# Interim report January – September 2022

Moberg Pharma AB (Publ)

Q1

Q2

**Q3**

Q4

# PROGRESS IN THE REGISTRATION PROCESS AND LAUNCH PREPARATIONS

*"The two most important activities in the near term for the company – the registration process for the nail fungus treatment MOB-015 in Europe and patient enrollment in the new North American Phase 3 study – are progressing according to plan. Together with our partners, we are continuing preparations ahead of the expected approval and initiation of launch next year," says* Anna Ljung, CEO of Moberg Pharma.

## NINE-MONTH PERIOD (JAN-SEP 2022)

- EBITDA SEK -13.7 million (-12.9) *
- Operating profit (EBIT) -15.6 million (-14.8) *
- Profit after tax SEK -12.6 million (-12.2) *
- Total profit SEK -12.6 million (11.4)**
- Diluted earnings per share SEK -0.18 (0.26)**
- Cash and cash equivalents amounted to SEK 142.5 million (111.4)

## THIRD QUARTER (JUL-SEP 2022)

- EBITDA SEK -4.6 million (-4.0) *
- Operating profit (EBIT) SEK -5.3 million (-4.7) *
- Profit after tax SEK -4.3 million (-3.9) *
- Total profit SEK -4.3 million (-3.9)
- Diluted earnings per share SEK -0.04 (-0.09)
- Cash and cash equivalents amounted to SEK 142.5 million (111.4)

** These comparative figures refer to continuing operations*
*** Note that the spin-off of BUPI resulted in a positive earnings effect of SEK 24 million, which affects total profit and earnings per share in the comparable figures*

## SIGNIFICANT EVENTS IN THE THIRD QUARTER

- Progress was made in interactions with regulatory authorities in the EU and in patient recruitment for the North American study.
- In August, a distribution agreement was signed with Padagis Israel Agencies Ltd. for MOB-015 in Israel. Padagis will finance the registration activities in Israel and will have marketing, distribution and sales responsibility in Israel and the Palestinian territories after product registration.

## SIGNIFICANT EVENTS AFTER THE THIRD QUARTER

- Anders Bröijersén was appointed the new Chief Medical Officer and a member of the management team.

# STATEMENT FROM THE CEO

**The two most important activities in the near term for the company – the registration process for MOB-015 in Europe and patient enrollment in the new North American Phase 3 study – are progressing according to plan. Together with our partners, we are continuing preparations ahead of the expected approval and initiation of launch next year.**

During the quarter, the company received the preliminary assessment report from the Medical Products Agency in Sweden as well as all comments from other countries in the registration process. Moberg Pharma has submitted a registration application in Europe through the decentralized process, with the Medical Products Agency in Sweden as the reference member state for the application. Moberg Pharma has submitted a full application, which offers the possibility of data exclusivity in Europe for up to 10 years following market approval. Our goal is to receive the first market approval and initiate launch of MOB-015 in 2023.

In August, Moberg Pharma signed its sixth distribution agreement for MOB-015, this time with Padagis for the Israeli market. Under the agreement Padagis is granted exclusive rights to market and sell MOB-015 in Israel and the Palestinian territories. Moberg Pharma assumes production and supply responsibility.

Our work managing regulatory issues and pre-launch preparations intensifies this autumn, in close collaboration with our partners. In addition to interactions with our commercial partners, we for example visited our primary manufacturer in Germany in October and are also regularly in dialogue with component and raw material manufacturers.

The North American study with MOB-015 is progressing as planned. We now have 30 different clinics in the U.S. and Canada which are treating patients in the study. The randomized, vehicle-controlled, multicenter Phase 3 study will enroll a total of 350 patients with nail fungus. The patients are being 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.

We are advancing toward the company's goal to create the future market leader in the treatment of nail fungus. The company has now received questions from all countries in the registration process and continues to deliver according to plan ahead of the expected approval and launch in 2023.

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. License agreements are in place 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.

## MOB-015

**Nail fungus affects 10%, more common among older people**
- Topical terbinafine for treatment of nail fungus
- Target profile: Rapid, visible improvement, superior cure rate and shorter treatment time

**World-leading anti-fungal effect**
- 76% mycological cure in Phase 3
- 1000x higher concentration of terbinafine in the nail compared to oral terbinafine
- 40x higher concentration of terbinafine in the nail bed compared to oral terbinafine
- Negligible systemic levels of terbinafine

**Estimated annual sales potential**
- USD 250-500 million
- Partners in Europe, Japan, Canada, Israel and the Republic of Korea

**Goal to receive the first market approval and launch MOB-015 in 2023**
- European marketing authorization application submitted in March 2022 through the decentralized process. Market approval is expected in 2023.
- 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 initiated 2022, plan to include 350 patients

**Patent protection until 2032**
- 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

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

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 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 completion of the 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 March 2022, Moberg Pharma submitted the registration application for MOB-015 to the Medical Products Agency in Sweden, which has agreed to be reference member state for the application. The company has submitted the registration application in Europe through the decentralized process, and market approval is expected in 2023. Moberg Pharma has submitted a full application, which offers the possibility of data exclusivity in Europe for up to 10 years following market approval. The company's goal is to receive its first market approval and launch MOB-015 in 2023.

## NORTH AMERICAN PHASE 3 STUDY UNDERWAY

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 now being implemented to enable registration in the U.S. market. Moberg Pharma submitted documentation on the new study to the FDA in March 2022 and the first patient was enrolled in May. The randomized, vehicle-controlled, multicenter Phase 3 study will include a total of 350 patients in North America. The patients will be 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 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.

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

In total, six 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; Padagis in Israel; 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 previously 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 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 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.

## SEK 121 MILLION IN FINANCING FOR MOB-015

In April, the Board of Directors resolved to carry out a fully guaranteed issue of new ordinary shares with preferential rights for existing shareholders of approximately SEK 121 million before transaction costs. The Board's decision on the rights issue was approved by the Extraordinary General Meeting on May 3. The net proceeds will be used for registration activities and clinical work for MOB-015 and mean that the new North American Phase 3 study is fully financed.

## COMPANY EVENTS

Anders Bröijersén takes over after the turn of the year as the new Chief Medical Officer at Moberg Pharma and will become a member of the company's management team. He comes most recently from a position as CMO at InDex Pharmaceuticals and has extensive experience from previous senior positions at Sobi AB (Swedish Orphan Biovitrum), Boehringer Ingelheim and MSD. He succeeds Cindy Wong, who is retiring after three years' work and valuable contributions to the company. Cindy will remain in the role of senior advisor for Moberg Pharma.

# FINANCIAL OVERVIEW

## REVENUES AND PROFIT

**Third quarter (July - September 2022)**

Net revenue amounted to SEK 0.2 million (0) in the period. The income relates in its entirety to milestones. 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 5.1 million (4.4), followed by research and development expenses of SEK 0.1 million (0.6). Other operating income mainly relates to invoiced expenses.

**Nine-month period (January - September 2022)**

Operating profit for the nine-month period was SEK -15.6 million (-14.8), where the largest expense item was business development and administrative expenses of SEK 14.9 million (13.8). The comparative figures in the consolidated income statement show the impact on earnings of the divested BUPI project as a separate item in the consolidated financials. For the parent company, on the other hand, amounts reported 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

**Third quarter (July - September 2022)**

Cash flow from operating activities was SEK -3.6 million (-2.4). Cash flow from investments was SEK -13.2 million (-9.7) and relates to capitalized expenditure for the ongoing North American Phase 3 study. Cash flow from financing activities was SEK -0.8 million (-0.7) and relates to payments of leasing assets. The total change in cash and cash equivalents in the quarter was SEK -17.6 million (-12.8). Cash and cash equivalents amounted to SEK 142.5 million (111.4) at the end of the period.

**Nine-month period (January - September 2022)**

Cash flow from operating activities was SEK -13.3 million (-14.8). Cash flow from investing activities was SEK -54.5 million (-34.7). Cash flow from financing activities was SEK 107.5 million (131.6) and mainly relates to the rights issue in May and to a lesser degree leasing payments. The total change in cash and cash equivalents in the nine-month period was SEK 39.8 million (82.1).

## INVESTMENTS

Investments in intangible assets relate to capitalized expenses for development work on MOB-015 of SEK 13.2 million (9.7) in the quarter and SEK 54.5 million (24.7) in the nine-month period. The increase in investments is due to the North American Phase 3 study initiated in the spring.

| R&D expenses (costs and investments) (SEK thousand) | Jul-Sep 2022 | Jul-Sep 2021 | Jan-Sep 2022 | Jan-Sep 2021 | Jan-Dec 2021 |
|---|---|---|---|---|---|
| **R&D expenses (in statement of comprehensive income)** | **-79** | **-600** | **-952** | **-2 743** | **-3 449** |
| Capitalized R&D investments | -13,181 | -9,700 | -54,450 | -24,673 | -31,309 |
| Depreciation/amortization booked to R&D expenses | 411 | 430 | 1,253 | 1,244 | 1,696 |
| **Change in R&D investments (in statement of financial position)** | **-12,770** | **-9,270** | **-53,197** | **-23,429** | **-29,613** |
| **Total R&D expenditure** | **-12,849** | **-9,870** | **-54,149** | **-26,172** | **-33,062** |

## LIABILITIES

As at the balance sheet date, the Group has no interest-bearing liabilities (excluding leasing liabilities).

# CHANGES IN EQUITY

## SHARES

Share capital at the end of the period was SEK 10,085,933.50, where the total number of shares outstanding was 100,859,335 ordinary shares with a quotient value of SEK 0.10. Moberg Pharma holds 2,589,746 repurchased ordinary shares at the end of the period.

In March 2022, the number of shares and votes increased by 1,169,698 ordinary shares due to the exercise of warrants within the framework of Moberg Pharma's rights issue from January 2021.

In April 2022, the Board of Directors resolved to carry out a fully guaranteed issue of new ordinary shares with preferential rights for existing shareholders. The Board's decision on the rights issue was approved by the Extraordinary General Meeting on May 3, 2022. Moberg Pharma thereby received approximately SEK 121 million before transaction costs. The rights issue was registered in June 2022 and increased the number of shares and votes by 52,516,260.

The Board of Directors also resolved on a directed issue of ordinary shares to guarantors in the rights issue, which was also registered in June 2022 and increased the number of shares and votes by 536,952.

In June 2022, 1,125,000 class C shares were issued to ensure that the company can fulfil its commitments under the long-term incentive program LTI 2022 resolved by the Annual General Meeting on May 16, 2022. The shares are intended to be used to secure the commitments under the incentive program and are owned by Moberg Pharma.

The above-mentioned events increased the number of shares and votes by 54,178,212 in the nine-month period, from 46,681,123 to 100,859,335 at the time of this report's publication.

## SHARE-BASED COMPENSATION PLANS

As at the reporting date, the number of outstanding instruments was 1,902,000 performance share units, with a maximum potential dilution of 4.4%. 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 2021 Annual Report. Detailed information on incentive program LTI 2022 can be found in the notice of the Annual General Meeting on May 16, 2022; the program was subsequently approved, as noted in the minutes of the meeting.

## SHAREHOLDER INFORMATION

The company's largest shareholders per September 30, 2022:

| Shareholder | Number of shares | % of votes and capital |
|---|---|---|
| ÖSTERSJÖSTIFTELSEN | 10,428,503 | 10.3 |
| AVANZA PENSION | 8,738,653 | 8.7 |
| ABN AMRO GLOBAL CUSTODY SERVICES NV, W8IMY | 6,973,895 | 6.9 |
| NORDNET PENSIONSFÖRSÄKRING AB | 3,018,563 | 3.0 |
| MOBERG PHARMA AB (PUBL) | 2,589,746 | 2.6 |
| BANQUE CANTONALE VAUDOISE, W8IMY | 1,612,800 | 1.6 |
| GUNNARSSON, MIKAEL | 1,523,592 | 1.5 |
| ÅSBERG, FREDRIK ERIK | 1,306,875 | 1.3 |
| SAMOURKASIDIS, THEODOROS | 1,269,092 | 1.3 |
| CLEARSTREAM BANKING S.A., W8IMY | 1,008,869 | 1.0 |
| LUNDMARK, SVEN ANDERS | 1,001,561 | 1.0 |
| IVELAND, BEATRICE | 1,000,000 | 1.0 |
| OLELIND, ÖRJAN | 998,086 | 1.0 |
| TRAPPGATAN INVEST AB | 982,416 | 1.0 |
| ÖHRN, MARTIN LENNART | 973,099 | 1.0 |
| LUNDBERG, GÖRAN | 845,336 | 0.8 |
| KIERKEGAARD, NILS KRISTIAN ANDERS | 747,239 | 0.7 |
| IBKR FINANCIAL SERVICES AG, W8IMY | 660,170 | 0.7 |
| PLAIN CAPITAL BRONX | 595,476 | 0.6 |
| SAXO BANK A/S CLIENT ASSETS | 573,973 | 0.6 |
| **TOTAL, 20 LARGEST SHAREHOLDERS** | **46,847,944** | **46.4** |
| Other shareholders | 54,011,391 | 53.6 |
| **TOTAL** | **100,859,335** | **100** |

# 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 July to September 2022, the parent company's operating profit was SEK -5.3 million (-4.7), while profit after financial items was SEK -5.3 million (-4.7). Cash and cash equivalents amounted to SEK 142.5 million (111.4) at the end of the period.

# OTHER INFORMATION

## ORGANIZATION

Per September 30, 2022, 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. 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 2021 Annual Report on page 21.

While the war in Ukraine has not had a material economic impact on the financial reports, there is the possibility that it could in the future. We are carefully monitoring the market, where we see rising inflation, higher commodity, component and freight costs, and greater uncertainty about interest rates.

## 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 registration preparations for MOB-015 in Europe, where a registration application was submitted to the Medical Products Agency in Sweden in March 2022. The company's goal is to receive its first market approval and launch MOB-015 in 2023. Moberg Pharma is also conducting a new North American Phase 3 study, where patient enrollment is underway. In parallel with the registration preparations, commercialization preparations are underway to maximize value and create future growth.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (SEK thousand) | Jul-Sep 2022 | Jul-Sep 2021 | Jan-Sep 2022 | Jan-Sep 2021 | Jan-Dec 2021 |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Net revenue | 207 | - | 207 | - | - |
| Cost of goods sold | - | - | - | - | - |
| **Gross profit** | **207** | **-** | **207** | **-** | **-** |
| Selling expenses | -170 | -15 | -474 | -22 | -70 |
| Business development and administrative expenses | -5,065 | -4,435 | -14,897 | -13,825 | -18,438 |
| Research and development costs | -79 | -600 | -952 | -2,743 | -3,449 |
| Other operating income | 335 | 397 | 981 | 1,750 | 2,227 |
| Other operating expenses | -492 | - | -492 | - | - |
| **Operating profit (EBIT)** | **-5,264** | **-4,653** | **-15,627** | **-14,840** | **-19,730** |
| Interest income and similar items | - | - | - | - | - |
| Interest expenses and similar items | -16 | -91 | -59 | -214 | -240 |
| **Profit after financial items from continuing operations (EBT)** | **-5,280** | **-4,744** | **-15,686** | **-15,054** | **-19,970** |
| Tax on profit for the period | 1,030 | 834 | 3,089 | 2,870 | 3,748 |
| **PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS** | **-4,250** | **-3,910** | **-12,597** | **-12,184** | **-16,222** |
| **Discontinued operations** | | | | | |
| Profit after tax for the period from discontinued operations (see Note 2) | - | - | - | 23,589 | 23,589 |
| **PROFIT FOR THE PERIOD** | **-4,250** | **-3,910** | **-12,597** | **11,405** | **7,367** |
| **TOTAL PROFIT FOR THE PERIOD** | | | | | |
| **Continuing operations** | **-4,250** | **-3,910** | **-12,597** | **11,405** | **7,367** |
| Of which total result from continuing operations | -4,250 | -3,910 | -12,597 | -12,184 | -16,222 |
| Of which total result from discontinued operations (see Note 2) | - | - | - | 23,589 | 23,589 |
| Profit for the period attributable to parent company shareholders | -4,250 | -3,910 | -12,597 | 11,530 | 7,492 |
| Profit attributable to non-controlling interests | - | - | - | -125 | -125 |
| Total profit attributable to parent company shareholders | -4,250 | -3,910 | -12,597 | 11,530 | 7,492 |
| Total profit attributable to non-controlling interests | - | - | - | -125 | -125 |
| **Basic earnings per share** | **-0.04** | **-0.09** | **-0.18** | **0.27** | **0.17** |
| **Diluted earnings per share** [2] | **-0.04** | **-0.09** | **-0.18** | **0.26** | **0.17** |
| **Basic earnings from continuing operations per share** | **-0.04** | **-0.09** | **-0.18** | **-0.29** | **-0.38** |
| **Diluted earnings from continuing operations per share** [7] | **-0.04** | **-0.09** | **-0.18** | **-0.29** | **-0.38** |
| **EBITDA FROM CONTINUING OPERATIONS** | **-4,618** | **-4,007** | **-13,690** | **-12,902** | **-17,146** |
| Depreciation/amortization | -646 | -646 | -1,937 | -1,938 | -2,584 |
| **Operating profit (EBIT)** | **-5,264** | **-4,653** | **-15,627** | **-14,840** | **-19,730** |

[2] In periods when the Group reports a loss, no dilution effect arises. 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

| (SEK thousand) | 2022-09-30 | 2021-09-30 | 2021-12-31 |
|---|---|---|---|
| **Assets** | | | |
| Intangible assets | 381,492 | 320,406 | 327,042 |
| *Capitalized development* [3] | 381,492 | 320,406 | *327,042* |
| **Tangible non-current assets** | - | - | - |
| Right-of-use assets | 2,582 | 5,165 | 4,519 |
| Deferred tax asset | 21,862 | 13,756 | 14,673 |
| **Total non-current assets** | **405,936** | **339,327** | **346,234** |
| Trade receivables and other receivables | 1,418 | 2,778 | 2,000 |
| Cash and cash equivalents | 142,453 | 111,407 | 102,655 |
| **Total current assets** | **143,871** | **114,185** | **104,655** |
| **TOTAL ASSETS** | **549,807** | **453,512** | **450,889** |
| **Equity and liabilities** | | | |
| Equity attributable to parent company's shareholders | 536,160 | 437,685 | 434,051 |
| **Total equity** | **536,160** | **437,685** | **434,051** |
| Non-current leasing liabilities | - | 2,736 | 1,235 |
| Non-current non-interest-bearing liabilities | 65 | 65 | 65 |
| **Total non-current liabilities** | **65** | **2,801** | **1,300** |
| Current leasing liabilities | 1,773 | 2,581 | 2,696 |
| Current non-interest-bearing liabilities | 11,809 | 10,445 | 12,842 |
| **Total current liabilities** | **13,582** | **13,026** | **15,538** |
| **TOTAL EQUITY AND LIABILITIES** | **549,807** | **453,512** | **450,889** |

[3] For further details, see note 3.

## CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

| (SEK thousand) | Jul-Sep 2022 | Jul-Sep 2021 | Jan-Sep 2022 | Jan-Sep 2021 | Jan-Dec 2021 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| Operating profit before financial items from continuing operations | -5,264 | -4,653 | -15,627 | -14,840 | -19,730 |
| Operating profit before financial items from discontinued operations | - | - | - | -390 | -390 |
| **Operating profit before financial items** | -5,264 | -4,653 | -15,627 | -15,230 | -20,120 |
| Financial items, received and paid | -15 | -91 | -58 | -214 | -240 |
| Taxes paid | - | - | - | - | - |
| *Adjustments:* | | | | | |
| Depreciation/amortization and capital gains | 646 | 646 | 1,937 | 1,938 | 2,584 |
| Employee share-based adjustments to equity [4] | 222 | 507 | 923 | 78 | 631 |
| **Cash flow before changes in working capital** | **-4,411** | **-3,591** | **-12,825** | **-13,428** | **-17,145** |
| **Change in working capital** | | | | | |
| Increase (-)/Decrease (+) in operating receivables | 968 | -22 | 582 | 6,058 | 6,836 |
| Increase (+)/Decrease (-) in operating liabilities | -203 | 1,193 | -1,033 | -7,485 | -4,987 |
| **OPERATING CASH FLOW** | **-3,646** | **-2,420** | **-13,276** | **-14,855** | **-15,296** |
| **Investing activities** | | | | | |
| Net investments in intangible assets | -13,181 | -9,700 | -54,450 | -24,673 | -31,309 |
| Net investments in and divestment of subsidiaries | - | - | - | -9,999 | -9,999 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **-13,181** | **-9,700** | **-54,450** | **-34,672** | **-41,308** |
| **Financing activities** | | | | | |
| Repayment of leases | -775 | -663 | -2,158 | -1,977 | -3,464 |
| Issue of new shares less transaction costs | - | -5 | 109,682 | 133,626 | 133,438 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **-775** | **-668** | **107,524** | **131,649** | **129,974** |
| **Change in cash and cash equivalents** | **-17,602** | **-12,788** | **39,798** | **82,122** | **73,370** |
| Cash and cash equivalents at the beginning of period | 160,055 | 124,195 | 102,655 | 29,285 | 29,285 |
| Cash and cash equivalents at the end of period | 142,453 | 111,407 | 142,453 | 111,407 | 102,655 |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (SEK thousand) | Share capital | Other capital contributions | Accumulated profit/loss | Non-controlling interest | Total equity |
|---|---|---|---|---|---|
| **January 1 – September 30, 2022** | | | | | |
| **Opening balance, January 1, 2022** | **4,405** | **731,376** | **-301,730** | **-** | **434,051** |
| *Total profit* | | | | | |
| Profit for the period | | | -12,597 | - | -12,597 |
| *Transactions with shareholders* | | | | | |
| New shares issued | 5,422 | 124,168 | | | 129,590 |
| Transaction costs | | -15,807 | | | -15,807 |
| Share-based incentive program | | 923 | | | 923 |
| **CLOSING BALANCE, SEPTEMBER 30, 2022** | **9,827** | **840,660** | **-314,327** | **-** | **536,160** |

| (SEK thousand) | Share capital | Other capital contributions | Accumulated profit/loss | Non-controlling interest | Total equity |
|---|---|---|---|---|---|
| **January 1 – September 30, 2021** | | | | | |
| **Opening balance, January 1, 2021** | **3,814** | **693,278** | **-309,222** | **7,707** | **395,577** |
| *Total profit* | | | | | |
| Profit for the period | | | 11,530 | -125 | 11,405 |
| *Transactions with shareholders* | | | | | |
| Distribution OncoZenge AB | | | | -7,582 | -7,582 |
| New shares issued | 682 | 37,620 | | | 38,302 |
| Transaction costs | | -4 | | | -4 |
| Repurchase of own shares | -91 | | | | -91 |
| Employee stock options | | 78 | | | 78 |
| **CLOSING BALANCE, SEPTEMBER 30, 2021** | **4,405** | **730,972** | **-297,692** | **-** | **437,685** |

| (SEK thousand) | 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** |

## KEY RATIOS FOR THE GROUP

| (SEK thousand) | Jul-Sep 2022 | Jul-Sep 2021 | Jan-Sep 2022 | Jan-Sep 2021 | Jan-Dec 2021 |
|---|---|---|---|---|---|
| Net revenue * | 207 | - | 207 | - | - |
| EBITDA * | -4,618 | -4,007 | -13,690 | -12,902 | -17,146 |
| Operating profit (EBIT) * | -5,264 | -4,653 | -15,627 | -14,840 | -19,730 |
| Total profit | -4,250 | -3,910 | -12,597 | 11,405 | 7,367 |
| Cash and cash equivalents | 142,453 | 111,407 | 142,453 | 111,407 | 102,655 |
| Balance sheet total | 549,807 | 453,512 | 549,807 | 453,512 | 450,889 |
| Equity/assets ratio | 98% | 97% | 98% | 97% | 96% |
| Return on equity | Neg | Neg | Neg | 3% | 2% |
| Diluted earnings per share, SEK | -0.04 | -0.09 | -0.18 | 0.26 | 0.17 |
| Equity per share, SEK | 5.46 | 9.94 | 5.46 | 9.94 | 9.85 |
| Basic average number of shares | 98,269,589 | 44,046,679 | 68,405,683 | 42,703,240 | 43,039,100 |
| Diluted average number of shares | 99,893,247 | 45,141,829 | 70,061,267 | 43,798,734 | 44,134,354 |
| Number of shares at the end of the period excluding repurchased own shares | 98,269,589 | 44,046,679 | 98,269,589 | 44,046,679 | 44,046,679 |

** continuing operations*

## DEFINITIONS OF KEY RATIOS

Moberg Pharma presents certain financial performance measurements in the interim 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 substitute 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

| (SEK thousand) | Jul-Sep 2022 | Jul-Sep 2021 | Jan-Sep 2022 | Jan-Sep 2021 | Jan-Dec 2021 |
|---|---|---|---|---|---|
| Net revenue | 207 | - | 207 | - | - |
| Cost of goods sold | - | - | - | - | - |
| **Gross profit** | **207** | **-** | **207** | **-** | **-** |
| Selling expenses | -170 | -15 | -474 | -22 | -70 |
| Business development and administrative expenses | -5,065 | -4,435 | -14,897 | -13,825 | -18,438 |
| Research and development costs | -79 | -600 | -952 | -2,743 | -3,449 |
| Other operating income | 335 | 397 | 981 | 1,959 | 2,436 |
| Other operating expenses | -492 | - | -492 | - | - |
| **Operating profit** | **-5,264** | **-4,653** | **-15,627** | **-14,631** | **-19,521** |
| Interest income | - | - | - | - | - |
| Interest expenses | -16 | -91 | -59 | -214 | -240 |
| **Profit after financial items** | **-5,280** | **-4,744** | **-15,686** | **-14,845** | **-19,761** |
| Tax on profit for the period | 1,030 | 834 | 3,089 | 2,825 | 3,703 |
| **PROFIT** | **-4,250** | **-3,910** | **-12,597** | **-12,020** | **-16,058** |

## PARENT COMPANY BALANCE SHEET SUMMARY

| (SEK thousand) | 2022-09-30 | 2021-09-30 | 2021-12-31 |
|---|---|---|---|
| **Assets** | | | |
| Intangible non-current assets | 381,492 | 320,406 | 327,042 |
| Tangible non-current assets | - | - | - |
| Right-of-use assets | 2,582 | 5,165 | 4,519 |
| Non-current financial assets | 100 | 100 | 100 |
| Deferred tax asset | 21,862 | 13,756 | 14,673 |
| **Total non-current assets** | **406,036** | **339,427** | **346,334** |
| | | | |
| Trade receivables and other receivables | 1,418 | 2,778 | 2,000 |
| Cash and cash equivalents | 142,453 | 111,407 | 102,655 |
| **Total current assets** | **143,871** | **114,185** | **104,655** |
| | | | |
| **TOTAL ASSETS** | **549,907** | **453,612** | **450,989** |
| | | | |
| **Equity and liabilities** | | | |
| Equity | 536,161 | 437,686 | 434,052 |
| | | | |
| Non-current leasing liabilities | - | 2,736 | 1,235 |
| Non-current non-interest-bearing liabilities | 65 | 65 | 65 |
| **Total non-current liabilities** | **65** | **2,801** | **1,300** |
| | | | |
| Liabilities to Group companies | 99 | 99 | 99 |
| Current leasing liabilities | 1,773 | 2,682 | 2,696 |
| Current non-interest-bearing liabilities | 11,809 | 10,344 | 12,842 |
| **Total current liabilities** | **13,681** | **13,125** | **15,637** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | **549,907** | **453,612** | **450,989** |

## PARENT COMPANY CASH FLOW STATEMENT SUMMARY

| (SEK thousand) | Jul-Sep 2022 | Jul-Sep 2021 | Jan-Sep 2022 | Jan-Sep 2021 | Jan-Dec 2021 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| Operating profit before financial items | -5,264 | -4,653 | -15,627 | -14,631 | -19,521 |
| Financial items, received and paid | -15 | -91 | -58 | -214 | -240 |
| *Adjustments:* | | | | | |
| Depreciation/amortization and capital gains | 646 | 646 | 1,937 | 1,938 | 2,584 |
| Expenses for share-based incentive program | 222 | 507 | 923 | 78 | 631 |
| **Cash flow before changes in working capital** | **-4,411** | **-3,591** | **-12,825** | **-12,829** | **-16,546** |
| | | | | | |
| **Change in working capital** | | | | | |
| Increase (-)/Decrease (+) in operating receivables | 968 | -22 | 582 | 6,153 | 6,931 |
| Increase (+)/Decrease (-) in operating liabilities | -203 | 1,193 | -1,033 | -8,179 | -5,681 |
| | | | | | |
| **OPERATING CASH FLOW** | **-3,646** | **-2,420** | **-13,276** | **-14,855** | **-15,296** |
| | | | | | |
| **Investing activities** | | | | | |
| Net investments in intangible assets | -13,181 | -9,700 | -54,450 | -24,673 | -31,309 |
| Net investments in subsidiaries | 0 | 0 | 0 | 0,0 | 0,0 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **-13,181** | **-9,700** | **-54,450** | **-24,673** | **-31,309** |
| | | | | | |
| **Financing activities** | | | | | |
| Issue of loans | 0 | 0 | 0 | 0 | 0 |
| Repayment of leases | -775 | -663 | -2,158 | -1,977 | -3,464 |
| Issue of new shares less transaction costs | 0 | -5 | 109,682 | 133,626 | 133,438 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **-775** | **-668** | **107,524** | **131,649** | **129,974** |
| | | | | | |
| **Change in cash and cash equivalents** | **-17,602** | **-12,788** | **39,798** | **92,121** | **83,369** |
| Cash and cash equivalents at the beginning of the period | 160,055 | 124,195 | 102,655 | 19,286 | 19,286 |
| Cash and cash equivalents at the end of the period | 142,453 | 111,407 | 142,453 | 111,407 | 102,655 |

## NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT PRINCIPLES

The interim report was prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements were, like the annual accounts for 2021, 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 2021.

## NOTE 2 DISCONTINUED OPERATIONS AND ASSETS HELD FOR DISTRIBUTION

The operations attributable to the BUPI project are reported as discontinued operations. The Extraordinary General Meeting on December 1, 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 distribution decision on December 1, 2020, a liability was recognized at a fair value of SEK 45 million. On the balance sheet date, December 31, 2020, the transferred 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 recognized as a revaluation of discontinued operations.

### INCOME STATEMENT DISCONTINUED OPERATIONS

| (SEK thousand) | Jul-Sep 2022 | Jul-Sep 2021 | Jan-Sep 2022 | Jan-Sep 2021 | Jan-Dec 2021 |
|---|---|---|---|---|---|
| Net revenue | - | - | - | - | - |
| Cost of goods sold | - | - | - | - | - |
| **Gross profit** | **-** | **-** | **-** | **-** | **-** |
| | | | | | |
| Selling expenses | - | - | - | - | - |
| Business development and administration expenses | - | - | - | -335 | -335 |
| Research and development costs | - | - | - | -55 | -55 |
| Other operating items | - | - | - | - | - |
| **Operating profit** | **-** | **-** | **-** | **-390** | **-390** |
| | | | | | |
| Finance costs | - | - | - | - | - |
| Tax benefit/(expense) | - | - | - | 52 | 52 |
| **Post-tax profit/(loss) of discontinued operations** | **-** | **-** | **-** | **-338** | **-338** |
| | | | | | |
| Revaluation of discontinued operations | - | - | - | 23,927 | 23,927 |
| | | | | | |
| **Profit after tax for the period from discontinued operations** | **-** | **-** | **-** | **23,589** | **23,589** |
| | | | | | |
| **TOTAL PROFIT FOR THE PERIOD** | **-** | **-** | **-** | **23,589** | **23,589** |

## NOTE 3 SPECIFICATION OF MAJOR INTANGIBLE NON-CURRENT ASSETS

| (SEK thousand) | 2022-09-30 | 2021-09-30 | 2021-12-31 |
|---|---|---|---|
| Capitalized expenditure for MOB-015 | 381,492 | 320,406 | 327,042 |
| **TOTAL CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK** | **381,492** | **320,406** | **327,042** |

## NOTE 4 SEGMENT REPORTING

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

## NOTE 5 RELATED PARTY TRANSACTIONS

No material changes have occurred in the nature and scope of 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.

| | |
|---|---|
| Year-end report 2022 | February 7, 2023 |
| Interim report for January– March 2023 | May 9, 2023 |
| Interim report for January–June 2023 | August 15, 2023 |
| Interim report for January– September 2023 | November 7, 2023 |

The Annual General Meeting of Moberg Pharma will be held on May 16, 2023. The last date for shareholders to request to have a matter considered at the Annual General Meeting is March 28, 2023. The Annual Report will be available no later than April 18, 2023 on the company's website at www.mobergpharma.se

## FOR FURTHER INFORMATION, PLEASE CONTACT

Anna Ljung, CEO, tel. 08-522 307 01, anna.ljung@mobergpharma.se
Mark Beveridge, VP Finance, tel. 076 - 805 82 88, mark.beveridge@mobergpharma.se

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

The interim report has been reviewed by the Company's auditors.

## DECLARATION

The undersigned hereby declare that the interim 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, November 7, 2022

| | | |
|---|---|---|
| Kerstin Valinder Strinnholm<br>*Chairman* | Anders Lundmark<br>*Board member* | Nikolaj Sörensen<br>*Board member* |
| Mattias Klintemar<br>*Board member* | Anna Ljung<br>*CEO* | |

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

# REVIEW REPORT

Moberg Pharma AB (publ), corporate identity number 556697-7426

## INTRODUCTION

We have reviewed the condensed interim report for Moberg Pharma AB as at 30 September 2022 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 7 November 2022

Ernst & Young AB

Andreas Troberg
Authorized Public Accountant