the commercial potential of product candidates due to several important factors, such as safety and efficacy compared to other available treatment methods (including generic alternatives), changing treatment standards, changes in third party remuneration standards for pharmaceutical products, patient and doctor preferences, and changes in the classification of the pharmaceutical product.

The company's main value consists of the pharmaceutical project's future revenues. The company has entered into agreements for the distribution of MOB-015 with five commercialization partners. The agreements give the partners exclusive rights to market and sell MOB-015 in their respective markets. Within the framework of the agreements, the company may receive milestone revenue from successful development and commercialization, as well as remuneration for delivered products. There is a risk that the development and commercialization of MOB-015 will not be successful and that the company will lose milestone payments, and that the products will not generate the expected revenues.

Competition from other pharmaceutical companies and parallel imports

The pharmaceutical industry is highly competitive. Within the framework of most pharmaceuticals, a number of companies compete to develop new, improved products in order to achieve a high market share and favorable prices. There is a risk that Moberg Pharma's products will not be preferred on the market over other existing or future products. There is also a risk that differences in price in the markets in which the company or its partners operate may lead to an increase in parallel imports, meaning that the company's products may be purchased at a more favorable price in certain markets and then compete with the company's sales in other markets.

The price pressure on pharmaceutical products within Moberg Pharma's indication area is high and is expected to stay high in the future. Future products under development by other companies will result in increased competition and may result in decreased opportunities for Moberg Pharma to achieve or maintain an attractive market share and an attractive price for the company's products. Should the company need to set a lower price on its products than intended, in order to compete with companies that offer similar products, the company's the margins would decrease.

Risks associated with global economic factors

The company is exposed to market factors such as inflation, interest rate fluctuations and investor sentiment, etc. Moberg Pharma's future sales are dependent to some extent on the overall economy. An economic slowdown in the markets where the company operates could reduce demand for the company's products. It is uncertain to what extent the ongoing war in Ukraine will negatively impact the pharmaceutical industry and thus the company's operations. Weak or negative global economic growth could also impact the company's suppliers, which possibly could cause delivery delays. These global economic factors could damage the company's operations and the company cannot anticipate all the potential ways that the future economic climate and future state of the financial market could adversely impact the company's operations.

Pandemics may have a negative impact on the company's operations, including the company's clinical studies. There is a risk that pandemics could cause delays and disruptions in operations, project development and freight operations, leading to a shortage of manpower or that regulatory authorities will de-prioritize the processing, or completely or only to a limited extent process, cases concerning pharmaceuticals for indications other than the fight against an ongoing pandemic.

Compliance risks

Regulatory compliance

Moberg Pharma operates in a strictly regulated market. If the company or its partners do not comply with the rules and case law established for the company's operations, the company's pharmaceutical development, sales activities, etc., the company may be required to use financial assets to settle regulatory violations in the form of disputes, sanctions, fines, seizure of products, criminal sanctions, or at worst, be forced to cease all or part of the business. In its pharmaceutical studies Moberg Pharma processes sensitive personal data. The Data Protection Regulation, Regulation (2016/679) of the European Parliament and of the Council (the "GDPR"), applies in all EU member states and places high demands on how the company processes personal data. If the company's compliance with GDPR is incorrect or insufficient, there is a risk that the company could be subject to sanctions with high fees, fines or criminal sanctions. There is also a risk that the company's reputation would be damaged by such non-compliance.

Product liability and insurance

Moberg Pharma's operations include clinical studies and pharmaceutical sales, which entail risks associated with product liability. In addition to corporate insurance, Moberg Pharma's insurance

coverage includes special insurance for patients who participate in clinical studies and product liability insurance for products under development and products in the market. There is a risk that the insurance does not provide sufficient protection against claims for damages and other costs caused by the company's products or product candidates. Moberg Pharma may fail to obtain or maintain insurance coverage on acceptable terms in the future.

Moberg Pharma has conducted, and may in the future continue to conduct, business in the United States, where lawsuits and legal processes are much more common than, for example, in Europe and often involve significant sums. It may be more difficult therefore to obtain adequate insurance coverage in the United States, and the costs to obtain such coverage could increase.

Risks related to the company's shares

Share performance and liquidity

Investing in shares is by its nature associated with the risk that the value of the investment may fall. There is no guarantee how the company's shares will perform. The price of the Moberg Pharma share has been volatile since the company's share was listed on NASDAQ Nordic Exchange Stockholm and the share's liquidity has varied. It is impossible to anticipate the extent to which investor interest in Moberg Pharma will lead to active trading in the shares or how trading in the shares will develop in the future. The ability of shareholders to sell their shares, whether at all or without a negative impact on the market price, assumes constantly active and liquid trading.

Dividend

To date, the company has never paid a dividend beyond the extraordinary distribution in 2019 and the Lex ASEA distribution of the shares in OncoZenge in 2021. Since Moberg Pharma will be engaged in the coming years in developing its organization and launching MOB-015, any surpluses generated by the business will be reinvested. The Board of Directors reviews the dividend policy on an annual basis. There is a risk that future cash flows will not exceed the company's capital requirements and that the Annual General Meeting will not decide to pay any dividends in the future.

Future issues

The company may in the future need additional capital to finance its operations. Such financing may require obtaining funds by issuing financial instruments. There is a risk that future financing needs cannot be met on acceptable terms. There is also a risk that future share issues will dilute share ownership and affect the price of shareholders' holdings.

More information on financial risks can be found in Note 24.

Consolidated statement of comprehensive income

Continuing operations (TSEK)	Note	**Jan–Dec 2023**	**Jan–Dec 2022**
Net revenue	2	-	207
Gross profit		**-**	**207**
Selling expenses		-3,257	-1,014
Business development and administrative expenses		-21,603	-20,057
Research and development costs		-3,657	-1,177
Other operating income	4	1,054	1,815
Operating profit/loss (EBIT)	5-9	**-27,463**	**-20,226**
Interest income and similar items	10	2,303	786
Interest expenses and similar items	10	-260	-72
Profit/loss before tax (EBT)		**-25,420**	**-19,512**
Tax on profit for the period	11	4,327	3,802
Profit for the period		**-21,093**	**-15,710**
TOTAL PROFIT FOR THE PERIOD		**-21,093**	**-15,710**
Attributable to:			
Profit attributable to parent company shareholders		-21,093	-15,710
Profit attributable to non-controlling interests		-	-
Basic earnings per share	12	**-1.33**	**-2.07**
Diluted earnings per share	12	**-1.33**	**-2.07**
Average number of shares before dilution		15,871,799	7,587,166
Average number of shares after dilution		35,520,899	7,752,320
Number of shares at year-end (excludes repurchased own shares)		27,961,478	9,826,959

Consolidated statement of financial position

ASSETS (TSEK)	Note	**2023-12-31**	**2022-12-31**
Non-current assets			
Intangible non-current assets			
Capitalized development charges	13	532,220	408,104
Total intangible non-current assets		*532,220*	*408,104*
Tangible non-current assets			
Property, plant and equipment	14	-	-
Financial and other non-current assets			
Right-of-use assets		4,942	5,984
Deferred tax asset	11	28,077	22,575
Total other non-current assets		*33,019*	*28,559*
Total non-current assets		**565,239**	**436,663**
Current assets			
Inventories	15	7,115	-
Current receivables			
Trade receivables	16	-	383
Other receivables	16	786	1,055
Prepaid expenses and accrued income	17	1,037	772
Total current receivables		*1,823*	*2,210*
Cash and cash equivalents	18	*60,555*	*125,550*
Total current assets		**69,493**	**127,760**
TOTAL ASSETS		**634,732**	**564,423**

EQUITY AND LIABILITIES (TSEK)	Note	**2023-12-31**	**2022-12-31**
Equity	19		
Equity attributable to parent company's shareholders			
Share capital		27,961	9,827
Other capital contributions		921,297	841,197
Retained earnings		-338,533	-317,440
Total equity		**610,725**	**533,584**
Liabilities			
Non-current liabilities			
Non-current leasing liabilities		3,467	3,988
Other non-current liabilities		-	65
Total non-current liabilities		*3,467*	*4,053*
Current liabilities			
Trade payables		6,768	17,108
Current leasing liabilities		1,270	2,117
Other current liabilities	20	3,271	1,017
Accrued expenses and deferred income	21	9,231	6,544
Total current liabilities		*20,540*	*26,786*
Total liabilities		**24,007**	**30,839**
TOTAL EQUITY AND LIABILITIES		**634,732**	**564,423**

Consolidated statement of changes in equity

	Equity attributable to parent company's shareholders			
(TSEK)	Share capital	Other capital contributions	Retained earnings	Total equity
Opening balance, January 1, 2023	**9,827**	**841,197**	**-317,440**	**533,584**
Profit for the period			-21,093	-21,093
Total comprehensive income for the year				
New shares issued	18,321	82,319		100,640
Transaction costs		-5,702		-5,702
Tax effect transaction costs		1,175		1,175
Repurchase of own shares	-187			-187
Share-based incentive programs		2,308		2,308
Closing balance, December 31, 2023	**27,961**	**921,297**	**-338,533**	**610,725**

	Equity attributable to parent company's shareholders			
(TSEK)	Share capital	Other capital contributions	Retained earnings	Total equity
Opening balance, January 1, 2022	**4,405**	**731,376**	**-301,730**	**434,051**
Profit for the period			-15,710	-15,710
Total comprehensive income for the year				
New shares issued	5,535	124,168		129,703
Transaction costs		-19,906		-19,906
Tax effect transaction costs		4,101		4,101
Repurchase of own shares	-113			-113
Share-based incentive programs		1,458		1,458
Closing balance, December 31, 2022	**9,827**	**841,197**	**-317,440**	**533,584**

Consolidated statement of cash flows

(TSEK)	Note	Jan-Dec 2023	Jan-Dec 2022
Operating activities			
Operating earnings before financial items		**-27,463**	**-20,226**
Financial items, received and paid		2,006	717
Taxes paid		-	-
Adjustments for items not affecting cash flow:			
Depreciation and other adjustments	9, 26	2,099	2,582
Capital gains		-	-
Employee share-based adjustments to equity		2,308	1,458
Cash flow before change in working capital		-21,050	-15,469
Change in working capital			
Increase (-) / Decrease (+) in inventories		-7,115	-
Increase (-) / Decrease (+) in operating receivables		424	-210
Increase (+) / Decrease (-) in operating liabilities		-5,464	-1,163
Cash flow from operating activities		**-33,205**	**-16,842**
Investing activities			
Net investments in intangible assets	13, 27	-124,116	-68,072
Net investments in and divestment of subsidiaries		-	-
Cash flow from investing activities		**-124,116**	**-68,072**
Financing activities			
Repayment of leases		-2,425	-1,873
Issue of new shares		94,751	109,682
Cash flow from financing activities		**92,326**	**107,809**
CHANGE IN CASH AND CASH EQUIVALENTS		**-64,995**	**22,895**
Cash and cash equivalents at beginning of period		125,550	102,655
Cash and cash equivalents at end of period	18	60,555	125,550
Supplemental disclosure to statement of cash flows			
Paid interest			
Interest received		2,266	788
Interest paid		-260	-71

Parent company income statement

(TSEK)	Note	Jan-Dec 2023	Jan-Dec 2022
Net revenue	2	-	207
Cost of goods sold		-	-
Gross profit		**-**	**207**
Selling expenses		-3,257	-1,014
Business development and administrative expenses		-21,603	-20,057
Research and development costs		-3,657	-1,177
Other operating income	4	1,054	1,815
Other operating expenses		-	-
Operating profit/loss (EBIT)	5-9	**-27,463**	**-20,226**
Interest income and similar income	10	2,303	786
Interest expenses and similar items	10	-260	-72
Profit/loss before tax (EBT)		**-25,420**	**-19,512**
Tax on profit for the period	11	4,327	3,802
PROFIT		**-21,093**	**-15,710**

Parent company statement of comprehensive income

(TSEK)	Note	Jan-Dec 2023	Jan-Dec 2022
Profit for the year		**-21,093**	**-15,710**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-21,093**	**-15,710**

Parent company balance sheet

ASSETS (TSEK)	Note	**2023-12-31**	**2022-12-31**
Non-current assets			
Intangible non-current assets			
Capitalized development charges	13	532,220	408,104
Total intangible non-current assets		*532,220*	*408,104*
Tangible non-current assets			
Property, plant and equipment	14	-	-
Financial and other non-current assets			
Right-of-use assets		4,942	5,984
Shares in Group companies	24	100	100
Deferred tax asset	11	28,077	22,575
Total other non-current assets		*33,119*	*28,659*
Total non-current assets		**565,339**	**436,763**
Current assets			
Inventories	15	7 511	-
Current receivables			
Trade receivables	16	-	383
Receivables from Group companies	16	-	-
Other receivables	16	786	1,055
Prepaid expenses and accrued income	17	1,037	772
Total current receivables		*1,823*	*2,210*
Cash and cash equivalents	18	*60,555*	*125,550*
Total current assets		**69,493**	**127,760**
TOTAL ASSETS		**634,832**	**564,523**

EQUITY AND LIABILITIES (TSEK)	Note	**2023-12-31**	**2022-12-31**
Equity	19		
Restricted equity			
Share capital		27,961	9,827
Reserve for development expenditure		527,674	403,558
Total restricted equity		*555,635*	*413,385*
Unrestricted equity			
Share premium reserve		800,138	720,038
Accumulated profit/loss		-723,954	-584,128
Profit for the year		-21,093	-15,710
Total unrestricted equity		*55,091*	*120,200*
Total equity		**610,726**	**533,585**
Liabilities			
Non-current liabilities			
Non-current leasing liabilities		3,467	3,988
Other non-current liabilities		-	65
Total non-current liabilities		*3,467*	*4,053*
Current liabilities			
Trade payables		6,768	17,108
Liabilities to Group companies		99	99
Current leasing liabilities		1,270	2,117
Other current liabilities	20	3,271	1,017
Accrued expenses and deferred income	21	9,231	6,544
Total current liabilities		*20,639*	*26,885*
Total liabilities		**24,106**	**30,938**
TOTAL EQUITY AND LIABILITIES		**634,832**	**564,523**

Changes in equity for the parent company

(TSEK)	Restricted equity		Unrestricted equity		
	Share capital	Reserve for development expenditure	Share premium reserve	Other unrestricted equity	Total equity
Opening balance, January 1, 2023	**9,827**	**403,558**	**720,038**	**-599,838**	**533,585**
Profit for the period				-21,093	-21,093
Reclassification to reserve for development expenditure		124,116		-124,116	-
New shares issued	18,321		82,319		100,640
Transaction costs			-5,702		-5,702
Tax effect transaction costs			1,175		1,175
Repurchase of own shares	-187				-187
Share-based incentive programs			2,308		2,308
Closing balance, December 31, 2023	**27,961**	**527,674**	**800,138**	**-745,047**	**610,726**

(TSEK)	Restricted equity		Unrestricted equity		
	Share capital	Reserve for development expenditure	Share premium reserve	Other unrestricted equity	Total equity
Opening balance, January 1, 2022	**4,405**	**322,496**	**610,217**	**-503,066**	**434,052**
Profit for the period				-15,710	-15,710
Reclassification to reserve for development expenditure		81,062		-81,062	-
New shares issued	5,535		124,168		129,703
Transaction costs			-19,906		-19,906
Tax effect transaction costs			4,101		4,101
Repurchase of own shares	-113				-113
Share-based incentive programs			1,458		1,458
Closing balance, December 31, 2022	**9,827**	**403,558**	**720,038**	**-599,838**	**533,585**

Parent company statement of cash flows

(TSEK)	Note	Jan-Dec 2023	Jan-Dec 2022
Operating activities			
Operating earnings before financial items		-27,463	-20,226
Financial items, received and paid		2,006	717
Adjustments for items not affecting cash flow:			
Depreciation and other adjustments	9, 26	2,099	2,582
Employee share-based adjustments to equity		2,308	1,458
Cash flow before change in working capital		-21,050	-15,469
Change in working capital			
Increase (-) / Decrease (+) in inventories		-7,115	-
Increase (-) / Decrease (+) in operating receivables		424	-210
Increase (+) / Decrease (-) in operating liabilities		-5,464	-1,163
Cash flow from operating activities		**-33,205**	**-16,842**
Investing activities			
Net investments in intangible assets	14,27	-124,116	-68,072
Cash flow from investing activities		**-124,116**	**-68,072**
Financing activities			
Repayment of leases		-2,425	-1,873
Issue of new shares		94,751	109,682
Cash flow from financing activities		**92,326**	**107,809**
CHANGE IN CASH AND CASH EQUIVALENTS		**-64,995**	**22,895**
Cash and cash equivalents at beginning of period		125,550	102,655
Cash and cash equivalents at end of period	18	60,555	125,550
Supplemental disclosure to statement of cash flows			
Paid interest			
Interest received		2,266	786
Interest paid		-260	-71

Notes

Information in the notes pertains to both the parent company and the Group unless otherwise stated. If only one set of values is stated in a note, with no reference to the Group or parent company, the values for the Group and parent company are identical in this note.

NOTE 1. Accounting policies

Company information
The Annual Report for Moberg Pharma AB was approved for publication by decision of the Board on April 12, 2024. The Annual Report was submitted to the Annual General Meeting (AGM) for adoption on May 14, 2024. Moberg Pharma AB, corporate registration number 556697-7426, is a limited liability company registered in Bromma, Sweden.

Moberg Pharma AB (publ) is a Swedish pharmaceutical company focused on the commercialization of proprietary pharmaceuticals based on proven substances. The company's main asset is MOB-015, is a novel topical treatment for onychomycosis (nail fungus) with the potential to become market leader in its niche market.

Basis of preparation and IFRS
The following accounting and valuation principles pertain to both the consolidated financial statements and the parent company's annual accounts unless otherwise specified.

The consolidated financial statements have been prepared in accordance with international accounting standards, the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application in the EU.

The consolidated financial statements have also been prepared in accordance with Swedish law (the Annual Accounts Act) by application of Recommendation RFR 1 of the Swedish Financial Reporting Board.

The parent company's Annual Report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) by application of Recommendation RFR 2 of the Swedish Financial Reporting Board. This means that, as a rule, the IFRS valuation and disclosure rules, as applied in the consolidated financial statements, also apply to the parent company.

Translation of foreign currency
Functional currency and reporting currency
Items included in the financial statements of the various Group companies are measured in the currency used in the economic environment in which the particular companies are active (functional currency). Moberg Pharma AB's functional currency is Swedish kronor (SEK), which also represents the reporting currency of the parent company and the Group. Consequently, the company's financial reports are presented in Swedish kronor and rounded to the nearest thousand unless otherwise stated. Rounding to the nearest thousand may mean that certain amounts do not match when added up.

Transactions and balance sheet items
Transactions in foreign currency are reported in the functional currency based on the exchange rates on the transaction date. Monetary assets and liabilities in foreign currency are reported in the functional currency using the exchange rate as of the balance sheet date. Exchange rate differences arising from translations are recognized in other operating items in the income statement. Non-monetary assets and liabilities are normally recognized using historical cost and are reported using the exchange rate as of the transaction date.

Basis of valuation
Moberg Pharma uses the costs incurred in recognizing balance sheet items unless stated otherwise.

Consolidation principles
Subsidiaries are consolidated in accordance with the acquisition method. The cost of an acquisition comprises the fair value of assets provided as payment, issued equity instruments and the liabilities incurred or taken over at the date of transfer. Identifiable acquired assets, assumed liabilities and contingent liabilities arising from a corporate acquisition are initially measured at fair value on the acquisition date. The surplus represented by the difference between cost and the fair value of the Group's share of identifiable acquired net assets is recognized as goodwill.

Intra-Group transactions and balance sheet items, as well as unrealized gains on transactions between Group companies, are eliminated in their entirety.

Revenue
Two types of income are included in net revenue: product sales and milestone payments. All revenues are recognized at the fair value of what has been received or will be received less deductions for discounts, VAT and after elimination of intra-group transactions and are recorded as follows:

- Product sales are recognized as revenue when control of the goods has been transferred to the customer, which is on delivery taking into account the current shipping conditions.
- Milestone payments are recognized when all conditions of eligibility for milestone payment under the agreement are met.

inventories
Inventories are recognized at the lower of cost (weighted average price) and net realizable value. Acquisition costs are defined as costs for finished goods and raw materials. Cost includes purchasing costs, customs and transport costs and other direct costs associated with the purchase of goods. Net realizable value is the estimated selling price in the company's operating activities less selling costs. The risk of obsolescence and confirmed obsolescence have been taken into account in the valuation. As the goods in inventory are sold, the carrying amount is expensed during the period in which the corresponding revenue is recognized. Losses on goods in inventory are recognized in the income statement during the period to which they relate.

Leasing
Assets and liabilities associated with a lease agreement are initially measured at present value. The lease payments are discounted by the interest rate implicit in the lease. If this rate cannot be easily established, which is usually the case with property leases, the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the funds needed to obtain an asset of similar value in a similar economic environment with similar terms.

Lease payments are divided between amortization and financing costs. The financing cost is expensed over the lease term to produce a constant periodic rate on the remaining liability in each period. The liability will be increased by the rate on the lease liability but reduced by paid leasing fees. The valuation of the liability will also reflect changes in the leasing fees.

Right-of-use assets are measured at cost, which comprises the amount of the initial valuation of the lease liability. Right-of-use assets are depreciated over the shorter asset's useful life and the lease term on a straight-line basis. After the commencement date, the lessee measures the right of use at cost after deducting accumulated depreciation and any accumulated impairment. The valuation also considers any revaluation of the lease liability.

Payments associated with short-term equipment leases and all leases with low value assets are expensed on a straight-line basis in the income statement. Short-term leases are leases with a term not exceeding 12 months. Low value assets consist of IT equipment and office furniture.

Non-current assets

Non-current assets are recognized at cost less accumulated depreciation or amortization and any impairment loss. Depreciation and amortization are applied according to plan over the asset's estimated useful life from the time of an acquisition.

Depreciation/amortization periods

The following useful lives are applied for different types of assets:

Patent	useful life of the patent
Capitalized expenditure for research and development work	anticipated useful life
Property, plant and equipment	5 years

Amortization of patents commences from the time of commercialization. Once commercialization has commenced, patents are amortized over the term of the patent or on a straight-line basis over the anticipated useful life of the patent if this is less than the term of the patent. Amortization of product rights is applied straight line over the anticipated useful life.

Research and development costs

Research costs are expensed as incurred

Expenditure relating to internally generated development projects is capitalized as intangible assets in accordance with IAS 38 Intangible Assets insofar as this expenditure is expected to generate future economic benefits. The cost of such intangible assets is amortized over the asset's estimated useful life. Other development costs are expensed as incurred. Moberg Pharma's assessment of this policy for ongoing development projects is presented on page 37 (Significant estimates and assessments). Expenditure arising before the time when all capitalization criteria have been fulfilled will continue to be expensed. Direct expenses of completing the product, such as those for patents, registration applications and product testing, including employee benefits, are recognized in cost. Depreciation/amortization will be applied using the straight-line method to distribute development expenses on the basis of estimated useful life.

The useful life is based on the term of the underlying patent; amortization is applied on a straight-line basis from the date of commercialization until the end of the patent, or on a straight-line basis across the anticipated useful life if this is less than the term of the underlying patent. Accordingly, the amortization period for capitalized development expenditure will exceed the five years that, according to the Annual Accounts Act, should normally be the amortization period in the parent company. The reason for the longer amortization period is that the products are expected to generate revenue throughout the entire term of the patents. Expenditure relating to acquired development projects is capitalized as intangible assets.

Impairment losses

At each reporting date, the carrying amounts for intangible assets and property, plant and equipment are tested for impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use.

Value in use is determined by estimating and discounting future incoming and outgoing payments generated by the asset. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount. This impairment loss is recognized directly in the income statement.

Financial instruments

Financial instruments reported in the statement of financial position include, on the asset side, cash and cash equivalents, accounts receivable and financial receivables. Liabilities include accounts payable, other interest-bearing liabilities and contingent consideration.

Reporting in and removal from the statement of financial position

A financial asset or liability is recognized in the statement of financial position when the company becomes a party according to the instrument's contractual terms. A claim is raised when the company has performed and there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are recognized in the statement of financial position when the invoice has been sent. Debt is raised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are recognized when the invoice is received.

A financial asset is removed from the statement of financial position when the rights in the agreement are realized, expire or the company loses control over them. The same applies to part of a financial asset. A financial liability is removed from the statement of financial position when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to part of a financial debt. A financial asset and a financial liability are offset and recognized with a net amount in the statement of financial position only when there is a legal right to offset the amounts and there is an intention to settle the items with a net amount or to simultaneously realize the asset and settle the debt. Acquisitions and divestments of financial assets are reported on the business day. The business day is the day on which the company commits to acquire or dispose of the asset.

Classification and valuation of financial assets

Debt instruments: the classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the nature of the asset's contractual cash flows.

The instruments are classified into:

- amortized cost
- fair value through other comprehensive income, or fair value through profit or loss.

The Group's assets in the form of debt instruments are classified at amortized cost. Financial assets classified at amortized cost are initially measured at fair value with the addition of transaction costs. Accounts receivable are initially recognized at invoiced value. After the first accounting opportunity, the assets are valued according to the effective interest method. Assets classified at amortized cost are held according to the business model to collect contractual cash flows that are only payments of principal amounts and interest on the outstanding capital amount. The assets are covered by a loss reserve for expected loan losses.

Equity instruments are classified at fair value through profit or loss, with the exception if they are not held for trading, as an irrevocable choice can be made to classify them at fair value through other comprehensive income without subsequent reclassification to the result. The Group classifies equity instruments at fair value through profit or loss.

Classification and valuation of financial liabilities
Financial liabilities are classified at amortized cost. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After the first accounting date, they are measured at amortized cost according to the effective interest method.

Impairment of financial instruments
The Group's financial assets, other than those that are classified at fair value through profit or loss, are subject to write-downs for expected loan losses. The reserve for loan losses is calculated and recognized initially based on twelve-month expected loan losses. If credit risk has increased significantly since the financial asset was first recognized, the reserve for credit losses is calculated and reported based on expected loan losses for the entire remaining term of the asset. For accounts receivable and contract assets, a simplified method is applied and the reserve for credit losses is calculated and recognized based on expected loan losses for the entire remaining term. The calculation of expected loan losses is mainly based on an individual assessment of the current receivable or the asset together with information on historical losses for similar assets and counterparties. The historical information is evaluated and adjusted continuously based on the current situation and the expectation of future events. The financial assets are recognized in the balance sheet at amortized cost, i.e., net of gross value and loss reserve. Changes in the loss reserve are recognized in the income statement.

Provisions
Provisions are recognized in the balance sheet when the Group has a legal or informal obligation arising from previous events and it is more probable than not that an outflow of resources will be required to settle the obligation and the amount can be reliably calculated.

Pensions and other committed post-employment benefits
Moberg Pharma has only defined contribution plans for its employees. Defined-contribution plans and other short-term benefits for employees are recognized as personnel costs during the period that the employee performed the service associated with the remuneration. Prepaid fees are recognized as an asset to the extent that cash repayment or a reduction of future payments may benefit Moberg Pharma.

Equity
Transaction costs directly attributable to the issue of new shares are recognized in equity, net after tax, as a deduction from the issue proceeds.

Employee share-based incentive programs
Share-based incentive programs are recognized in accordance with IFRS 2, whereby the cost of share-based remuneration to employees is recognized at fair value per grant date. The cost, together with a corresponding increase in equity, is recognized during the period during which the performance and earnings conditions are met, up to and including the date on which the employees concerned are fully entitled to the compensation (vesting day). The accumulated cost recognized at each reporting date up until the vesting date reflects the extent to which the vesting period has been harvested and Moberg Pharma's estimate of the number of equity-linked instruments that will ultimately be fully vested.

The company's employee stock option program constitutes a transaction that is settled with equity instruments in accordance with IFRS 2, where the fair value of the allocated employee stock options is recognized in the income statement as a personnel cost during the vesting period. The fair value of the employee stock options is determined at the time of allotment using the Black-Scholes option pricing model. Vesting terms are considered in assumptions about the number of employee stock options that are expected to be possible to utilize. This estimate is revised regularly. Moberg Pharma recognizes the possible effect of the revision of the original estimate in the income statement with a corresponding effect on equity during the remainder of the vesting period. Funds received on exercise of employee stock options, net of any directly attributable transaction costs, are added to equity.

Related-party transactions
Remuneration and benefits to senior executives are recognized in accordance with IAS 19 Employee Benefits and IFRS2 Share-based Payment. Other disclosures on related-party transactions are recognized in accordance with IAS 24 Related Party Disclosures; see Note 28.

Tax
Current tax and changes in deferred tax are recognized as Moberg Pharma's tax expense or deferred tax assets. Current tax is calculated on the taxable results for the period in accordance with tax regulations. Current tax also includes adjustments from previous tax years.

Deferred tax is the tax calculated based on the taxable or deductible temporary differences between the carrying amount and tax value of assets and liabilities.

In accordance with the balance sheet method, deferred tax is recognized in its entirety on all temporary differences arising between the tax assessment value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated by applying the tax rates and laws that have been enacted or that have been enacted in principle on the balance sheet date and that are expected to apply when the deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets and liabilities pertaining to tax-deductible temporary differences and tax loss carryforwards are recognized only insofar as it is considered likely that they will be utilized and will result in lower tax payments in the future..

Parent company accounting policies
The parent company's accounting policies essentially comply with the accounting policies of the Group. For the parent company, an income statement and a statement of comprehensive income are presented, while for the Group, this is presented in a single report in the statement of comprehensive income. Furthermore, for the parent company, the terms balance sheet and cash flow statement are used for those statements that in the Group are called consolidated statement of financial position and consolidated statement of cash flows, respectively. The income statement and balance sheet for the parent company are drawn up according to the presentation stipulated in the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the Group are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences concerning the consolidated financial statements that are relevant to the parent company's income statements and balance sheets consist mainly of the recognition of equity.

Shares in subsidiaries
Shares in subsidiaries are recognized at cost, less any impairment losses.

Significant estimates and assessments
Estimates and assessments are evaluated on an ongoing basis, based on historical experience and other factors as well as expectations of future events that are considered reasonable based on prevailing circumstances. Prospective estimates and assessments are made. Accounting estimates will, by definition, rarely match actual outcomes. Estimates and assumptions that involve a significant risk of material adjustments to carrying amounts during the coming fiscal year are discussed below.

Taxes
Deferred tax assets pertaining to tax-deductible temporary differences and tax losses carried forward are recognized only insofar as it is considered likely that they will be utilized and will result in lower tax payments in

the future. The deferred tax asset has been calculated on the basis of the assessment made by management and the Board of Directors concerning the future utilization, in the foreseeable future, of tax deficits accumulated in the Group. A changed assessment of how losses carried forward can be recovered through future taxable surpluses could impact recognized taxes on earnings and on items in the balance sheet in forthcoming periods.

Internal development expenditure

Development costs are to be capitalized as intangible assets when it is probable that the project will succeed. Each development project is unique and must be assessed based on its particular merits. The earliest assessed timing for capitalization is during Phase 3 development or equivalent final development steps for types of products other than pharmaceuticals. But even after completion of such development steps, a number of uncertainty factors could remain so that the criteria for capitalization cannot be considered satisfied.

Given premature capitalization, there is a risk that a project will fail and that the offsetting costs will not be justified and will have to be expensed directly. In turn, this would imply that previous and current year results would be misleading because of an excessively optimistic assessment of the likelihood of success.

Status reports on the development project MOB-015 were presented to the Board of Directors on a number of occasions during the year. The Board has evaluated MOB-015 and determined that it fulfills all capitalization criteria as of December 31, 2023. This assessment is made according to the criteria defined in IFRS:

It is technically feasible for the company to complete MOB-015

- Efficacy and safety have been documented in phase III studies as well as previous in vitro and ex vivo studies.
- The product is based on well-known and well-documented substances. Significant parts of the regulatory dossier can be based on literature data when applying for market approval which may potentially lead to a shorter path to approval.
- The product has been recommended for national approval in 13 EU countries and market approval has been received in 13 European countries.
- Moberg Pharma has been granted patents and has pending patent applications in major territories.

Moberg Pharma has the intention to complete MOB-015

- The Board of Directors has approved the continued development plans.
- The company has entered into several agreements with external parties on continued development.

Moberg Pharma has the ambition and ability to sell the product

- Moberg Pharma has distribution and partnership agreements in place in major territories such as the EU, the Republic of Korea and Canada and intends to build up our own sales channel in the U.S.
- The launch of MOB-015 has begun and it is available in Swedish pharmacies under the brand name Terclara® as of February 2024.

The asset will generate significant future economic benefits

- Market research has shown significant potential for new products.

Moberg Pharma has access to adequate technical, financial and other resources to complete development of the product candidate

- Moberg Pharma has secured the availability of all necessary resources.

Impairment testing of capitalized development expenditure

At each balance sheet date, impairment testing of capitalized development expenses is also carried out. This impairment test contains a number of estimates and assessments. For more on the impairment test, see Note 13.

NOTE 2. Revenue

	Parent company		Group	
Distribution of net revenue	**2023**	**2022**	**2023**	**2022**
Sales of products	-	-	-	-
Milestone payments	-	207	-	207
	-	**207**	**-**	**207**

	Parent company		Group	
Net revenue by geographical market	**2023**	**2022**	**2023**	**2022**
Europe	-	-	-	-
Americas	-	-	-	-
Rest of the world	-	207	-	207
	-	**207**	**-**	**207**

Net revenue is based on the geographic market from which the product is sold.

	Parent company		Group	
Net revenue by sales channel	**2023**	**2022**	**2023**	**2022**
Direct sales	-	-	-	-
Distribution sales	-	207	-	207
License revenues	-	-	-	-
Transfer price adjustments	-	-	-	-
	-	**207**	**-**	**207**

	Parent company		Group	
Net revenue by product category	**2023**	**2022**	**2023**	**2022**
MOB-015	-	207	-	207
	-	**207**	**-**	**207**

NOTE 3. Segment information

Moberg Pharma's operations comprise only one area of operation, the development and commercialization of medical products. Since the operations are conducted in one area of operation, no separate segment information is presented.

NOTE 4. Other operating income

	Parent company		Group	
Other operating income	**2023**	**2022**	**2023**	**2022**
Exchange rate gains	447	291	447	291
Invoiced expenses	607	1,524	607	1,524
	1,054	**1,815**	**1,054**	**1,815**

NOTE 5. Cost categorization

	Parent company		Group	
Operating expenses	**2023**	**2022**	**2023**	**2022**
Cost of goods sold	-	-	-	-
Personnel costs	11,006	6,209	11,006	6,209
Depreciation/amortization	2,099	2,582	2,099	2,582
R&D costs	860	147	860	147
Other expenses	14,552	13,310	14,552	13,310
	28,517	**22,248**	**28,517**	**22,248**

	Parent company		Group	
Depreciation/amortization by function	**2023**	**2022**	**2023**	**2022**
Research and development costs	1,276	1,683	1,276	1,683
Selling expenses	52	-	52	-
Business development and administrative expenses	771	899	771	899
	2,099	**2,582**	**2,099**	**2,582**

NOTE 6. Leasing

	Parent company		Group	
Right-of-use assets	**2023**	**2022**	**2023**	**2022**
Opening balance	5,984	4,519	5,984	4,519
Revaluations	1,057	4,047	1,057	4,047
Depreciation	-2,099	-2,582	-2,099	-2,582
Closing balance	**4,942**	**5,984**	**4,942**	**5,984**

	Parent company		Group	
Leasing liabilities	**2023**	**2022**	**2023**	**2022**
Opening balance	6,105	3,931	6,105	3,931
Revaluations	1,057	4,047	1,057	4,047
Interest expense	250	70	250	70
Leasing payments	-2,675	-1,943	-2,675	-1,943
Closing balance	**4,737**	**6,105**	**4,737**	**6,105**
- which is long-term	*3,467*	*3,988*	*3,467*	*3,988*
- which is short-term	*1,270*	*2,117*	*1,270*	*2,117*

Lease payments will be paid over the following time periods:

	Parent company		Group	
Lease payments	**2023**	**2022**	**2023**	**2022**
Commitments within one year	1,270	2,117	1,270	2,117
Commitments within two to five years	3,467	3,988	3,467	3,988
	4,737	**6,105**	**4,737**	**6,105**

The Group rents office space, which is due to expire in September 2027. Assets and liabilities arising from a leasing agreement are initially calculated at present value. Rent payments are discounted with the interest rate implicit in the lease. If this interest rate cannot be easily determined, which is usually the case for leases in the group, the tenant's incremental borrowing rate is used, which is the interest rate the individual tenant would have to pay to borrow the funds required to obtain an asset of similar value to the right to use the asset in a similar economic environment with similar terms, security and terms.

Leasing payments are divided between amortization and financing costs. The financing cost is expensed over the lease term to produce a constant periodic rate on the remaining liability in each period.

Right-of-use assets are measured at cost, which comprises the amount of the initial valuation of the lease liability. Right-of-use assets are depreciated over the shorter asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term rentals of equipment and all leases with low-value assets are reported on a straight-line basis as an expense in the income statement. Short-term leases are leases with a maximum lease term of 12 months. Low-value assets consist of IT equipment and low-value office equipment.

NOTE 7. Employees

	2023				2022			
	Average number of employees			No. of employees on Dec 31	Average number of employees			No. of employees on Dec 31
No. of employees	**Women**	**Men**	**Total**	**Total**	**Women**	**Men**	**Total**	**Total**
Sweden	8	1	9	10	8	-	8	7
Total	**8**	**1**	**9**	**10**	**8**	**-**	**8**	**7**

Reporting of gender distribution of members of parent company senior management	2023		2022	
	Women	**Men**	**Women**	**Men**
Board of Directors	1	3	1	3
CEO and senior executives	3	3	4	1

Reporting of gender distribution of members of Group senior management	2023		2022	
	Women	**Men**	**Women**	**Men**
Board of Directors	1	3	1	3
CEO and senior executives[4]	3	3	4	1

[4] The management teams in the parent company and the Group are identical.

	Parent company		Group	
Total salaries, social security expenses and pensions	**2023**	**2022**	**2023**	**2022**
Salaries and other remuneration, including pension costs	13,399	9,956	13,399	9,956
Costs for incentive programs	2,308	1,458	2,308	1,458
Social security costs	5,804	2,391	5,804	2,391
Other expenses	968	668	968	668
Total	**22,479**	**14,473**	**22,479**	**14,473**
Of which pension costs	1,707	1,367	1,707	1,367

Variable remuneration in the fiscal year 2023 totaled SEK 1.5 million (0.9) for the entire workforce. Variable remuneration represented approximately 7 percent (6) of the Group's total personnel costs for the fiscal year. All permanent employees who have been employed for more than 6 months have the opportunity to receive a variable salary component in their annual salary.

Senior executive benefits

Board of Directors and committees

The Chairman of the Board and other Board members receive director's fees as resolved by the general meeting.

Chief Executive Officer

For the period January 1 to December 31, 2023, the company reported SEK 2.0 million (1.7) in base salary paid to CEO Anna Ljung as well as SEK 0.6 million (0.4) in variable remuneration.

The CEO has a defined contribution pension, whereby the company has no pension obligations over and above those stated here. Premium payments equivalent to 25% (25%) of base salary have been made. The notice period is six months in the event the CEO resigns and six months if terminated by the company.

Other senior executives

Remuneration to other senior executives consists of base salary, variable remuneration, other benefits and pensions. Other senior executives in the parent company refer to the five persons who together with the CEO constitute the management team. In addition to the CEO, the management team consisted of the following persons on December 31, 2023:

- Chief Medical Officer
- Vice President Finance
- Senior Director Regulatory Affairs
- Head of Pharmaceutical Development & Operations
- Head of Supply

Remuneration of senior executives

The AGM on May 16, 2023 resolved on the following principles for remuneration to senior executives of Moberg Pharma:

"Senior executives" refer to the CEO, Senior Director Regulatory Affairs, Vice President Finance, Chief Medical Officer, Head of Pharmaceutical Development & Operations and Head of Supply. The remuneration principles also apply to Board members to the extent they receive remuneration outside the scope of their Board assignment. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed after adoption of the guidelines by the Annual General Meeting 2023. These guidelines do not apply to any remuneration that is decided on or approved by the general meeting.

Promotion of Moberg Pharma's business strategy, long-term interests and sustainability

Moberg Pharma's business strategy includes in-house sales combined with sales through distributors and partners. Product development is performed through proven substances, which reduces time to market, the development cost and the risks compared with traditional drug development.

A condition for the successful implementation of Moberg Pharma's business strategy and long-term interests, including its sustainability, is that Moberg Pharma is able to continue to recruit and retain qualified employees, the basic principle being that the remuneration system for the senior executives and other employees is market-based and competitive. These guidelines enable the company to offer the senior executives a competitive total remuneration.

Moberg Pharma has ongoing long-term incentive programs in place that have been resolved by the AGM and therefore are excluded from these guidelines. The performance requirements used to determine the outcome of Moberg Pharma's long-term incentive programs have a clear connection to the long-term value creation, including its sustainability. The Board of Directors' proposal for LTIP 2024, which will be presented at the 2024 Annual General Meeting, has performance requirements connected to the company's operations and targets. The programs also require a vesting period of three years. For more information on these programs, see Note 19.

Types of remuneration, etc.

Remuneration of senior executives may consist of a fixed salary, variable remuneration, pension and other customary benefits. Additionally, the general meeting may, irrespective of these guidelines, resolve on, among other things, share-related or share price-related remuneration.

Fixed salary
Fixed salary shall be market-based and individually differentiated on the basis of the individual's role, performance, results and responsibilities. As a rule, fixed salary is adjusted once a year.

Variable salary
Variable salary shall be proportionate to the responsibilities and powers of the individual in question. Variable remuneration is based on the profit for the company in relation to the targets established by the Board of Directors. These targets shall be designed so as to contribute to Moberg Pharma's business strategy and long-term interests, including its sustainability. Pensionable salary only consists of base salary. Variable remuneration is generally capped at 25–50% of each executive's annual base salary. The evaluation of whether the predetermined performance targets have been fulfilled shall be made at the end of the measurement period and be based on the determined financial basis for the relevant period. Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment.

Pension and other benefits
The Chief Executive Officer has a set pension contribution of 25% of basic salary. Other senior executives have a set pension contribution of 15-30% of basic salary.

Other benefits may, for example, consist of health insurance, telephone benefits and meal benefits, and shall be provided to the extent this is considered to be in line with market conditions.

Termination
In case of termination, the notice period is at least three months if on the initiative of the senior executive and between three and twelve months if the company takes the initiative. Severance may apply, but total remuneration during termination including severance can never be more than twelve months' salary.

Consulting fees to Board members
In the event that Board members perform work over and above their customary Board assignment, the Board shall, in specific cases, be able to decide on additional remuneration in the form of consulting fees.

Salary and employment conditions for employees
In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employee's total income, the components of the remuneration and the increase and growth rate over time in the remuneration committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Remuneration committee
The Board's remuneration committee, consisting of all Board members including the Chairman of the Board, who also serves as the Chairman of the remuneration committee, addresses and prepares remuneration issues relating to senior executives. The remuneration committee prepares and drafts proposed resolutions relating to remuneration and terms and conditions of employment for the CEO, which are presented to the Board for approval. The Board evaluates the CEO's work on an annual basis. The CEO approves the remuneration and terms and conditions of employment of other senior executives on the basis of the principles for remuneration of senior executives adopted at the AGM.

The remuneration committee's tasks also include preparing the Board of Directors' decision to propose guidelines for remuneration of senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. These guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration as well as the current remuneration structures and compensation levels in Moberg Pharma. The CEO or other senior executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines
The Board shall have the right to temporarily deviate from these guidelines if there are special reasons in an individual case and a deviation is necessary to meet Moberg Pharma's long-term interests, including its sustainability, or to ensure Moberg Pharma's financial viability, such as additional variable remuneration attributed to outstanding performance.

Remuneration and other benefits in January - December 2023 for the CEO and other senior executives in the Group

2023	Base salary[5]	Variable remuneration[6]	Other benefits	Pension costs	Share based remuneration[7]	Other remuneration	Total
CEO, Anna Ljung	1,988	561	-	381	581	-	3,511
Other executives	8,305	1,229	-	889	1,224	-	11,647
Total	**10,293**	**1,790**	**-**	**1,270**	**1,805**	**-**	**15,158**

Remuneration and other benefits in January - December 2022 for the CEO and other senior executives in the Group

2022	Base salary[5]	Variable remuneration[6]	Other benefits	Pension costs	Share based remuneration[7]	Other remuneration	Total
CEO, Anna Ljung	1,669	421	-	384	460	-	2,934
Other executives	5,708	775	-	684	757	-	7,924
Total	**7,377**	**1,196**	**-**	**1,068**	**1,217**	**-**	**10,858**

[5] Remuneration to Mark Beveridge and Agneta Larhed has been paid in the form of consulting fees invoiced companies.

[6] Variable remuneration is attributable to the fiscal year and is paid out in the following year.

[7] These costs do not involve payment and do not affect the company's cash flow. Estimated costs for social security contributions are not included in the carrying amounts.

Long-term incentive programs
Moberg Pharma has introduced share-based incentive programs in the form of performance share units that are designed to promote the company's long-term interests by motivating and rewarding senior executives and other employees. All permanent employees with a term of employment exceeding 12 months on December 31, 2023 are included in the company's long-term incentive program. The number of shares and performance share units held by Board members, the CEO and other senior executives is stated on the Board's information on page 20 and management on page 22. For further information on share-based payments, see Note 19.

Directors' fees

	2023		2022	
	Directors' fees	Other remuneration	Directors' fees	Other remuneration
Kerstin Valinder (chair. from 2022-05-16)	360	-	210	-
Peter Wolpert (chair. until 2022)	-	-	150	-
Board members:				
Mattias Klintemar (until 2023-05-16)	71	-	170	-
Nikolaj Sörensen	170	-	170	-
Anders Lundmark (from 2022-05-16)	170	-	99	-
Fredrik Granström (until 2022-05-16)	-	-	71	-
Håkan Wallin (from 2023-05-16)	99	-	-	-
Summa	**870**	**-**	**870**	**-**

NOTE 8. Information on auditor's remuneration

	Parent company		Group	
Ernst & Young	**2023**	**2022**	**2023**	**2022**
Audit assignment	554	740	554	740
Auditing in addition to assignment	222	519	222	519
Tax advice	-	-	-	-
Other services	-	-	-	-
	776	**1 259**	**776**	**1,259**

Audit assignments are defined as the examination of the annual report and accounting records and of the Board of Directors and CEO's administration of the company, other tasks incumbent on the auditor, as well as advice and other assistance occasioned by observations made in the course of such examinations or the performance of such other tasks. Audit work in addition to the assignment comprises examinations of interim reports, prospectuses, pro forma and issue-in-kind certificates, and preparing other opinions in accordance with the Companies Act.

NOTE 9. Depreciation/amortization of property, plant and equipment and intangible non-current assets

	Parent company		Group	
Depreciation/amortization	**2023**	**2022**	**2023**	**2022**
Equipment and inventory	-	-	-	-
Rights of use	2,099	2,582	2,099	2,582
Intangible assets	-	-	-	-
	2,099	**2,582**	**2,099**	**2,582**

NOTE 10. Financial items

	Parent company		Group	
Interest income and similar items	**2023**	**2022**	**2023**	**2022**
Interest income	2,303	786	2,303	786
Other financial income	-	-	-	-
	2,303	**786**	**2,303**	**786**

	Parent company		Group	
Interest expenses and similar items	**2023**	**2022**	**2023**	**2022**
Interest expenses	260	71	260	71
Other financial expenses	-	-	-	-
	260	**71**	**260**	**71**

NOTE 11. Taxes

Income taxes	Parent company		Group	
Tax recognized in the income statement	**2023**	**2022**	**2023**	**2022**
Current tax	-	-	-	-
Deferred tax	4,327	3,802	4,327	3,802
	4,327	**3,802**	**4,327**	**3,802**
Applicable tax rate in Sweden	20.6%	20.6%	20.6%	20.6%

	Parent company		Group	
Income taxes	**2023**	**2022**	**2023**	**2022**
Profit/loss before tax	-25,420	-19,512	-25,420	-19,512
Tax according to the applicable tax rate for the parent company	5,236	4,019	5,236	4,019
Non-taxable income	-	-	-	-
Non-deductible expenses	-910	-217	-910	-217
Effect of change in tax rate on deferred tax	-	-	-	-
Other	-	-	-	-
Tax recognized	**4,327**	**3,802**	**4,327**	**3,802**

	Parent company		Group	
Deferred tax assets/tax liabilities	**2023**	**2022**	**2023**	**2022**
Deferred tax asset for deficit	20,643	15,141	20,643	15,141
Deferred tax asset interest deduction	7,434	7,434	7,434	7,434
	28,077	**22,575**	**28,077**	**22,575**

Deferred tax assets pertaining to tax-deductible temporary differences and tax losses carried forward are recognized only insofar as it is considered likely that they will be utilized and will result in lower tax payments in the future. Since the Board is of the opinion that the company's development means that there are convincing reasons to believe that future taxable surpluses will be available against which unused tax losses can be offset, the losses have been assigned a value. Current tax losses carried forward may be utilized for an unlimited time in Sweden. Deferred tax relating to interest deduction rules is limited to use within six years.

The parent company has not allocated any extra allowance available for deductions of accelerated amortization of intangible assets. It is possible therefore to make significant amortization deductions in the parent company for intangible assets in accordance with the Swedish Income Tax Act.

NOTE 12. Earnings per share

Calculations have been made in accordance with IAS 33 Earnings Per Share. Earnings per share before dilution is calculated by dividing profit for the year by a weighted average number of shares outstanding during the year. There is a total of 18,134,519 in outstanding warrants and 1,851,000 performance share units as of December 31, 2023. The calculation of the weighted average number of shares is based on registered shares less Moberg owned shares plus the diluted effect of outstanding warrants and performance share units.

	Group	
Profit and share data used in the calculations	**2023**	**2022**
Profit attributable to equity in Moberg Pharma:	-21,093	-15,710
Weighted average number of shares before dilution	15,871,799	7,587,166
Dilution effect of warrants and performance share units	19,649,100	165,154
Weighted average number of shares after dilution	35,520,899	7,752,320
Earnings per share before and after dilution	-1.33	-2.07

In the event of a loss, there is no dilution per share.

NOTE 13. Intangible non-current assets

	Parent company		Group	
Capitalized development expenditure	**2023**	**2022**	**2023**	**2022**
Opening accumulated cost	408,177	327,115	408,177	327,115
Capitalized expenditure for the year	124,116	81,062	124,116	81,062
Discontinued operations and investments	-	-	-	-
Accumulated cost at the end of the period	**532,293**	**408,177**	**532,293**	**408,177**
Opening amortization	-73	-73	-73	-73
Amortization for the year	-	-	-	-
Discontinuing operations and divestments	-	-	-	-
Closing amortization	**-73**	**-73**	**-73**	**-73**
Carrying amount at the end of the period	**532,220**	**408,104**	**532,220**	**408,104**

Capitalized development expenditure relates to capitalized development expenses for MOB-015. The useful life is based on the lifetime of underlying patents. Depreciation is booked on a straight-line basis from the time of commercialization to the end of the patent/patent applications, or on a straight-line basis over the expected useful life if this is less than the lifetime of underlying patents/patent applications.

Testing of impairment requirement

Intangible assets with an indeterminable useful life are tested at least annually to assess impairment requirements. Assets amortized and intangible assets under development are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable, or at least annually.

For the company's intangible fixed assets under development, the expected cash flows are adjusted to take into account the probability of development risk. Cash flow is calculated based on forecasts of the total market size, expected market share, estimated price level, etc. The size of the market, price level and probability assessment are based on external market information and accepted probability assumptions for the corresponding product to reach the market. The costs include development costs based on the company's business plan. The forecast period for income and expenses extends to the end of the patent. The most significant assumptions mainly consist of market size, market share and probability.

WACC

The discount rate used has been calculated as WACC (weighted average cost of capital) and amounts to 11.0%. The discount rate is based on a market-based assessment of the average capital cost taking into account the estimated existing risk level.

Sensitivity analysis

Sensitivity analyses are conducted to analyze how changes in WACC, the EBITDA level, investment needs, estimated growth rate, market share and probability influence the calculated value in use. Sensitivity analyses that have been carried out indicate that no reasonable change in significant assumptions would lead to a need for impairment.

NOTE 14. Property, plant and equipment

	Parent company		Group	
Tangible fixed assets	**2023**	**2022**	**2023**	**2022**
Opening cost	2,224	2,224	2,224	2,224
Investments	-	-	-	-
Discontinuing operations and divestments	-	-	-	-
Translation differences	-	-	-	-
Closing acquisition value	*2,224*	*2,224*	*2,224*	*2,224*
Opening depreciation	-2,224	-2,224	-2,224	-2,224
Depreciation for the year	-	-	-	-
Discontinuing operations and divestments	-	-	-	-
Translation differences	-,	-,	-	-
Closing depreciation	*-2,224*	*-2,224*	*-2,224*	*-2,224*
Carrying amount at the end of the period	**-**	**-**	**-**	**-**

NOTE 15. Inventory

	Parent company		Group	
Prepaid expenses and accrued income	**2023**	**2022**	**2023**	**2022**
Raw materials	4,569	-	4,569	-
Finished goods and goods for resale	2,546	-	2,546	-
	7,115	**-**	**7,115**	**-**

No impairment of inventory took place in financial years.

NOTE 16. Trade receivables and other receivables

	Parent company		Group	
Trade receivables and other receivables	**2023**	**2022**	**2023**	**2022**
Trade receivables	-	383	-	383
Provisions for expected credit losses	-	-	-	-
Carrying amount at the end of the period, trade receivables	**-**	**383**	**-**	**383**
Receivables from Group companies	-	-	-	-
Other receivables	786	1,055	786	1,055
	786	**1,438**	**786**	**1,438**

The fair value of trade receivables corresponds to the carrying amount. The maximum exposure to credit risk at the balance sheet date corresponds to the carrying amount of trade receivables and other receivables. Trade receivables are deemed to be of good credit quality.

	Parent company		Group	
Age of trade receivables	**2023**	**2022**	**2023**	**2022**
Not overdue	-	383	-	383
Less than 3 months	-	-	-	-
3 to 6 months	-	-	-	-
More than 6 months	-	-	-	-
	-	**383**	**-**	**383**

	Parent company		Group	
Changes in provisions for expected credit losses	**2023**	**2022**	**2023**	**2022**
On January 1	-	-	-	-
Additional provisions for expected credit losses	-	-	-	-
Receivables written off during the year as non-recoverable	-	-	-	-
Reversed unutilized amount	-	-	-	-
Translation differences	-	-	-	-
Carrying amount at the end of the period	**-**	**-**	**-**	**-**

	Parent company		Group	
	2023	**2022**	**2023**	**2022**
Non-overdue trade receivables not subject to impairment	-	-	-	-

NOTE 17. Prepaid expenses and accrued income

	Parent company		Group	
Prepaid expenses and accrued income	**2023**	**2022**	**2023**	**2022**
Insurance charges	128	449	128	449
Pension costs	139	55	139	55
Other prepaid expenses	770	268	770	268
	1,037	**772**	**1,037**	**772**

NOTE 18. Cash and cash equivalents

Moberg Pharma receives interest on cash and cash equivalents at rates based on banks' daily deposit rates.

	Parent company		Group	
Cash and cash equivalents	**2023**	**2022**	**2023**	**2022**
Cash and cash equivalents	60,555	125,550	60,555	125,550
Carrying amount	**60,555**	**125,550**	**60,555**	**125,550**

Cash and cash equivalents in both the parent company and the Group include bank accounts pledged as security for bank guarantees of SEK 0.7 million.

NOTE 19. Equity

Capital

Moberg Pharma's managed assets comprise equity. Changes in managed equity are described in "Consolidated Statement of Changes in Equity," page 39. Moberg Pharma seeks to add value and generate a good return for shareholders through profitable growth from organic sales growth, acquisitions and in-licensing of new products. Moberg Pharma's goal is to make MOB-015 the leading treatment alternative for nail fungus globally and to build a specialist pharmaceutical company with its own sales in the U.S. and sales through partners in other markets. With MOB-015 as an anchor, the company intends to expand its product portfolio with more proprietary and acquired products in related areas.

Share development including owned own shares

Date[8]	Transaction	Change in no. of shares	Change in share capital	No. of shares	Total share capital, SEK	Quotient value, SEK	Subscription value, SEK[9]	Invested capital
Outstanding January 1, 2022				**4,551,142**	**4,551,142.50**	**1.00**		
March 2022	Rights issue	116,970	116,969.80	4,668,112	4,668,112.30	1.00	64.70	7,567,946
June 2022	Rights issue	5,305,321	5,305,321.20	9,973,433	9,973,433.50	1.00	23.00	122,022,388
June 2022	New issue (refers to own shares)	112,500	112,500.00	10,085,933	10,085,933.50	1.00	1.00	112,500
Closing balance, December 31, 2022				**10,085,933**	**10,085,933.50**	**1.00**		
Outstanding January 1, 2023				**10,085,933**	**10,085,933.50,**	**1.00**		
June 2023	New issue (refers to own shares)	187,000	187,000.00	10,272,933	10,272,933.50	1.00	1.00	187,000
September 2023	Rights issue	17,470,149	17,470,149.00	27,743,082	27,743,082.50	1.00	5.75	100,453,357
September 2023	New issue (to guarantors)	664,370	664,370.00	28,407,452	28,407,452.50	1.00	1.00	664,370
Closing balance, December 31, 2023				**28,407,452**	**28,407,452.50,**	**1.00**		

8 Refers to the time of the Swedish Companies Registration Office's registration.

9 Average subscription price.

Share-based remuneration

Employee stock options and performance share rights	2020:1	2021:1	2022:1	2023:1
Start date	2020-05-16	2021-05-16	2022-05-16	2023-05-16
Expiration date	2023-05-30	2024-05-30	2025-05-30	2026-05-30
Vesting date	2023-05-30	2024-05-30	2025-05-30	2026-05-30
Exercise price, SEK per share	1,00	1,00	1,00	1,00
Number originally allocated	32 300	114 400	112 500	184 000
Outstanding December 31, 2022	23 800	79 600	88 900	-
Allocated in 2023	-	-	-	184 000
Forfeited or exercised in 2023[10]	-23 800	-	-	-
Exercised in 2023	-	-	-	-
Outstanding December 31, 2023	**-**	**79 600**	**88 900**	**184 000**
Number of shares that may be subscribed[11]	**-**	**500 018**	**514 160**	**508 810**
Instruments which can be executed per 2023-12-31	-	-	-	-

10 Forfeited due to termination of employment or assignment.

11 According to the terms of the program.

Expected social costs have been calculated and provisions have been made in the financial statements.

Outstanding warrants	Total
Warrants of series 2023:1 TO2	18,134,519
	18,134,519

In connection with the rights issue in August 2023, warrants of series 2023:1 were issued TO2. Each warrant of series 2023:1 entitles the holder to subscribe for one (1) new ordinary share in the company during the period June 5, 2024 up to and including June 19, 2024. The subscription price for subscription of ordinary shares with the support of warrants of series 2023:1 will correspond to 70 percent of the volume-weighted average price of the company's ordinary share during the period from and including May 20, 2024 up to and including May 31, 2024. However, the subscription price can at minimum amount to the quotient value of the share, corresponding to approximately SEK 1.0 per ordinary share.

NOTE 20. Current liabilities

	Parent company		Group	
Other current liabilities	**2023**	**2022**	**2023**	**2022**
Employee payroll tax	299	185	299	185
Settlement of social security contributions	217	146	217	146
Provisions for social security contributions for performance share unit program	2,755	686	2,755	686
Other current liabilities	-	-	-	-
	3,271	**1,017**	**3,271**	**1,017**

NOTE 21. Accrued expenses and deferred income

	Parent company		Group	
Accrued expenses and deferred income	**2023**	**2022**	**2023**	**2022**
Accrued personnel costs	6,420	4,342	6,420	4,342
Accrued Board expenses	191	191	191	191
Audit	545	545	545	545
Accrued issue expenses	-	-	-	-
Other accrued expenses	2,075	1,466	2,075	1,466
	9,231	**6,544**	**9,231**	**6,544**

	Parent company		Group	
Accrued personnel costs	**2023**	**2022**	**2023**	**2022**
of which, accrued salaries	1,528	921	1,528	921
of which, accrued vacation pay liability	4,464	3,132	4,464	3,132
of which, accrued social security contributions	428	289	428	289
	6,420	**4,342**	**6,420**	**4,342**

NOTE 22. Pledged assets and contingent liabilities

	Parent company		Group	
Pledged assets	**2023**	**2022**	**2023**	**2022**
Bank guarantee, cash and cash equivalents	702	702	702	702
	702	**702**	**702**	**702**

NOTE 23. Financial assets and liabilities by category for the group

Financial assets and liabilities by category **December 31, 2023**	**Assets/liabilities measured at fair value per prevailing market prices**	**Financial assets at amortized cost**	**Financial debt at amortized cost**	**Total**
Assets in the balance sheet				
Trade receivables and other receivables (excluding prepaid expenses)		786		786
Cash and cash equivalents		60,555		60,555
Total		**61,341**		**61,341**
Liabilities in the balance sheet				
Leasing liabilities			4,737	4,737
Trade payables and other liabilities excluding non-financial liabilities			10,039 [12]	10,039
Total	**-**	**-**	**14,776**	**14,776**

[12] Consists of accounts payable of 6,768.

IFRS 13 Fair Value Measurement contains a measurement hierarchy pertaining to input data for the measurements. This measurement hierarchy is divided into three levels, which correspond to the levels introduced in *IFRS 7 Financial instruments:* Disclosures. The three levels comprise:

Level 1: Listed prices (unadjusted) in active markets for identical assets or liabilities to which the company has access at the time of measurement.

Level 2: Input data other than the listed prices included in Level 1, which is directly or indirectly observable for the asset or liability. It may also pertain to input data other than the listed prices that are observable for the asset or liability, such as interest rates, yield curves, volatility and multiples.

Level 3: Non-observable input data for the asset or liability. At this level, the assumption that market players would use for pricing of the asset or liability, including risk taking, must be taken into account.

For all of the above items, the book value is an approximation of the fair value, which is why these items are not divided into levels according to the valuation hierarchy.

Financial assets and liabilities by category December 31, 2022	Assets/liabilities measured at fair value per prevailing market prices	Financial assets at amortized cost	Financial debt at amortized cost	Total
Assets in the balance sheet				
Trade receivables and other receivables		1,438		1,438
Cash and cash equivalents		125,550		125,550
Total		**126,988**		**126,988**
Liabilities in the balance sheet				
Leasing liabilities			6,105	6,105
Other non-current liabilities			65	65
Trade payables and other liabilities excluding non-financial liabilities			18,043 [13]	18,043
Total	**-**	**-**	**24,213**	**24,213**

[13] Consists of accounts payable of 18,043.

NOTE 24. Shares in group companies

Holdings in subsidiaries	Corp. Reg. No.	Reg. Office	Proportion	Carrying amount
Moberg Derma Incentives AB	556750-1589	Stockholm, Sweden	100%	100

Change in carrying amounts, shares in subsidiaries	2023	2022
Opening cost	100	100
Acquisitions	-	-
Disposals	-	-
Closing accumulated cost	**100**	**100**
Closing carrying amount	**100**	**100**

NOTE 25. Financial risks and financial policy

Financial risk management

Financing and management of financial risks are managed in the Group under the governance and supervision of the Board of Directors. Moberg Pharma applies a cautious investment policy.

Through its activities, Moberg Pharma is exposed to various types of financial risks, such as fluctuations in the company's earnings and cash flow caused by changes in exchange rates and interest rates, as well as refinancing risk.

At present, Moberg Pharma's policy is to not hedge financial risks relating to transaction exposures. This decision has been taken in view of the cost of hedging against risks.

Market risk

Currency risk is the risk that changes in exchange rates will have a negative impact on the company's earnings, financial position and/or cash flows. Exchange rate risks are found in the form of transaction risks and conversion risks. The company's collaboration agreements and license agreements are written in currencies other than SEK and as revenues from such agreements grow, the company's currency risk exposure will gradually increase. Earnings are also exposed to exchange rate changes when purchasing clinical studies, foreign consultants, research services and materials. Exchange rate changes to the company's disadvantage may result in the company losing value from sales that occur in currencies other than SEK, as well as clinical studies possibly becoming more costly than predicted. Such exchange rate changes could reduce the value of the company's sales outside of Sweden upon conversion to SEK.

Amortization of intangible non-current assets/goodwill

Moberg Pharma's intangible assets in the form of patents and similar rights are central to the company's operations, value and future revenues. Intangible assets may be subject to impairment or amortization. In the event that the results of future studies do not meet expectations, there is a risk that the company must write down the carrying amount of the intellectual property right. The company's main value consists of the pharmaceutical MOB-015's future revenues. If the commercialization of MOB-015 is not successful, an impairment requirement may arise. Such impairment losses may adversely affect Moberg Pharma's financial position because the company's assets will be worth less, which would have a direct negative impact on the company's income statement.

Refinancing risk and future capital requirements

With its strategy, Moberg Pharma will continue to invest considerable resources in research and development, as well as business development. These investments are covered at present by available cash and cash equivalents and Moberg Pharma has a good financial position. Moberg Pharma is in an expansion phase and is engaged in development-intensive operations with investments aimed at securing future revenues. This consumes cash and cash equivalents. If opportunities for faster growth arise, for example, through acquisitions, Moberg Pharma may need to raise additional capital through share issues or additional borrowing. In addition, in the event of an economic downturn or adverse conditions in the credit markets, this could impact the company's ability to finance its continued operations. There is a risk that financing cannot be secured for future capital requirements or that such financing cannot be obtained on favorable terms, or at all.

Refinancing risk refers to the risk that Moberg Pharma will be unable to meet its obligations and continue to develop its business due to difficulties in finding financial backers or lenders that are prepared to invest in the company or because existing loans are cancelled: in part the risk that a loan that falls due cannot be refinanced, and in part the risk that refinancing must occur under adverse market conditions at unfavorable terms.

Financial risk management
Financing and management of financial risks are handled in the Group under the governance and supervision of the Board of Directors. Moberg Pharma applies a cautious investment policy.

Through its activities, Moberg Pharma is exposed to various types of financial risks, such as fluctuations in the company's earnings and cash flow caused by changes in exchange rates and interest rates, as well as refinancing risk. At present, Moberg Pharma's policy is to not hedge financial risks relating to loans, transactions and translation exposures. This decision has been taken in view of the cost of hedging against risks.

Credit and counterparty risk
Counterparty risk is the risk that a party to a transaction involving financial instruments will be unable to meet its obligations and thus incur a loss for the other party. Moberg Pharma is exposed to counterparty risk primarily in connection with collaboration and licensing agreements and financial investments. When a collaboration or licensing agreement is to be entered into, the counterparty is always evaluated prior to signing the agreement. Payment of accounts receivable is monitored continuously, thus making Moberg Pharma's exposure to expected credit losses low. The Group limits its current counterparty risk in connection with financial investments by investing surplus liquidity with counterparties with very high credit ratings. There is a risk that the company's assessment and evaluation of counterparty credit risks and counterparty credit ratings is not correct. In the event that a counterparty is unable to meet its commitments to Moberg Pharma, this may adversely affect the company's performance and financial position.

Tax
Moberg Pharma conducts or may conduct its business in several countries. As far as the Board of Directors is aware, this is carried out in accordance with applicable tax legislation regarding the business conducted in Sweden as well as abroad. However, there is a risk that the company's interpretation of these rules is incorrect or that the legislation will change, possibly with a retroactive effect. Through decisions by Swedish and foreign tax authorities, the company's previous or current tax situation may therefore change, which may lead to an increase in the company's tax expenditure and have a material adverse effect on the company's earnings.

Tax loss carry forwards
The company currently has declared tax loss carry forwards which may be lost if a new owner gains control of over 50 percent of the votes in the company or new owners each gain control of at least 5% of the votes and collectively control more than 50 percent of the votes in the company. The loss of these tax loss carry forwards would result in a financial loss for Moberg Pharma, which may have a negative impact on the company's business activities and financial position.

Non-sustainable sources of income
Moberg Pharma's business and income model is partly based on license agreements with milestone payments. One-off payments in the form of milestone payments constitute an important revenue source for Moberg Pharma but are not a sustainable source of income. In addition, milestone payments are dependent on certain predetermined targets in the sales, regulatory and research and development activities of the company's business partners, which means that they are difficult to forecast. Consequently, there is a risk that the company's revenue and profit/loss could vary significantly from one period to the next.

NOTE 26. Depreciation/amortization and other adjustments in the cash flow statement

	Parent company		Group	
Depreciation/amortization and other adjustments	**2023**	**2022**	**2023**	**2022**
Amortization of R&D investments	-	-	-	-
Depreciation of plant and equipment	-	-	-	-
Depreciation of right-of-use assets	2,099	2,582	2,099	2,582
	2,099	**2,582**	**2,099**	**2,582**

NOTE 27. Net investments in intangible assets in the cash flow statement

	Parent company		Group	
Net investments in intangible assets	**2023**	**2022**	**2023**	**2022**
R&D investments	-124,115	-68,072	-124,115	-68,072
	-124,115	**-68,072**	**-124,115**	**-68,072**

Investments in R&D relate to investments in MOB-015.

NOTE 28. Events after the balance sheet date

- On February 7, 2024, the company announced that the sale of MOB-015 had begun in Sweden under the brand name Terclara® and the product is now available at the majority of pharmacies around the country.
- On February 19, 2024, the Nomination Committee announced its proposal to the Annual General Meeting 2024, where it proposed Jonas Ekblom for election as a new member of the Board of Directors.
- On April 8, 2024, the company announced that an application to include the intended API supplier in the company's registration file for MOB-015 has been submitted. Approval is expected before the end of the year.

NOTE 29. Related-party transactions

All transactions with related parties have been concluded on market terms. Remuneration to the Board of Directors and management is described in Note 7. Moberg Pharma has not granted loans, issued guarantees or provided surety bonds to or on behalf of any board member or senior executive of the company. No other material changes have been made in the nature and scope of related-party transactions.

Assurance by the Board of Directors

The undersigned certify that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and with generally accepted accounting practices, and give a true and fair view of the financial position and results of the Group and the parent company and that the Director's Report for the Group and the Parent company provide a fair overview of the development of the Group's and the Parent company's operations, financial position and results, as well as a fair description of significant risks and uncertainties faced by the companies included in the Group.

Stockholm April 12, 2024

Kerstin Valinder Strinnholm
Chairman

Håkan Wallin
Board member

Anders Lundmark
Board member

Nikolaj Sörensen
Board member

Anna Ljung
CEO

Stockholm on the day shown by our electronic signature

Ernst & Young AB

Jens Bertling
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Moberg Pharma AB (publ), corporate identity number 556697-7426

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Moberg Pharma AB (publ) for the financial year 2023. The annual accounts and consolidated accounts of the company are included on pages 27-58 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Capitalized research & development costs

Description

The capitalized development costs for the group and the parent company amount to 532 MSEK as per December 31, 2023. The initial capitalization as well as subsequent capitalization are based on the company's judgments around the probability for the development projects to succeed, why capitalized development costs have been assessed as a key audit matter.

Judgments used and the Board of Director's decision that form basis for this assessment is described in section "Significant estimates and assessments" in note 1. The capitalized development costs are described in note 14.

How our audit addressed this key audit matter

In our audit we have assessed and reviewed the company's documentation for assessing which development projects that meet the conditions for capitalization as intangible assets according to IFRS. We have reviewed the company's follow up on development projects, including the communication with regulatory authorities. We have reviewed the company's process for identifying and allocating expenses to respective development project.

In addition, we have reviewed the related disclosures in the financial statements.

Valuation of capitalized development costs

Description

The capitalized development costs for the group and the parent company amount to 532 MSEK as per December 31, 2023. The company prepares annual impairment tests for capitalized development costs and if indications of impairment have been identified.

With reference to the assets value in relation to the group's and the parent company's total assets and the significant assumptions and judgments involved when calculating the recoverable amount, valuation of capitalized development costs has been assessed as a key audit matter.

A description of the company's impairment test process is described in note 14. Further information on the current year's impairment test including significant assumptions are described in note 14.

How our audit addressed this key audit matter

In our audit we have reviewed the forecasts for future sales, used by the company in its valuation models. We have reviewed the assumptions used in these valuations, such as the expected growth rates, profit levels and discount rate but also expected market share, probability assessment and remaining development costs. The forecasts have been evaluated for reasonableness based on our knowledge of the company's business, historical information and also external valuations. We have used valuation specialists in our audit to evaluate and review the company's valuation model and sensitivity analysis.

In addition, we have reviewed the related disclosures in the financial statements.

Other than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-26 and 64-68. Other information also consists of the remuneration report that will be obtained after the date of this audit report. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.

- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Moberg Pharma AB (publ) for the year ended December 31, 2023 (the financial year) and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor´s responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the articles of association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Chief Executive Officer have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Moberg Pharma AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements. In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Moberg Pharma AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Chief Executive Officer determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor´s responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation of the ESEF report and that it is prepared in a valid XHTML format, and a reconciliation that the ESEF report is consistent with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Group's consolidated income statement, balance sheet, statement of changes in shareholder's equity, statement of cash flow and notes in the ESEF report have been marked with iXBRL in accordance with the ESEF Regulation.

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed auditor of Moberg Pharma AB (publ) by the general meeting of the shareholders on the 16 May 2023 and has been the company's auditor since 2007. Moberg Pharma AB has been a public interest entity since 26 May 2011.

Stockholm on the day shown by our electronic signature
Ernst & Young AB

Jens Bertling
Authorized Public Accountant

The Moberg Pharma share

The Moberg Pharma share has been listed on NASDAQ OMX Nordic Exchange Stockholm, main list, since 2011 under the ticker symbol MOB.

Share price movement

The closing price on December 30, 2023 was SEK 15.2, which gave Moberg Pharma a market capitalization of SEK 432 million.

The highest price reported for the Moberg Pharma share during the fiscal year January-December 2023 was SEK 32.2 and the lowest price was SEK 6.15.

In total, 65.9 million Moberg Pharma shares were traded during the fiscal year January-December 2023. On average, 262,621 shares were traded per day. At year-end, Moberg Pharma had a total of 8,364 shareholders[14], with the 20 largest shareholders holding 39.4 percent of the shares in Moberg Pharma.

Ownership structure

	No. of shares	Share capital %	No. of shareholders[14]
1 - 500	634,990	2.2%	5,692
501 - 1,000	575,915	2.0%	772
1,001 - 5,000	2,845,110	10.0%	1,233
5,001 - 10,000	2,309,100	8.1%	316
10,001 - 15,000	1,436,894	5.1%	115
15,001 - 20,000	1,136,201	4.0%	64
20,001 -	19,496,242	68.5%	172
TOTAL	**28,407,452**	**100%**	**8,364**

[14] Excluding individuals who own nominee registered shares, e.g., via Avanza Pension

Shareholders at 2023-12-31

Shareholders	No. of shares	% of votes and capital
Östersjöstiftelsen	3,266,477	11.5
Avanza Pension	1,825,734	6.4
Nordnet Pensionsförsäkring AB	656,696	2.3
Kjelsmark holding aps	500,000	1.8
Moberg Pharma AB (publ)	445,974	1.6
The Bank of New York Mellon SA/MV, W8IMY	419,232	1.5
Iveland, Beatrice	390,000	1.4
Swedbank försäkring	358,111	1.3
Clearstream Banking S.A., W8IMY	344,383	1.2
IBKR Financial services AG, W8IMY	335,348	1.2
JS Erhvervs Consult APS	329,811	1.2
Blom, Fredrik	320,000	1.1
Zachau, Styrbjörn	317,246	1.1
Chen, Chans	307,671	1.1
Nordea livförsäkring Sverige AB	296,798	1.0
Asberg, Fredrik Erik	231,345	0.8
Handelsbanken Liv, Försäkringsaktiebolag	222,773	0.8
Eriksson, Mats	213,143	0.8
SEB Life International Assurance	211,010	0.7
SEB Investment Management	198,631	0.7
TOTAL, 20 LARGEST SHAREHOLDERS	**11,190,383**	**39.4**
Other shareholders	17,217,069	60.6
TOTAL	**28,407,452**	**100**

Distribution of ownership

	No. of shares	Share capital %	No. of shareholders[15]
Physical entities	14,940,461	52.6%	7,722
Legal entities	13,466,991	47.4%	642
TOTAL	**28,407,452**	**100.0%**	**8,364**
- of whom, residing in Sweden	23,520,794	82.8%	7,831

Geographic breakdown

	No. of shares	Share capital %	No. of shareholders[15]
Sweden	23 520,794	82.80%	7,831
Denmark	2 040,782	7.20%	323
Switzerland	603,565	2.10%	11
Belgium	477,402	1.70%	5
Luxembourg	373,257	1.30%	5
Other countries	1,391,652	4.90%	189
TOTAL	**28,407,452**	**100.0%**	**8,364**

[15] Excluding individuals who own nominee registered shares, e.g., via Avanza Pension

New issues during the year and changes in share capital

Share capital at the end of the period was SEK 28,407,452, where the total number of shares outstanding was 28,407,452 ordinary shares with a quotient value of SEK 1,0. Moberg Pharma holds 445,974 repurchased ordinary shares at the end of the year.

The Annual General Meeting on May 16, 2023 resolved on a reverse share split, through which ten (10) existing shares were consolidated into one (1) new share. The share's quotient value increased from SEK 0.1 to SEK 1.0.

In June 2023, 187,000 class C shares were issued to ensure that the company can fulfil its commitments under the long-term incentive program LTI 2023 resolved by the Annual General Meeting on May 16, 2023. The shares are intended for use in securing the commitments under the incentive program and are owned by Moberg Pharma.

In September 2023, Moberg Pharma completed a rights issue of units, comprised of 17,470,149 ordinary shares and warrants of series 2023:1, as resolved by the Board of Directors on June 28, 2023, as well as a directed issue of units, corresponding to 664,370 ordinary shares and warrants of series 2023:1, to the guarantors in the rights issue who have chosen to receive their guarantee commission in the form of newly issued units. Each warrant of series 2023:1 entitles the holder to subscribe for one (1) new ordinary share in the company during the period June 5, 2024 up to and including June 19, 2024. The subscription price for subscription of ordinary shares with the support of warrants of series 2023:1 will correspond to 70 percent of the volume-weighted average price of the company's ordinary share during the period from and including May 20, 2024 up to and including May 31, 2024. However, the subscription price can at minimum amount to the quotient value of the share, corresponding to approximately SEK 1.0 per ordinary share. The rights issue was oversubscribed and Moberg Pharma was provided with proceeds of approximately SEK 100 million before deducting transaction costs. The rights issue has increased in the number of shares and votes in the company by 17,470,149 and the remuneration issue to the guarantors has increased in the number of shares and votes in the company by 664,370.

Dividend and dividend policy

Moberg Pharma is in an expansion phase. To date, the company has never paid a dividend beyond the extraordinary distribution in 2019 and the Lex ASEA distribution of the shares in OncoZenge in February 2021. The Board is therefore of the opinion that the company's earnings are best used to finance the further development and expansion of the business. The Board does not intend to propose a recurring shareholder dividend until such a time when it is warranted by Moberg Pharma's earnings, financial position and capital requirements.

Incentive program

The Annual General Meeting of Moberg Pharma AB resolved on May 16, 2023 to authorize the Board of Directors to resolve to implement a directed share issue of not more than 1,125,000 class C shares to cover the company's commitments according to the incentive program LTI 2023. The Board of Directors resolved to exercise its authorization and issued 1,125,000 class C shares to Nordea Bank. These shares were repurchased at a quotient value of SEK 0.10 per share and converted to ordinary shares in June 2023.

As of December 31, 2023, there were a total of 1,851,000 performance share units (which entitle holders to not more than 1,522,988 shares), with a maximum potential dilution of 5.1%. For further information on the warrant programs, see Note 7 and Note 19.

Shareholder information

Annual General Meeting

The Annual General Meeting will be held at 2:00 p.m. on May 14, 2024 at the offices of Advokatfirman, Hamngatan 27 in Stockholm. The shareholders are provided the opportunity to vote by mail. Shareholders must submit requests no later than March 26, 2024 if they wish to have a matter considered at the Annual General Meeting.

Reporting dates 2024

Interim report for January-March 2024	May 7, 2024
Interim report for January-June 2024	August 13, 2024
Interim report for January-September 2024	November 12, 2024

Financial information

The reports are available in Swedish and English at www.mobergpharma.se. The reports are available in Swedish and English at www.mobergpharma.com.

For further information, please contact

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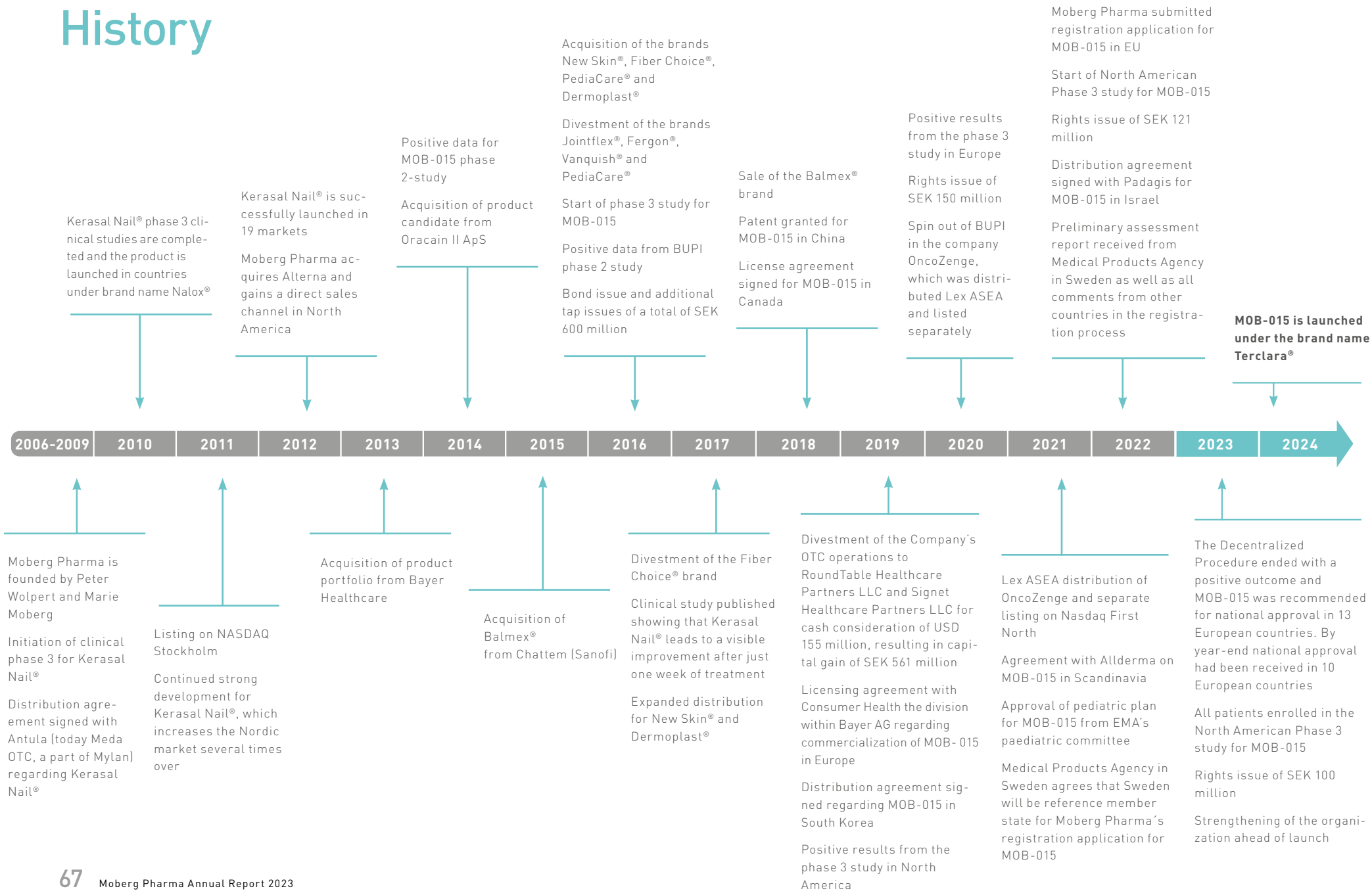
History


2006-2009
Moberg Pharma is founded by Peter Wolpert and Marie Moberg
Initiation of clinical phase 3 for Kerasal Nail®
Distribution agreement signed with Antula (today Meda OTC, a part of Mylan) regarding Kerasal Nail®
2010
Kerasal Nail® phase 3 clinical studies are completed and the product is launched in countries under brand name Nalox®
2011
Listing on NASDAQ Stockholm
Continued strong development for Kerasal Nail®, which increases the Nordic market several times over
Kerasal Nail® is successfully launched in 19 markets
Moberg Pharma acquires Alterna and gains a direct sales channel in North America
2012
2013
Acquisition of product portfolio from Bayer Healthcare
Positive data for MOB-015 phase 2-study
Acquisition of product candidate from Oracain II ApS
2014
2015
Acquisition of Balmex® from Chattem (Sanofi)
2016
Divestment of the Fiber Choice® brand
Clinical study published showing that Kerasal Nail® leads to a visible improvement after just one week of treatment
Expanded distribution for New Skin® and Dermoplast®
Acquisition of the brands New Skin®, Fiber Choice®, PediaCare® and Dermoplast®
Divestment of the brands Jointflex®, Fergon®, Vanquish® and PediaCare®
Start of phase 3 study for MOB-015
Positive data from BUPI phase 2 study
Bond issue and additional tap issues of a total of SEK 600 million
2017
2018
Sale of the Balmex® brand
Patent granted for MOB-015 in China
License agreement signed for MOB-015 in Canada
2019
Divestment of the Company's OTC operations to RoundTable Healthcare Partners LLC and Signet Healthcare Partners LLC for cash consideration of USD 155 million, resulting in capital gain of SEK 561 million
Licensing agreement with Consumer Health the division within Bayer AG regarding commercialization of MOB- 015 in Europe
Distribution agreement signed regarding MOB-015 in South Korea
Positive results from the phase 3 study in North America
2020
Positive results from the phase 3 study in Europe
Rights issue of SEK 150 million
Spin out of BUPI in the company OncoZenge, which was distributed Lex ASEA and listed separately
2021
Lex ASEA distribution of OncoZenge and separate listing on Nasdaq First North
Agreement with Allderma on MOB-015 in Scandinavia
Approval of pediatric plan for MOB-015 from EMA's paediatric committee
Medical Products Agency in Sweden agrees that Sweden will be reference member state for Moberg Pharma´s registration application for MOB-015
2022
Moberg Pharma submitted registration application for MOB-015 in EU
Start of North American Phase 3 study for MOB-015
Rights issue of SEK 121 million
Distribution agreement signed with Padagis for MOB-015 in Israel
Preliminary assessment report received from Medical Products Agency in Sweden as well as all comments from other countries in the registration process
2023
The Decentralized Procedure ended with a positive outcome and MOB-015 was recommended for national approval in 13 European countries. By year-end national approval had been received in 10 European countries
All patients enrolled in the North American Phase 3 study for MOB-015
Rights issue of SEK 100 million
Strengthening of the organization ahead of launch
2024
MOB-015 is launched under the brand name Terclara®

Definitions and glossary

FINANCIAL KEY FIGURE DEFINITIONS

Moberg Pharma presents certain financial measures in the annual report which are not defined in accordance with IFRS. Moberg Pharma believes that these measures provide valuable additional information to investors and the company's management as they enable evaluation of the company's accomplishment. Because not all companies calculate financial measures similarly, these are not always comparable to the measurements used by other companies. These financial measures should therefore not be seen as one compensation for measures defined in accordance with IFRS.

DEBT RATIO Interest-bearing liabilities in relation to equity at the end of the period.

EARNING PER SHARE* Profit after tax divided by average number of shares outstanding after dilution.

EBITDA Operating profit before amortization and write-downs of intangible assets and tangible fixed assets.

EBITDA MARGIN EBITDA as a percentage of net sales.

EQUITY PER SHARE Equity at the end of the period divided with the number of outstanding shares at the end of the period.

GROSS MARGIN Gross profit as a percentage of net sales.

NET RECEIVABLES Cash and cash equivalents less interest-bearing liabilities.

OPERATING CASH FLOW PER SHARE Cash flow from operating activities divided by the average number of outstanding shares after dilution.

PROFIT MARGIN Profit after tax as a percentage of net sales.

RETURN ON EQUITY Profit/loss for the year divided with outgoing equity at the end of the period.

SOLIDITY Equity at the end of the year in relation to balance sheet total.

*Defined according to IFRS.

GLOSSARY

ANTIMICROBIAL A substance with properties capable of destroying or inhibiting the growth of microorganisms (e.g., bacteria).

API Active pharmaceutical ingredient, the main chemical substance in the drug that provides the therapeutic effect.

CICLOPIROX A topical medication to treat nail fungus.

CLINICAL STUDY A study of the effects of a drug on humans.

CRO Contract research organization.

DERMATOLOGY The science of the skin and its diseases.

DRUG DELIVERY The method or process of administering active substances to achieve a therapeutic effect in humans or animals. Drug delivery technologies refer to patent-protected formulation technologies that modify drug profile with respect to the release or absorption of pharmaceuticals in the body, for example, with the aim of achieving more effective and simpler treatment and/or reduced side effects.

FORMULATION To develop the most appropriate preparation form of a pharmaceutical, for example, cream, tablet or liquid form.

KERATOLYTIC To remove/shed dead cells from the epidermis/nail.

MICROSCOPY Studies on the microscopic level of objects not visible to the naked eye.

MYCOLOGY The study of fungi.

NAIL FUNGUS Fungal infection of the nail that often results in the thickening and crumbling of the nail and the separation of the nail from the nail bed. Nail fungus is normally caused by dermatophytes.

OTC Over-the-counter medication.

PATENT FAMILY A patent family consists of all patents and patent applications sub-mitted in different countries for the same invention.

PREVALENCE The number of individuals in a certain group having a certain disease at a certain time.

RX Prescription medication.

TERBINAFINE An antifungal agent, developed by Novartis, now without patent protection. It belongs to a class of pharmaceuticals called allyl-amines, which block the activity of an enzyme, squalene epoxidase, which has a central role in the synthesis of the fungal cell membrane.

VEHICLE Carrier of medical agent, e.g., a cream base, which itself is inactive.

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