Year-end report 2021

Moberg Pharma AB (Publ)

Q1

Q2

Q3

Q4

THE MEDICAL PRODUCTS AGENCY IN SWEDEN WILL BE REFERENCE MEMBER STATE IN MOBERG PHARMA'S EUROPEAN REGISTRATION APPLICATION

"The most important event in the quarter was that the Medical Products Agency in Sweden has agreed to be reference member state for MOB-015 in Europe. The company also signed a new collaboration agreement with Allderma for the launch in Scandinavia in 2023. In addition, preparations are fully underway for the new North American Phase 3 study," says Anna Ljung, CEO of Moberg Pharma.

PERIOD (FULL-YEAR 2021)

- EBITDA SEK -17.1 million (-18.4) *
- Operating profit (EBIT) SEK -19.7 million (-21.0) *
- Profit after tax SEK -16.2 million (-18.4) *
- Total profit SEK 7.4 million (-20.0) **
- Diluted earnings per share SEK 0.17 (-1.05) **
- Cash and cash equivalents amounted to SEK 102.7 million (19.3)

FOURTH QUARTER (OCT-DEC 2021)

- EBITDA SEK -4.2 million (-5.3) *
- Operating profit (EBIT) SEK -4.9 million (-6.0) *
- Profit after tax SEK -4.0 million (-5.7) *
- Total profit SEK -4.0 million (-6.7)
- Diluted earnings per share SEK -0.09 (-0.34)
- Cash and cash equivalents amounted to SEK 102.7 million (19.3)

** These comparative figures refer to continuing operations*
***Note that the spin-off of OncoZenge AB had a positive effect on earnings of SEK 24 million, which affects total profit and earnings per share for the year*

SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- The Medical Products Agency in Sweden has agreed to be reference member state for Moberg Pharma AB's registration application for MOB-015. The company will submit the registration application in Europe through the decentralized process, and market approval is expected in 2023.
- Moberg Pharma entered into a collaboration with Allderma for the launch in Scandinavia. Allderma is managed by the commercial leaders which were responsible for the successful Nordic launch of Moberg Pharma's first-generation nail fungus product, Nalox®.
- Moberg Pharma's Chairman, Peter Wolpert, has been appointed CEO of Industrifonden and will not be available for reelection at the Annual General Meeting in 2022.

SIGNIFICANT EVENTS AFTER THE QUARTER

- The Nomination Committee is proposing Kerstin Valinder Strinnholm as the new Chairman of the Board of Moberg Pharma and Anders Lundmark as a new Board member.

STATEMENT FROM THE CEO

The most important event in the quarter was that the Medical Products Agency in Sweden has agreed to be reference member state for the registration application for MOB-015 in Europe. The company also signed a new collaboration agreement with Allderma for the launch in Scandinavia in 2023. In addition, preparations are fully underway for the new North American Phase 3 study.

In December, the Swedish Medical Products Agency announced that it had agreed that Sweden will be reference member state for Moberg Pharma's registration application. We intend to submit the application through a decentralized process and will submit a full application, which offers the possibility of data exclusivity in Europe for up to 10 years following market approval. Moberg Pharma has been ready to submit the registration application as soon as the authority can receive it. Due to limited resources and many parallel ongoing applications, the Swedish Medical Products Agency has announced that the application can be submitted in March 2022. The company's goal remains unchanged, to receive its first market approval and launch MOB-015 in 2023.

Ahead of the scheduled launch in Europe in 2023, commercialization preparations are also underway to maximize value and create future growth. In November, a licensing agreement was signed with Allderma AB, whose commercial leaders were responsible for the successful Nordic launch of Moberg Pharma's first-generation nail fungus product, Nalox®. The new agreement gives Allderma responsibility for marketing, distribution and sales in Sweden, Denmark and Norway, while Moberg Pharma is responsible for the manufacture and delivery of the product. The collaboration with Allderma complements the existing licensing agreement for MOB-015 in Europe and our European partner retains the right to take over the license in these markets at a later date. When it was launched in Sweden, Nalox® quickly became the market leader and the market grew by 400%. We look forward to a similar successful collaboration and see a big advantage in being closely involved in the launch of MOB-015 in our home market prior to additional launches with our partners.

Preparations are also fully underway for the company's next clinical Phase 3 study for MOB-015, which is scheduled to include 350 patients in North America. We intend to submit documentation on the new study to the FDA and the Ethics Committee in the first quarter of 2022. The purpose of the new study is to facilitate market approval in the US as well as strengthen the product's clinical evidence and marketing claims globally.

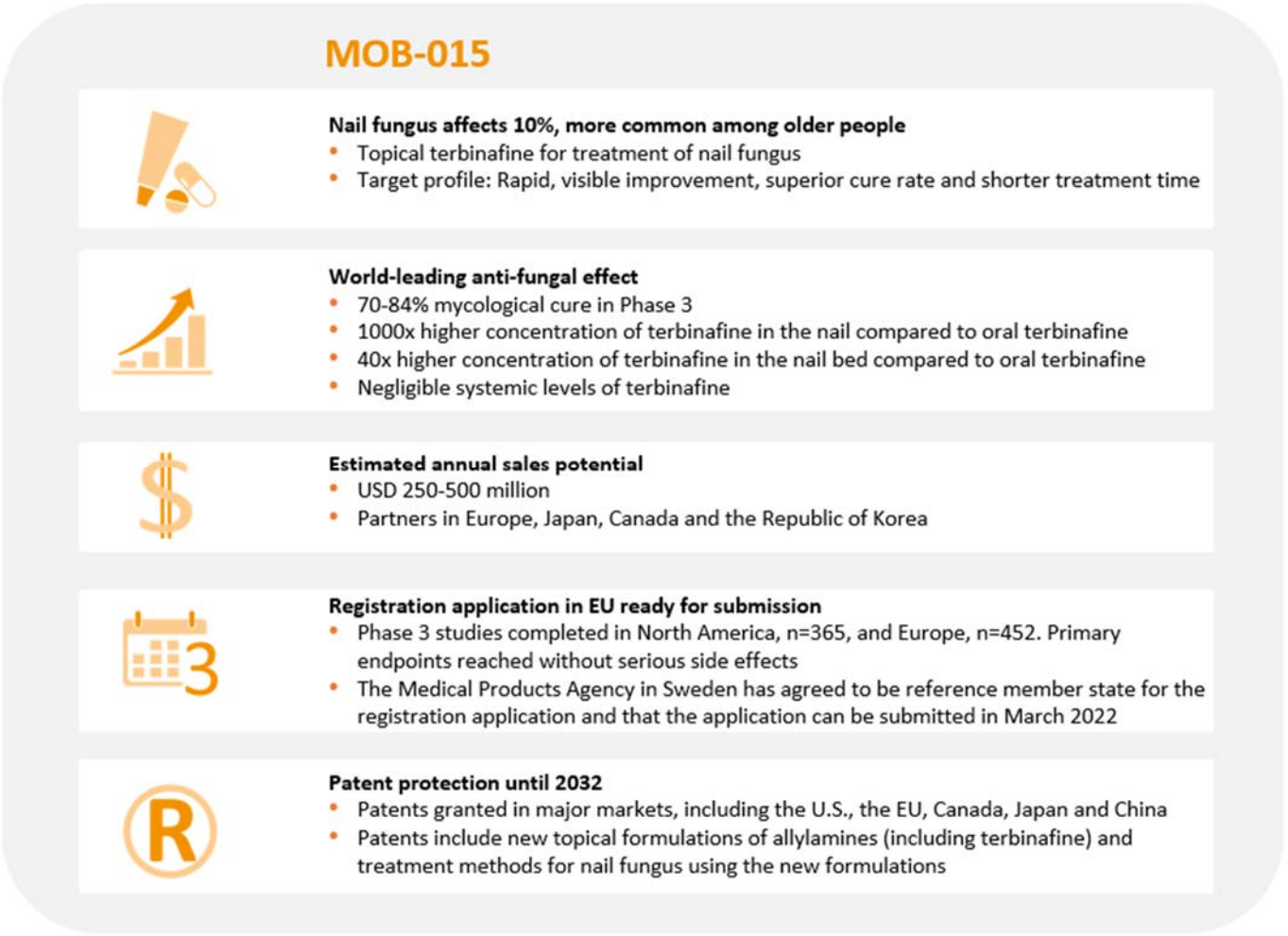
We continue to advance according to our strategic plan. That the Swedish Medical Products Agency would agree to be reference member state and support us through the registration process is an important step as we strive toward our goal to register a new and better nail fungus drug. Submission of the registration application in Europe and the start of the Phase 3 study in North America are the most important near-term milestones.

Anna Ljung, CEO of Moberg Pharma

ABOUT MOBERG PHARMA AND MOB-015

Moberg Pharma's goal is to make MOB-015 the world's leading treatment for nail fungus and to build a specialty 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 the product portfolio with additional products in adjacent areas either developed in-house or acquired.

MOB-015 is a next-generation treatment for onychomycosis (nail fungus) and the high antifungal effect shown in clinical Phase 3 studies with more than 800 patients indicates that the product has the potential to become the future market leader in nail fungus. Moberg Pharma has signed license agreements with partners in Europe, Japan, Canada and the Republic of Korea for MOB-015. The annual sales potential for MOB-015 is estimated at USD 250–500 million.



SIGNIFICANT MEDICAL NEED – MORE THAN 100 MILLION PATIENTS IN THE EU AND U.S. HAVE NAIL FUNGUS

Despite that one out of every ten people suffers from nail fungus, there currently aren't any good treatment alternatives available. The most effective treatment is oral terbinafine, which is associated with the risk of liver damage and interaction with other drugs. Dermatologists around the world agree on the great need for better topical treatments without the risk of systemic side effects. In a survey in the U.S., 72% of responding physicians avoid prescribing oral terbinafine due to their patients' concern about side effects, and 62% would prefer a product with MOB-015's intended target profile to current topical treatments. Only 6-15% of responding physicians would continue to prescribe current topical treatments.[1]

[1] Survey of 89 U.S. physicians (dermatologists and podiatrists), LifeSci Physician Survey, April 4, 2017

RESULTS FROM THE TWO PHASE 3 STUDIES SHOW THAT MOB-015 HAS UNIQUE ANTIFUNGAL EFFECT

In December 2019, the results were presented from the first of two clinical studies in the Phase 3 program for MOB-015, followed by the results of the European study in June 2020. Both studies met the primary endpoint. Mycological cure (eradicating the fungal infection) was achieved in 76 percent of the patients (70 percent of the patients in the North American study and 84 percent of the patients in the European study), which is substantially higher than reported for other topical treatments (30-54 percent). Furthermore, the onset of the antifungal effect is more rapid than for oral terbinafine, with MOB-015 delivering 55–78 percent mycological cure at 6 months (vs 40 percent for oral terbinafine) and 37–46 percent already at 3 months (vs 15 percent for oral terbinafine).

MOB-015 is the first topical treatment with a mycological cure rate at the same level as oral terbinafine, the current gold standard for treatment of onychomycosis. Before the recently completed clinical Phase 3 studies with MOB-015, it appeared unrealistic that a topical treatment would achieve a mycological cure rate of 70 percent. Furthermore, the concentration of terbinafine has been shown to be 1000X higher in the nail, 40x higher in the nail bed and 1000X lower in plasma compared to oral terbinafine – ideal characteristics for an effective tropical treatment without systemic exposure.

FIRST LAUNCH PLANNED IN 2023

In December 2021, the company announced that the Medical Products Agency in Sweden has agreed to be reference member state for Moberg Pharma AB's registration application for MOB-015. The company will submit the registration application in Europe through the decentralized process, and market approval is expected in 2023. Moberg Pharma will submit a full application, which offers the possibility of data exclusivity in Europe for up to 10 years following market approval. Moberg Pharma has been ready to submit the registration application as soon as the authority can receive it. Due to limited resources and many parallel ongoing applications, the Swedish Medical Products Agency has now announced that the application can be submitted in March 2022. The company's goal remains unchanged, to receive its first market approval and launch MOB-015 in 2023.

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. Consequently, an additional study is likely needed for registration in the U.S. market, which the company is now preparing. Moberg Pharma intends to submit documentation on the new study to the FDA and the Ethics Committee in the first quarter 2022.

AGREEMENTS WITH STRONG PARTNERS IN PLACE – U.S. RIGHTS RETAINED

In total, five agreements are in place with commercial partners for MOB-015: with Cipher Pharmaceuticals for Canada; Taisho in Japan; DongKoo, the market leader in dermatology, in the Republic of Korea; Allderma in Scandinavia; and the Consumer Health division of Bayer AG, a world leader in OTC fungus treatments with the brand Canesten, for Europe.

The agreements give these partners exclusive rights to market and sell MOB-015 in each respective market, while Moberg Pharma assumes production and supply responsibility. Within the framework of the agreements Moberg Pharma can receive milestone payments of up to a total USD 120 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 therefore has retained the rights to MOB-015 for the U.S. market. The aim is to repeat the journey taken with Kerasal Nail®, where Moberg Pharma combined direct sales in the U.S. with strategic collaborations in other major territories. The most important markets for MOB-015 are expected to be the U.S., EU, Japan, Canada and China, all with patent protection until 2032.

PROVEN COMMERCIAL MODEL

Moberg Pharma commercialized its first-generation nail fungus product – Kerasal Nail® - and built an OTC business with annual revenue of SEK 440 million, a 30% market share in the U.S. and more than 30,000 sales locations, including the major chains CVS, Walgreens and Walmart. In 2019, the OTC business was successfully divested for SEK 1.4 billion. The company's aim is now to repeat this journey with MOB-015, a product with much greater potential.

SPIN-OFF OF BUPI AND IPO OF THE COMPANY ONCOZENGE COMPLETED

In November 2020, Moberg Pharma announced that the BUPI project (BupiZenge) had been transferred to the subsidiary OncoZenge AB (publ), which in turn was distributed to Moberg Pharma's shareholders and listed separately on Nasdaq First North Growth Market in February 2021. The Swedish Tax Agency has announced that of the original acquisition cost of ordinary shares in Moberg Pharma before the spin-off, 88 percent represents the original shares in Moberg Pharma AB and 12 percent the received shares in OncoZenge AB. The BUPI project was revalued at fair value at the time of distribution and is shown as a separate item in Note 2 for discontinued operations and the spin-off resulted in a positive earnings effect of SEK 24 million.

FINANCIAL OVERVIEW

REVENUES AND PROFIT

Fourth quarter (October - December 2021)

In the fourth quarter, operating profit was SEK -4.9 million, compared to SEK -6.0 million in the same period in 2021. Moberg Pharma's operations consist of research and development, business development and administrative functions. The majority of the development expenditure incurred is directly attributable to the development project MOB-015 and is capitalized. The largest expense items in the quarter therefore consist of business development and administration expenses of SEK 4.6 million (5.4), followed by research and development expenses of SEK 0.7 million (0.6). Other revenue primarily relates to the reinvoicing of costs incurred. The comparable period includes profit after tax for the BUPI project of SEK -1.0 million.

Full-year (January - December 2021)

Operating profit (EBIT) was SEK -19.7 million for 2021, compared to SEK -21.0 million for 2020 for the continuing operations. Total profit contains a gain on the spin-off of OncoZenge AB of SEK 23.6 million. The result refers to the difference between the market value of the shares to Moberg Pharma's shareholders adjusted to the book value of the spun-off assets on the spinoff date. The comparative figures in the consolidated income statement show the impact on earnings of the divested BUPI project. The BUPI project was distributed to the shareholders on February 4, 2021 (Lex ASEA through the subsidiary OncoZenge AB). For the parent company, amounts recognized in the income statement have not been separated for continuing operations. A profit and loss account for discontinued operations is presented in Note 2.

CASH FLOW

Fourth quarter (October - December 2021)

Cash flow from operating activities was SEK -0.4 million (-13.4). Cash flow from investing activities was SEK -6.6 million (-2.3) and relates to capitalized expenditure for development work. Cash flow from financing activities was SEK -1.7 million (15.0) and relates to payments for leasing liabilities. The total change in cash and cash equivalents in the quarter was SEK -8.8 million (-0.7). Cash and cash equivalents amounted to SEK 102.7 million (19.3) at the end of the period.

Full-year (January - December 2021)

Cash flow from operating activities was SEK -15.3 million (-29.9). Cash flow from investing activities was SEK -41.3 million (-33.5). Cash flow from investing activities includes SEK 10.0 million for the spin-off of OncoZenge AB. The amount relates to cash and cash equivalents in the subsidiary at the time of the spin-off. Cash flow from financing activities was SEK 130.0 million (28.0) and relates primarily to the issue approved in December 2020 and registered in January 2021. The total change in cash and cash equivalents in the period was SEK 73.4 million (-35.4).

INVESTMENTS

Investments in intangible assets in the quarter relate to capitalized expenses for MOB-015 of SEK 6.6 million (2.3).

R&D expenses (costs and investments) (SEK thousand)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
R&D expenses (in statement of comprehensive income)	**-706**	**-593**	**-3,449**	**-3,477**
Capitalized R&D investments	-6,636	-2,289	-31,309	-33,494
Depreciation/amortization booked to R&D expenses	452	363	1,696	1,461
Change in R&D investments	**-6,184**	**-1,926**	**-29,613**	**-32,033**
Total R&D expenditure	**-6,890**	**-2,519**	**-33,062**	**-35,510**

CHANGES IN EQUITY

SHARES

Share capital at the end of the period was SEK 4,551,142, where the total number of shares outstanding was 45,511,425 ordinary shares with a quotient value of SEK 0.10. Moberg Pharma holds 1,464,746 repurchased ordinary shares at the end of the period.

A rights issue was approved by the Extraordinary General Meeting on December 1, 2020. The rights issue was fully subscribed and in January 2021 Moberg Pharma received approximately SEK 150 million before transaction costs. The rights issue was registered in January 2021 and increased the number of shares and votes by 23,175,576. During the same month, the number of shares and votes also increased by 1,006,323 ordinary shares due to the decision by the Board of Directors to approve the request by Nice & Green S.A. to convert a number of convertible notes. The above events increased the number of shares and votes to 44,601,425 ordinary shares.

In July 2021, 910,000 class C shares were issued to ensure that the company will comply with its commitments in accordance to the long-term incentive program LTI 2021 resolved by the Annual General Meeting on May 18, 2021. The share issue is reported as a repurchase of own shares. The shares are intended to ensure fulfilment of all commitments under the incentive program and are owned by Moberg Pharma. Moberg Pharma holds 1,464,746 repurchased own shares.

SHARE-BASED COMPENSATION PLANS

As at the reporting date, the number of outstanding instruments was 1,352,000 performance share units, with a maximum potential dilution of 3.0%. Performance share units are issued and held in trust, where the actual number of shares that can be transferred varies depending on the share's performance and that the company meets its business goals over several years. For detailed information on the incentive programs, see the 2020 Annual Report. Detailed information on the incentive program LTI 2021 can be found in the notice of the Annual General Meeting dated May 18, 2021, which was subsequently approved, as noted in the minutes from the meeting.

SHAREHOLDER INFORMATION

The company's largest shareholders per December 31, 2021:

Shareholders	Number of shares	% of votes and capital
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION[2]	4,530,427	10.0
ÖSTERSJÖSTIFTELSEN	4,405,943	9.7
BANQUE CANTONALE VAUDOISE, W8IMY	1,612,800	3.5
MOBERG PHARMA AB	1,464,746	3.2
NORDNET PENSIONSFÖRSÄKRING AB	1,386,426	3.1
ABN AMRO GLOBAL CUSTODY SERVICES NV, W8IMY	1,034,074	2.3
LUNDMARK, SVEN ANDERS	784,166	1.7
U.S. BANK NATIONAL ASSOCIATION, W9	660,843	1.5
ÖHRN, MARTIN LENNART	550,767	1.2
ATTERKVIST, STELLAN	448,000	1.0
GUNNARSSON, MIKAEL	340,000	0.8
BERGER, GUNVALD	336,666	0.7
SAXO BANK A/S CLIENT ASSETS	311,355	0.7
POLSKI, DANIEL	293,786	0.7
OLELIND, ÖRJAN	262,834	0.6
OLSSON, ROBERT	250,000	0.6
PLAIN CAPITAL BRONX	226,972	0.5
PERSSON, JAN CHRISTER	223,678	0.5
HANDELSBANKEN LIV FÖRSÄKRINGSAKTIEBO	219,786	0.5
PISTIS, KRISTIN DANIELSON	200,708	0.4
TOTAL, 20 LARGEST SHAREHOLDERS	**19,543,977**	**42.9**
Other shareholders	25,967,448	57.1
TOTAL	**45,511,425**	**100**

LIABILITIES

As at the balance sheet date, the Group has no interest-bearing liabilities.

PARENT COMPANY

Moberg Pharma AB (publ), corp. reg. no. 556697-7426, is the parent company of the Group. The operations of the Group are primarily conducted in the parent company and consist of research and development, business development and administrative functions. For the period October to December 2021, the parent company's operating profit was SEK -4.9 million (-6.4), while profit after financial items was SEK -4.9 million (-7.5). Cash and cash equivalents amounted to SEK 102.7 million (19.3) at the end of the period.

[2] Includes 435,399 shares owned by the company's Chairman, Peter Wolpert, through an endowment insurance policy.

OTHER INFORMATION

ORGANIZATION

Per December 31, 2021, Moberg Pharma had 8 employees, of whom 100% were women. All were employees of the parent company.

RISK FACTORS

Commercialization and development of pharmaceuticals are capital-intensive activities exposed to significant risks. The risk factors considered to be of particular significance for Moberg Pharma's future development are linked to the results of clinical trials, regulatory actions, patents and trademarks, key personnel, sensitivity to economic fluctuations, future capital requirements, and financial risk factors. A description of these risks can be found in the company's 2020 Annual Report on page 21.

OUTLOOK

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

In the near term, the focus is on the registration process for MOB-015 in Europe, where the Medical Products Agency in Sweden has announced that the registration application can be submitted in March 2022. The company's goal is to receive its first market approval and launch MOB-015 in 2023. Moberg Pharma also intends to submit documentation on the new North American Phase 3 study to the FDA and the Ethics Committee in the first quarter 2022. In parallel with the registration preparations, commercialization preparations are underway to maximize value and create future growth.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(TSEK)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Continuing operations				
Net revenue	-	-	-	-
Cost of goods sold	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**
Selling expenses	-48	-4	-70	-179
Business development and administrative expenses	-4,613	-5,405	-18,438	-19,793
Research and development costs	-706	-593	-3,449	-3,477
Other operating income	477	33	2,227	2,495
Other operating expenses	-	-	-	-
Operating profit (EBIT)	**-4,890**	**-5,969**	**-19,730**	**-20,954**
Interest income and similar items	-	-	-	23
Interest expenses and similar items	-26	-1,045	-240	-1,840
Profit after financial items from continuing operations (EBT)	**-4,916**	**-7,014**	**-19,970**	**-22,771**
Tax on profit for the period	878	1,289	3,748	4,324
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-4,038**	**-5,725**	**-16,222**	**-18,447**
Discontinued operations Profit after tax for the period from discontinued operations (see Note 2)	-	-995	23,589	-1,575
PROFIT FOR THE PERIOD	**-4,038**	**-6,720**	**7,367**	**-20,022**
TOTAL PROFIT FÖR PERIODEN	**-4,038**	**-6,720**	**7,367**	**-20,022**
Of which total result from continuing operations	-4,038	-5,725	-16,222	-18,447
Of which total result from discontinued operations (see Note 2)	-	-995	23,589	-1,575
Profit for the period attributable to parent company shareholders	-4,038	-6,561	7,492	-19,863
Profit attributable to non-controlling interests	-	-159	-125	-159
Total profit attributable to parent company shareholders	-4,038	-6,561	7,492	-19,863
Total profit attributable to non-controlling interests	-	-159	-125	-159
Basic earnings per share	**-0.09**	**-0.34**	**0.17**	**-1.05**
Diluted earnings per share [3]	**-0.09**	**-0.34**	**0.17**	**-1.05**
Basic earnings from continuing operations per share	**-0.09**	**-0.30**	**-0.38**	**-0.98**
Diluted earnings from continuing operations per share [7]	**-0.09**	**-0.30**	**-0.38**	**-0.98**
EBITDA FROM CONTINUING OPERATIONS	**-4,244**	**-5,345**	**-17,146**	**-18,441**
Depreciation/amortization	-646	-624	-2,584	-2,513
Operating profit (EBIT)	**-4,890**	**-5,969**	**-19,730**	**-20,954**

[3] In periods when the Group reports a loss, no dilution effect arises. The reason for this is that a dilution effect is only recognized when a potential conversion to ordinary shares would result in lower earnings per share.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN BRIEF

(TSEK)	2021-12-31	2020-12-31
Assets		
Intangible assets	327,042	295,733
Capitalized development[4]	*327,042*	*295,733*
Tangible receivables and other receivables	-	1
Right-of-use assets	4,519	7,102
Deferred tax asset	14,673	10,930
Total non-current assets	**346,234**	**313,766**
Trade receivables and other receivables	2,000	3,010
Subscribed for equity	-	111,735
Assets held for distribution	-	32,782
Cash and cash equivalents	102,655	19,286
Total current assets	**104,655**	**166,813**
TOTAL ASSETS	**450,889**	**480,579**
Equity and liabilities		
Equity attributable to parent company's shareholders	434,051	387,870
Non-controlling interests	-	7,707
Total equity	**434,051**	**395,577**
Non-current leasing liabilities	1,235	4,753
Non-current non-interest-bearing liabilities	65	65
Total non-current liabilities	**1,300**	**4,818**
Current leasing liabilities	2,696	2,642
Current non-interest-bearing liabilities	12,842	30,199
Liabilities related to assets held for distribution	-	2,218
Dividend payable	-	45,125
Total current liabilities	**15,538**	**80,184**
TOTAL EQUITY AND LIABILITIES	**450,889**	**480,579**

[4] For further details, see note 3

CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

(TSEK)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating activities				
Operating profit before financial items from continuing operations	-4,890	-5,969	-19,730	-20,954
Operating profit before financial items from discontinued operations	-	-1,253	-390	-1,983
Operating profit before financial items	**-4,890**	**-7,222**	**-20,120**	**-22,937**
Financial items, received and paid	-26	-1,075	-240	-1,816
Taxes paid	-	-	-	-
Adjustments:				
Depreciation/amortization and capital gains	646	624	2,584	2,513
Employee share-based adjustments to equity[5]	553	188	631	1,034
Cash flow before changes in working capital	**-3,717**	**-7,485**	**-17,145**	**-21,206**
Change in working capital				
Increase (-)/Decrease (+) in operating receivables	778	-10,560	6,836	-10,277
Increase (+)/Decrease (-) in operating liabilities	2,498	4,611	-4,987	1,558
OPERATING CASH FLOW	**-441**	**-13,434**	**-15,296**	**-29,925**
Investing activities				
Net investments in intangible assets	-6,636	-2,289	-31,309	-33,494
Net investments in subsidiaries	-	-	-9,999	-
CASH FLOW FROM INVESTING ACTIVITIES	**-6,636**	**-2,289**	**-41,308**	**-33,494**
Financing activities				
Issue of loans	-	-5,805	-	-
Repayment of leases	-1,487	-625	-3,464	-2,482
Issue of new shares less transaction costs	-188	21,432	133,438	30,479
CASH FLOW FROM FINANCING ACTIVITIES	**-1,675**	**15,002**	**129,974**	**27,997**
Change in cash and cash equivalents	**-8,752**	**-721**	**73,370**	**-35,422**
Cash and cash equivalents at beginning of period	111,407	30,006	29,285	64,707
Cash and cash equivalents at the end of period	102,655	29,285[6]	102,655	29,285[8]

[5] Note that revaluation of estimated costs for social security contributions for employee stock options is reported in change in operating liabilities.

[6] Of which SEK 9,999 thousand relates to cash held by OncoZenge, which forms part of assets held for distribution as of Dec. 31, 2020.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(TSEK)	Share capital	Other capital contributions	Accumulated profit/loss	Non-controlling interest	Total equity
January 1 – December 31, 2021					
Opening balance, January 1, 2021	**3,814**	**693,278**	**-309,222**	**7,707**	**395,577**
Total profit					
Profit for the period			7,492	-125	7,367
Transactions with shareholders					
Distribution OncoZenge AB				-7,582	-7,582
New shares issued	682	37,620			38,302
Transaction costs		-153			-153
Repurchase of own shares	-91				-91
Share-based incentive program		631			631
CLOSING BALANCE, DECEMBER 31, 2021	**4,405**	**731,376**	**-301,730**	**-**	**434,051**

(TSEK)	Share capital	Other capital contributions	Accumulated profit/loss	Non-controlling interest	Total equity
January 1 – December 31, 2020					
Opening balance, January 1, 2020	**1,867**	**578,198**	**-244,234**	**-**	**335,831**
Total profit					
Profit for the period			-19,863	-159	-20,022
Transactions with shareholders					
New shares issued	257	20,708		10,050	31,015
Ongoing share issue		111,735			111,735
Transaction costs, new share issue		-16,670			-16,670
Repurchase of own shares	-37				-37
Share-based incentive program		1,034			1,034
CLOSING BALANCE, DECEMBER 31, 2020	**2,087**	**695,005**	**-309,222**	**7,707**	**395,577**

KEY RATIOS FOR THE GROUP

(TSEK)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net revenue *	-	-	-	-
EBITDA *	-4,244	-5,345	-17,146	-18,441
Operating profit (EBIT) *	-4,890	-5,969	-19,730	-20,954
Total profit	-4,038	-6,720	7,367	-20,022
Cash and cash equivalents	102,655	19,286	102,655	19,286
Balance sheet total	450,889	480,579	450,889	480,579
Equity/assets ratio	96%	81%	96%	81%
Return on equity	Neg	Neg	2%	Neg
Diluted earnings per share, SEK	-0.09	-0.34	0.17	-1.05
Equity per share, SEK	9.85	19.53	9.85	19.53
Basic average number of shares	44,046,679	19,584,205	43,039,100	18,906,232
Diluted average number of shares	45,141,185	19,718,562	44,134,354	19,044,408
Number of shares at the end of the period excluding repurchased own shares	44,046,679	19,864,781	44,046,679	19,864,781
Share price on balance sheet date, SEK	5.37	7.21	5.37	7.21
Market capitalization balance date, SEK million	237	143	237	143

** continuing operations*

DEFINITIONS OF KEY RATIOS

Moberg Pharma presents certain financial performance measurements in the year-end report that are not defined in accordance with IFRS. In Moberg Pharma's opinion, these performance measurements provide valuable additional information to investors and company management as they enable an evaluation of the company's performance. These financial performance measurements are not always comparable with those used by other companies, since not all companies calculate them in the same manner. Accordingly, these financial measurements are not to be regarded as a replacement for the performance measurements defined in accordance with IFRS.

EBITDA	Operating profit before depreciation/amortization and impairment of intangible assets and property, plant, and equipment
Equity/assets ratio	Equity at the end of the period in relation to balance sheet total
Return on equity	Profit for the period divided by closing equity
Earnings per share*	Profit after tax divided by the diluted average number of shares
Equity per share	Equity divided by the number of shares outstanding at the end of the period

** Defined in accordance with IFRS*

PARENT COMPANY INCOME STATEMENT SUMMARY

(TSEK)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net revenue	-	-	-	-
Cost of goods sold	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**
Selling expenses	-48	-4	-70	-179
Business development and administrative expenses	-4,613	-6,308	-18,438	-21,257
Research and development costs	-706	-725	-3,449	-3,778
Other operating income	477	616	2,436	3,078
Other operating expenses	-	-	-	-
Operating profit	**-4,890**	**-6,421**	**-19,521**	**-22,136**
Interest income	-	-	-	23
Interest expenses	-26	-1,045	-240	-1,840
Profit after financial items	**-4,916**	**-7,466**	**-19,761**	**-23,953**
Tax on profit for the period	878	1,382	3,703	4,567
PROFIT	**-4,038**	**-6,084**	**-16,058**	**-19,386**

PARENT COMPANY BALANCE SHEET SUMMARY

(TSEK)	2021-12-31	2020-12-30
Assets		
Subscribed for equity not yet paid	-	38,211
Intangible assets	327,042	295,733
Property, plant and equipment	0	1
Right-of-use assets	4,519	7,102
Non-current financial assets	100	22,151
Deferred tax asset	14,673	10,930
Total non-current assets	**346,334**	**335,917**
Trade receivables and other receivables	2,000	8,931
Current financial assets	-	111,735
Cash and cash equivalents	102,655	19,286
Total current assets	**104,655**	**139,952**
TOTAL ASSETS	**450,989**	**514,080**
Equity and liabilities		
Equity	434,052	449,632
Non-current leasing liabilities	1,235	4,753
Non-current non-interest-bearing liabilities	65	65
Total non-current liabilities	**1,300**	**4,818**
Liabilities to Group companies	99	99
Current leasing liabilities	2,696	2,642
Current non-interest-bearing liabilities	12,842	34,837
Dividend payable at book value	-	22,052
Total current liabilities	**15,637**	**59,630**
TOTAL EQUITY AND LIABILITIES	**450,989**	**514,080**

PARENT COMPANY CASH FLOW STATEMENT SUMMARY

(TSEK)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating activities				
Operating profit before financial items	-4,890	-6,421	-19,521	-22,136
Financial items, received and paid	-26	-1,075	-240	-1,816
Adjustments:				
Depreciation/amortization and capital gains	646	624	2,584	2,513
Expenses for share-based incentive program	553	188	631	1,034
Cash flow before changes in working capital	**-3,717**	**-6,684**	**-16,546**	**-20,405**
Change in working capital				
Increase (-)/Decrease (+) in operating receivables	778	-5,047	6,931	-4,764
Increase (+)/Decrease (-) in operating liabilities	2,498	-1,702	-5,681	-4,755
OPERATING CASH FLOW	**-441**	**-13,433**	**-15,296**	**-29,924**
Investing activities				
Net investments in intangible assets	-6,636	-2,289	-31,309	-33,494
Net investments in subsidiaries	-	550	-	50
CASH FLOW FROM INVESTING ACTIVITIES	**-6,636**	**-1,739**	**-31,309**	**-33,444**
Financing activities				
Issue of loans	-	-5,805	-	-
Repayment of leases	-1,487	-625	-3,464	-2,482
Issue of new shares less transaction costs	-188	11,432	133,438	20,479
CASH FLOW FROM FINANCING ACTIVITIES	**-1,675**	**5,002**	**129,974**	**17,997**
Change in cash and cash equivalents	**-8,752**	**-10,170**	**83,369**	**-45,371**
Cash and cash equivalents at the beginning of the period	111,407	29,456	19,286	64,657
Cash and cash equivalents at the end of the period	102,655	19,286	102,655	19,286

NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT PRINCIPLES

The year-end report was prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements were, like the annual accounts for 2020, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The parent company financial statements were prepared in accordance with Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board, Financial Statements for Legal Entities.

Amounts 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. Amounts and figures in parentheses refer to comparable figures for the corresponding period in 2020.

NOTE 2 DISCONTINUED OPERATIONS

The operations attributable to the BUPI project are reported as discontinued operations. The Extraordinary General Meeting on 1 December 2020 decided, in accordance with the Board's proposal, to distribute Moberg Pharma's interest in the BUPI project through shares in the subsidiary OncoZenge to Moberg Pharma's shareholders. The dividend was paid in accordance with Lex ASEA on February 5, 2021. In accordance with the decision to distribute the shares in OncoZenge AB on December 1, 2020, a liability for this distribution was recognized at a fair value of SEK 45 million. On December 31, 2020 the spun-off intangible assets were recognized at book value, SEK 22 million. When the assets were distributed in February 2021, the asset amount was adjusted to fair value and reported as a revaluation of discontinued operations

INCOME STATEMENT DISCONTINUED OPERATIONS

(TSEK)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net revenue	-	-	-	-
Cost of goods sold	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**
Selling expenses	-	-	-	-
Business development and administration expenses	-	-1,121	-335	-1,682
Research and development expenses	-	-132	-55	-301
Other operating items	-	-	-	-
Operating profit	**-**	**-1,253**	**-390**	**-1,983**
Finance costs	-	-	-	-
Tax benefit/(expense)	-	258	52	408
Post-tax profit/(loss) of discontinued operations	**-**	**-995**	**-338**	**-1,575**
Revaluation of discontinued operations	-	-	23,927	-
Profit after tax for the period from discontinued operations	**-**	**-995**	**23,589**	**-1,575**
TOTAL PROFIT FOR THE PERIOD	**-**	**-995**	**23,589**	**-1,575**

NOTE 3 SPECIFICATION OF MAJOR INTANGIBLE NON-CURRENT ASSETS

(TSEK)	2021-12-31	2020-12-31
Capitalized expenditure for MOB-015	327,042	295,733
TOTAL CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK	**327,042**	**295,733**

NOTE 4 SEGMENT REPORTING

Moberg Pharma's operations comprise only one area of operation, which is the development and commercialization of medical products. The statement of comprehensive income and statement of financial position as a whole comprises one operating segment.

NOTE 5 RELATED PARTY TRANSACTIONS

No material changes have occurred in relationships and transactions with related parties compared with information in the annual report.

INFORMATION AND FINANCIAL CALENDAR

This information is such that Moberg Pharma AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation and the Securities Market Act.

Interim report for January –March 2022	May 10, 2022
Interim report for January–June 2022	August 9, 2022
Interim report for January –September 2022	November 8, 2022

The Annual General Meeting for Moberg Pharma will be held on May 16, 2022 at 5 p.m. CET at the company's premises. In regard to the COVID-19 pandemic, Moberg Pharma will closely monitor the Public Health Agency of Sweden´s recommendations and will keep shareholders informed of the potential impact on participation in person at the Annual General Meeting. The last date for shareholders to request to have a matter brought before the Annual General Meeting is March 28, 2022. The annual report will be available no later than April 18, 2022 on the company's website, www.mobergpharma.com.

FOR FURTHER INFORMATION, PLEASE CONTACT

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For more information on Moberg Pharma's business, please see the company's website, www.mobergpharma.com.

The year-end report has not been reviewed by the Company's auditors.

DECLARATION

The undersigned hereby declare that the year-end report provides a true and fair overview of the operations, financial position, and results of the parent company and Group, as well as a fair description of significant risks and uncertainties faced by the parent company and Group companies.

Bromma, February 8, 2022

Peter Wolpert *Chairman*	Fredrik Granström *Board member*	Nikolaj Sörensen *Board member*
Mattias Klintemar *Board member*	Anna Ljung *CEO*	