



## Year-end report 2019

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Moberg Pharma AB (Publ)

Q1

Q2





**“After the successful divestment of the OTC portfolio, the business is progressing as planned with a focus on the Phase 3 studies for MOB-015, further commercialization preparations and preparations for the share redemption in November 2019,” says Anna Ljung, CEO of Moberg Pharma.**

### PERIOD (JAN-JUN 2019)

- Net profit after tax SEK 558.8 million (6.7)
- Total profit for the period SEK 499.4 million (27.3)
- Diluted earnings per share SEK 31.35 (0.38)
- Net revenue SEK 15.6 million (0.0) \*
- EBITDA SEK -3.0 million (-21.0) \*
- Operating profit (EBIT) SEK -4.2 million (-21.1) \*
- Cash and cash equivalents amounted to SEK 919.1 million (122.2)

\* from continuing operations

### SECOND QUARTER (APR-JUN 2019)

- Net profit after tax SEK -5.1 million (4.7)
- Total profit for the period SEK -5.1 million (21.7)
- Diluted earnings per share SEK -0.28 (0.27)
- Net revenue SEK 0 million (0.0) \*
- EBITDA SEK -8.5 million (-11.1) \*
- Operating profit (EBIT) SEK -9.2 million (-11.1) \*
- Cash and cash equivalents amounted to SEK 919.1 million (122.2)

The Extraordinary General Meeting on March 15 resolved to convert the company’s financial year from the calendar year to a fiscal year, July 1 – June 30. This year-end report covers the abbreviated fiscal year from January 1 to June 30, 2019.

The Board of Directors intends to propose a payment to the shareholders of tentatively SEK 43–45 per share by way of an automatic share redemption procedure following the Annual General Meeting on 30 October 2019.

### SIGNIFICANT EVENTS IN THE SECOND QUARTER

- On April 1, 2019, Moberg Pharma gave notice of early redemption of all outstanding bonds at an amount equal to 104 percent of the nominal amount. The bond loan, plus interest, was repaid in its entirety on April 29.
- In connection with the Annual General Meeting on May 15, Peter Wolpert was elected as a new Board member and Executive Chairman of the Board of Directors. The Annual General Meeting also elected Fredrik Granström as a new Board member and resolved to re-elect Board members Mattias Klintemar and Andrew B. Hochman.
- In direct connection with the Annual General Meeting, the Board of Directors resolved to appoint Anna Ljung as the new Chief Executive Officer of the company.
- After being granted authorization by the Annual General Meeting, the Board of Directors implemented on June 28 a transfer of a total of 42,090 of the company’s own ordinary shares on Nasdaq Stockholm to cover certain costs, mainly social security costs, related to previous incentive programs.

### SIGNIFICANT EVENTS AFTER THE END OF THE SECOND QUARTER

- During July 2019, the exercise of warrants under Moberg Pharma's share-based compensation plan increased the number of shares with 488 905 ordinary shares.

### Conference call – August 29, 2019 at 3:00 p.m. CET

CEO Anna Ljung will present the report at a telephone conference today on August 29, 2019 at 3:00 p.m. CET.

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## STATEMENT FROM THE CEO

**After the successful divestment of the OTC portfolio and the following organizational changes, focus now lies on our pipeline projects and the topline results of the Phase 3 study in North America are expected before year end. The business is progressing as planned with a focus on the Phase 3 studies for MOB-015, further commercialization preparations and preparations for the share redemption in November 2019.**

I have worked at Moberg Pharma since the start in 2006. It is a privilege to take over the role of CEO for such a well-managed company and I look forward to further developing the business together with our skilled employees. We have an exciting period ahead of us with a focus on the pipeline projects MOB-015 and BUPI, whose combined potential is much greater than the divested business. At my side I have an outstanding management team, and together we have extensive experience from the company and the industry. We have also recently been joined by Dr. Amir Tavakkol, who brings unique experience in the development and registration of onychomycosis drugs in the US. In addition, we are fortunate to retain Peter Wolpert close to the business in the role of Executive Chairman who will focus on business development.

The company's resources are focused mainly on MOB-015, where our work is progressing as planned with an emphasis on the two clinical Phase 3 studies and continuing business development. More than 95% of patients have now completed the US study, and we expect topline results in December. In the European study, the corresponding figure right now is around 60%, with topline results expected in the second quarter of 2020.

We aim to repeat the journey we took with Kerasal Nail®, where we combined direct sales in the US with collaborations with market-leading partners in major regions. The agreements for Canada with Cipher Pharmaceuticals and for Europe with the Consumer Health division of Bayer AG, a world leader in OTC fungus treatments with the brand Canesten, is in line with this strategy and means that strong partners are already in place for important regions. Moberg Pharma is conducting the clinical programs and registration, as well as manufacturing the product, while our partners are responsible for distribution and marketing.

In the US, the emphasis this time is on the considerably larger prescription market for nail fungus treatments. We see a very interesting opportunity to build our own commercial platform to target podiatrists, with MOB-015 as our main product and a portfolio of additional niche products. Also, we intend to collaborate with a US partner that already has an established sales force targeting dermatologists.

We look forward to the major milestones in the second half of the year, with the share repurchase and results of the Phase 3 study for MOB-015 in North America in parallel with the continuation of the Phase 3 study in Europe and preparations for commercialization. With the data we are hoping for, we will be able to offer patients who currently lack safe and efficacious treatment alternatives the market's best topical product.

The second quarter involved transition activities related to the OTC business, a process that generates one-off revenue and where most of the activities have now been completed. The company's previous bond loan, plus interest, was repaid in its entirety on April 29. The Annual General Meeting for the abbreviated fiscal year January – June 2019 is scheduled for October 30 and will focus on the shareholder distribution, which is estimated at SEK 43–45 per share and is expected to be paid through a share redemption in November 2019.

With SEK 919 million in cash reserves as at June 30, the company has sufficient funds to implement the share redemption as planned and finalize the clinical program for MOB-015. Moberg Pharma 2.0 remains fully dedicated to the goal of creating the future market leader in the treatment of nail fungus.

Anna Ljung, CEO of Moberg Pharma



## ABOUT MOBERG PHARMA

Moberg Pharma develops and commercializes medical products that relieve pain and skin conditions, especially nail fungus. The company is focused as of April 1, 2019 on the development and commercialization of pipeline assets with a combined annual peak sales potential of USD 350–700 million. The OTC business was divested in the first quarter of 2019 in favor of a clinical pipeline consisting of late stage drug candidates with the potential to significantly exceed the value of the divested portfolio. The divestment enabled shareholders to recognize a compelling value for both components of the business. They will receive a large distribution as planned in November 2019 while also retaining the potential in the development projects.

MOB-015 is a next-generation treatment of onychomycosis (nail fungus) and BUPI is a novel treatment for oral pain relief in association with inflammation and ulceration of the oral mucous membranes (oral mucositis or OM), a serious complication of cancer treatment). Both drugs have demonstrated strong Phase 2 results which indicate that they have the potential to become market leaders in their respective niches. Two parallel Phase 3 studies for MOB-015 are underway with topline results expected in late 2019 and spring 2020, with two license agreements in place in Canada and Europe. We estimate the sales potential for MOB-015 at USD 250–500 million, with most of the sales expected to come from the high-priced US prescription drug market. This is in addition to BUPI, with an estimated annual sales potential of USD 100-200 million.

### MOB-015



#### Nail fungus

- Topical terbinafine
- Target profile: Rapid, visible improvement, superior cure rate and shorter treatment time(vs other topical medications)



**Estimated annual sales potential:**  
USD 250-500 million



#### Phase 3 ongoing

- Two Phase-3 studies in North America and Europe ongoing
- Primary endpoint: complete clinical cure of big toe nail and negative fungal tests after 52 weeks



#### Patent protection until 2032

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



#### Phase 2 data: Leading data for several affected nails

- 54% mycological cure at 60 weeks
- 100 % negative culture at 60 weeks
- 1000x more terbinafine in the nail vs oral administration
- 40x more terbinafine in the nail bed vs oral administration
- Negligible systemic exposure of terbinafine

### BUPI

#### Pain relief oral mucositis

- Lozenge with bupivacaine
- Target profile: Better and longer pain relief vs existing products

**Estimated annual sales potential:**  
USD 100-200 million

#### Partnering and preparations for phase 3 ongoing

- Partnering discussions ongoing, in addition to current partner Cadila Pharmaceuticals
- Advisory meetings held with agencies in Sweden and Germany

#### Patent protection until 2032-2033

- Patent granted in EU, Canada and U.S.
- Patents include lozenges and other formulations with a local anesthetic, including bupivacaine, for the mouth or throat and for treatment of oral mucositis in cancer patients

#### Phase 2 data: Significantly better pain relief vs standard of care

- Primary endpoint: 31% less pain in the BUPI group vs Standard care (maximum VAS value in the mouth/throat,  $p = 0,0032$ )
- In mouth: 50% less pain in the BUPI group ( $p = 0,0002$ )



## BUSINESS DEVELOPMENT

In early 2019, Moberg Pharma divested one of its two main businesses. Since April 1, 2019, Moberg Pharma has a fully funded business whose main goal is to create the future market leader in onychomycosis through the development and commercialization of MOB-015.

### THE OTC BUSINESS HAS BEEN DIVESTED

In March 2019, Moberg Pharma sold its entire OTC business to RoundTable Healthcare Partners and Signet Healthcare Partners for cash consideration of USD 155 million (SEK 1.4 billion) adjusted for working capital. The OTC business mainly comprised the marketing and distribution of the OTC brands Kerasal Nail®, New Skin® and Dermoplast® in the US.

Thanks to this divestment, we were able to realize compelling value for our shareholders and repay our bond loan, while at the same time highlighting the major upside in the remaining, fully financed business, which is focused on MOB-015, whose potential alone substantially exceeds the value of the divested portfolio. The sale resulted in a capital gain of SEK 561 million after transactions costs – of which the effect on total profit for the period was SEK 501 million – and facilitates a distribution to shareholders planned in November 2019.

### THE NEW BUSINESS'S DEVELOPMENT

In 2019, the company's development resources will mainly be focused on MOB-015, which is currently being evaluated among more than 800 patients in two randomized, controlled Phase 3 multicenter studies in North America and Europe. More than 95% of patients have now completed the US study, and we expect topline results in December. In the European study, the corresponding figure right now is around 60%, with topline results expected in the second quarter of 2020.

The US is expected to remain Moberg Pharma's most important market going forward, this time with an emphasis on the much larger prescription market for nail fungus treatment. The commercialization plans comprise a combination of direct sales and co-marketing with partners, for example in the US, as well as out-licensing to other markets such as the EU, Japan, Canada and China – all with patent protection until 2032. Two attractive license agreements for MOB-015 are already in place in Canada (Cipher) and Europe (Bayer), and we look forward to adding exciting collaborations in the future. The agreement with Bayer, with EUR 50 million in potential milestone payments in addition to payments for supplied products, was signed in the first quarter. The partnership with this leader in OTC fungal treatments indicates the significant potential of MOB-015.

With regard to our other drug candidate, BUPI, discussions are underway with potential new partners in North America and Europe.

### THE NEW COMPANY

The divestment of the OTC business represents a major change for Moberg Pharma in terms of both strategic direction and organization. Approximately half of the previous staff remain with the company, focusing on the development and commercialization of MOB-015, while the rest have transferred to the new owners.

A new, streamlined management team consists since May 16, 2019 of four individuals: Anna Ljung (CEO), Torbjörn Wårnheim (Deputy CEO and Senior Vice President R&D), Sarah Hellerfelt (CFO) and Annica Magnusson (Senior Director Regulatory Affairs). In addition, the company has engaged Dr. Amir Tavakkol as Senior Advisor R&D, bringing unique experience in the development and registration of onychomycosis drugs in the US. Former CEO Peter Wolpert has transitioned to a role as Executive Chairman of the company.

The Annual General Meeting on May 15, 2019 re-elected Mattias Klintemar and Andrew B. Hochman as members of the Board of Directors and elected Executive Chairman Peter Wolpert and Fredrik Granström as new Board members for a term extending until the end of the next Annual General Meeting, which will be held in the fourth quarter of 2019 due to the abbreviated fiscal year January 1 - June 30, 2019. At the same time, Thomas Eklund (former Chairman of the Board), Geert Cauwenbergh, Sara Brandt and Anna Malm Bernsten resigned from their positions with the company.





## FINANCIAL OVERVIEW

### REVENUES AND PROFIT

Net sales for the continuing operations for the year amounted to SEK 15.6 million (0). Revenues reported relate to the initial EUR 1.5 million milestone received in connection with the agreement with Bayer AG.

The remaining business consists of research and development, business development and administrative functions. The majority of development expenses are directly attributable to the clinical phase-3 studies in the development project MOB-015, which are capitalized. The largest expense items in the profit for the period from continuing operations consist of business development and administration costs of SEK 15.3 million (12.7), followed by research and development costs of SEK 7.2 million (7.3). The result for the period from remaining operations also includes the provision of services related to a transitional services agreement that was part of the sale of the OTC business. Other operating income includes amounts invoiced to cover costs in accordance with the transitional services agreement.

The revenues and expenses related to the discontinued OTC business are listed as a separate item in the Group's income statement. The reported net profit for this business, including capital gains, for the year amounts to SEK 563.5 million (23.4). An income statement for the divested business is presented in Note 2.

### CASHFLOW

Cashflow from operating activities amounted to SEK -64 (16) million for the second quarter which includes payments for transaction costs associated with the sale of the OTC business of SEK 34 million and interest payments on the bond loan, including redemption fees, of SEK 31 million. Cashflow from financing operations was SEK -600 million (-1) due to redemption of the bond of SEK 600 million. Total change in cash and cash equivalents during the second quarter was SEK -678 M (19), of which SEK -665 M is related to repayment of the bond loan and transaction costs. Cash and cash equivalents amounted to SEK 919.1 million (SEK 122.2 million) at the end of the period.

### INVESTMENTS

Investments in intangible assets relate predominantly to capitalized expenses for development work. The company has two late-stage development projects that are capitalized, MOB-015 and BUPI. The bulk of monies spent relate to MOB-015.

R&D expenses (costs and investments) (SEK thousand)	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full-year 2018
R&D expenses (in statement of comprehensive income) *	-3,602	-3,960	-7,165	-7,302	-12,720
Capitalized R&D investments	-13,401	-30,844	-31,998	-50,129	-106,793
Depreciation/amortization booked to R&D expenses *	485	567	852	1,133	2,225
<b>Change in R&amp;D investments (in statement of financial position)</b>	<b>-12,916</b>	<b>-30,277</b>	<b>-31,146</b>	<b>-48,996</b>	<b>-104,568</b>
<b>Total R&amp;D expenditure</b>	<b>-16,518</b>	<b>-34,237</b>	<b>-38,311</b>	<b>-56,298</b>	<b>-117,288</b>

\* from continuing operations

### LIABILITIES

On April 1, 2019, the company sent an irrevocable notification of early redemption of the bond loan of 600 MSEK and the redemption was finalized on April 29, 2019. In accordance with the terms, the Bonds were redeemed at an amount corresponding to 104.00 percent of the nominal amount, which corresponded to SEK 624 million. The cost for early redemption was recorded as a financial expense in March 2019.

In connection with the divestment of the OTC business in March 2019, the buyer provided financing for a loan (MUSD 2.5) and subscription of shares (MUSD 2.5). The \$ 2.5 million loan carries a 3-month PIK interest rate of LIBOR + 5.50% and falls due for payment on March 31, 2023. If Moberg Pharma, before March 31, 2023, receives milestone payments, royalties or other similar payments from partners who in total, exceed an amount equivalent to \$ 10 million, plus any additional amounts received under partner agreements already entered (excluding payments received to cover fees, expenses and other expenses), Moberg Pharma shall use such excess funds to repay the loan. The nominal amount of the loan may be reduced by setting off the subscription price if the buyer chooses to exercise outstanding warrants to subscribe for common shares in Moberg Pharma. The warrants are issued without consideration and each warrant gives the holder the right to subscribe for a



common share in Moberg Pharma at a subscription price of SEK 35.16 per share. The warrants may not be exercised until the OTC dividend has taken place.

## CHANGES IN EQUITY

### SHARES

Share capital at the end of the period was SEK 1,817,986 (1,744,076), the total number of shares outstanding was 17,519,016 ordinary shares (17,440,762) and 660,843 Series B shares (0) with a quotient value of SEK 0.10.

As part of the sale of the OTC business, the buyer has subscribed and paid for 660,843 class B shares in Moberg Pharma at a subscription price of SEK 35.16 per share (without the right to the OTC dividend), which resulted in an increase in the total number of shares in the company from 17,703,762 to 18,364,605 after completion of the issue on April 30, 2019.

Moberg Pharma has also issued 659,421 warrants free of charge, each of which entitles the buyer to subscribe for one common share in the company at a subscription price of SEK 35.16 per share. Neither the newly issued B shares, the warrants or the shares subscribed for through the exercise of the warrants will be eligible for the OTC dividend and the warrants will not be exercisable until the OTC dividend has been paid out. After payment of the OTC dividend, the B shares will be converted into ordinary shares in the Company.

The number of repurchased own shares decreased by 36,164 in May 2019 through the accelerated earning of performance share rights to employees, as well as 42,090 shares transferred in June 2019 to cover costs incurred as a result of exercised warrants and shares transferred from employee incentive programs. Moberg Pharma holds 184,746 (263,000) repurchased own shares at the end of the period.

After the end of the period, in July 2019, the number of shares and votes has increased as a result of 488 905 ordinary shares having been added following the exercise of warrants under Moberg Pharma's share-based compensation plans. The OTC divestment resulted in the vesting of a proportion of outstanding incentive programs pro rata based on the date of the divestment, 29 March 2019. Exercise of the warrants means that the number of shares and votes has increased by 488,905 from 18,364,605 to 18,853,510 at the time of publication of this report.

### SHARE-BASED COMPENSATION PLANS

The number of instruments outstanding as at June 30, 2019 was 783,901 warrants and 80,022 performance share units. If all warrants were exercised, the total number of shares would increase by 783,901. The performance share units are issued and held in trust, where the actual number of shares that may vest range from 0% to 100% depending on share price development. Redemption price for the warrant programs varies from SEK 42.97 to SEK 65.47, and performance share units are tied to share performance from SEK 35.00.<sup>1</sup> Where applicable, the redemption price may be subsequently adjusted in the event distributions are made. For detailed information on the share-based compensation plans, see the 2018 Annual Report.

The following table gives an indication of the maximum levels of dilution at different levels of share price:

<b>Instruments granted based on strike price</b>				
<b>Share price</b>	<b>40</b>	<b>50</b>	<b>60</b>	<b>70</b>
Number of new shares due to diluting warrants	-	376,000	597,151	783,901
Number of shares allocated by performance share units	10,003	24,007	33,343	40,011
<b>Theoretical dilution</b>	<b>0.1%</b>	<b>2.2%</b>	<b>3.5%</b>	<b>4.5%</b>
Company's market capitalization, SEK million	734	934	1,133	1,334
Gain for instrument holders <sup>2</sup> , SEK million	0,9	5,4	11,1	19,8
<b>Actual dilution from share-based instruments<sup>3</sup></b>	<b>0.1%</b>	<b>0.6%</b>	<b>1.0%</b>	<b>1.5%</b>

The OTC divestment triggered vesting for the proportion of the outstanding incentive programs earned. The board has approved a vesting scheme in which instruments are vested pro rata based on the closing date of the OTC divestment, March 29, 2019.

<sup>1</sup> Redemption prices will be subject to recalculation after the OTC dividend has been executed in accordance with the terms of the respective incentive program

<sup>2</sup> Total pretax gain for warrant holders

<sup>3</sup> Calculated from the gain made by instrument holders through market capitalization at the given share price



## SHAREHOLDER INFORMATION

The company's largest shareholders per June 28, 2019:

Shareholders	Number of shares	% of votes and capital
FÖRSÄKRINGSBOLAGET, AVANZA PENSION <sup>4</sup>	2,320,994	12.64
ZIMBRINE HOLDING BV	1,902,849	10.36
ÖSTERSJÖSTIFTELSEN	1,624,179 <sup>5</sup>	8.84
NORDNET PENSIONS FÖRSÄKRNING AB	1,000,990	5.45
JAZZ HOLDCO, INC	660,843 <sup>6</sup>	3.6
LINDBERG, ERIK JOHAN	397,300	2.16
NORMAN, CARL ERIK	360,000	1.96
LUNDMARK, SVEN ANDERS	326,500	1.78
EUROCLEAR BANK S.A/N.V, W8-IMY	317,943	1.73
BNY MELLON SA/NV (FORMER BNY), W81MY	223,108	1.21
SOCIETE GENERALE	219,536	1.20
MOBERG PHARMA AB	181,836 <sup>7</sup>	0.99
70133904, DANICA PENSION	173,500	0.94
BNY MELLON NA (FORMER MELLON), W9	172,683	0.94
SYNSKADADES RIKSFÖRBUND	172,201	0.94
AKTIEINVEST FK AB	164,137	0.89
ML, PIERCE, FENNER & SMITH INC	147,414	0.80
MORGAN STANLEY & CO INTL PLC, W-8BEN	144,684	0.79
GUNNARSSON, MIKAEL	144,000	0.78
SKANDIA, FÖRSÄKRINGS	133,747	0.73
<b>TOTAL, 20 LARGEST SHAREHOLDERS</b>	<b>10,788,444</b>	<b>58.7</b>
Other shareholders	7,576,161	41.3
<b>TOTAL</b>	<b>18,364,605</b>	<b>100.00</b>

## PARENT COMPANY

Moberg Pharma AB (Publ), Corp. Reg. No. 556697-7426, is the parent company of the Group. Group operations are conducted primarily within the parent company and, since the end of March 2019, consists of R&D, business development and administrative functions.

Amounts reported in the income statement of the parent company have not been separated into continuing operations. Administration expenses includes transaction costs for the disposal of the OTC business for SEK 40 million. Financial income includes the parent's reported capital gain on the disposal of the OTC business for SEK 592 million, plus a distribution from the then subsidiary Moberg Pharma North America LLC for SEK 55 million.

Cash and cash equivalents amounted to SEK 919.1 million (100.9) at the end of the period.

<sup>4</sup> Includes 435,399 shares owned by the company's Chairman Peter Wolpert through an endowment insurance policy

<sup>5</sup> Östersjöstiftelsen also holds 650,000 shares that were lent to Aktieinvest at the end of the period to facilitate the exercise of warrants in employee share-based compensation programs, Östersjöstiftelsens total holding is unchanged at 2,274,179 shares.

<sup>6</sup> Series B shares

<sup>7</sup> Moberg Pharma also holds shares that at the end of the period were lent to Aktieinvest to cover costs incurred as a result of exercised warrants and received shares in employee share-based compensation programs. Moberg Pharma holds 184,746 repurchased own shares at the publication of this report.





## OTHER INFORMATION

### ORGANIZATION

Per June 30, 2019, the Moberg Pharma Group had 16 employees, of whom 94% were women. All employees are employed by the parent company.

### RISK FACTORS

Commercialization and development of pharmaceuticals are capital-intensive activities exposed to significant risks. Risk factors considered 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 2018 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 2019, the focus is on advancing the company's phase 3 development programs and to continue commercialization preparations to maximize value and create future growth. Moberg Pharma will utilize the cash flow from the divestment of the commercial operations to provide a distribution to shareholders through a redemption of shares while retaining sufficient capital, taking into account expected revenues, to complete the ongoing Phase 3 studies for MOB-015.

It is the view of the Board of Directors and executive management that the company has sufficient funds, taking into account the planned OTC-dividend, to complete the ongoing clinical activities.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK thousand)	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
<b>Continuing operations</b>		RESTATED		RESTATED	RESTATED
Net revenue	-	-	15,554	-	4,553
Cost of goods sold	-	-	-	-	-
<b>Gross profit</b>	-	-	<b>15,554</b>	-	<b>4,553</b>
Selling expenses	-222	-522	-788	-1,012	-2,075
Business development and administrative expenses	-8,511	-6,531	-15,334	-12,704	-24,372
Research and development costs	-3,602	-3,960	-7,165	-7,302	-12,720
Other operating income	3,164	-	3,514	-	804
Other operating expenses	-	-87	-	-87	-1,137
<b>Operating profit (EBIT)</b>	<b>-9,171</b>	<b>-11,100</b>	<b>-4,219</b>	<b>-21,105</b>	<b>-34,947</b>
Interest income and similar items	92	-	121	-	1
Interest expenses and similar items	-711	-2	-966	-2	-4
<b>Profit after financial items from continuing operations (EBT)</b>	<b>-9,790</b>	<b>-11,102</b>	<b>-5,064</b>	<b>-21,107</b>	<b>-34,950</b>
Tax on profit for the period	2,189	2,307	336	4,402	7,106
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>-7,601</b>	<b>-8,795</b>	<b>-4,728</b>	<b>-16,705</b>	<b>-27,844</b>
<b>Discontinued operations</b>					
Profit after tax for the period from discontinued operations (see Note 2)	2,512	13,487	563,544	23,404	47,682
<b>PROFIT FOR THE PERIOD</b>	<b>-5,089</b>	<b>4,692</b>	<b>558,816</b>	<b>6,699</b>	<b>19,838</b>
<b>Items that will be reclassified to profit</b>					
Translation differences of foreign operations	-	16,962	8,855	20,555	20,853
Reclassification of translation differences to profit from sale of discontinued operations	-	-	-68,249	-	-
<b>Other comprehensive income</b>	-	<b>16,962</b>	<b>-59,394</b>	<b>20,555</b>	<b>20,853</b>
<b>TOTAL PROFIT FOR THE PERIOD</b>	<b>-5,089</b>	<b>21,654</b>	<b>499,422</b>	<b>27,254</b>	<b>40,691</b>
Whereof total profit from continuing operations	-7,601	-8,795	-4,728	-16,705	-27,844
Whereof total profit from discontinued operations (see Note 2)	2,512	30,449	504,150	43,959	68,535
Profit for the period attributable to parent company shareholders	-5,089	4,692	558,816	6,699	19,838
Total profit attributable to parent company shareholders	-5,089	21,654	499,422	27,254	40,691
<b>Basic earnings per share</b>	<b>-0.28</b>	<b>0.27</b>	<b>31.42</b>	<b>0.38</b>	<b>1.14</b>
<b>Diluted earnings per share<sup>8</sup></b>	<b>-0.28</b>	<b>0.27</b>	<b>31.14</b>	<b>0.38</b>	<b>1.14</b>
<b>Basic earnings from continuing operations per share</b>	<b>-0.42</b>	<b>-0.50</b>	<b>-0.27</b>	<b>-0.96</b>	<b>-1.60</b>
<b>Diluted earnings from continuing operations per share<sup>3</sup></b>	<b>-0.42</b>	<b>-0.50</b>	<b>-0.27</b>	<b>-0.96</b>	<b>-1.60</b>
<b>EBITDA from continuing operations</b>	<b>-8,536</b>	<b>-11,075</b>	<b>-2,950</b>	<b>-21,049</b>	<b>-34,856</b>

<sup>8</sup> 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

(SEK thousand)	2019-06-30	2018-06-30	2018-12-31
<b>Assets</b>			
Intangible assets	255,654	994,482	,1,034,218
<i>Capitalized R&amp;D</i>	248,804	181,691	237,624
<i>Computer systems</i>	-	1,939	2,359
<i>Goodwill</i>	-	96,968	97,088
<i>Acquired product rights</i>	-	707,034	690,297
<i>Patents</i>	6,850	6,850	6,850
Property, plant and equipment	80	504	382
Right-of-use assets	10,493	-	-
Deferred tax asset	11,617	8,044	5,064
<b>Total non-current assets</b>	<b>277,844</b>	<b>1,003,030</b>	<b>1,039,664</b>
Inventories	-	20,341	24,976
Trade receivables and other receivables	12,994	120,134	76,189
Cash and cash equivalents	919,134	122,173	110,785
<b>Total current assets</b>	<b>932,128</b>	<b>262,648</b>	<b>211,950</b>
<b>TOTAL ASSETS</b>	<b>1,209,972</b>	<b>1,265,678</b>	<b>1,251,614</b>
<b>Equity and liabilities</b>			
Equity (attributable to parent company's shareholders)	1,121,029	580,596	594,018
Non-current interest-bearing liabilities	23,642	593,120	594,451
Non-current leasing liabilities	8,331	-	-
Non-current non-interest-bearing liabilities	65	-	65
Deferred tax liability	-	7,233	6,916
<b>Total non-current liabilities</b>	<b>32,038</b>	<b>600,353</b>	<b>601,432</b>
Current interest-bearing liabilities	-	-	-
Current leasing liabilities	2,366	-	-
Current non-interest-bearing liabilities	54,539	84,729	56,164
<b>Total current liabilities</b>	<b>56,905</b>	<b>84,729</b>	<b>56,164</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,209,972</b>	<b>1,265,678</b>	<b>1,251,614</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

(SEK thousand)	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
<b>Operating activities</b>		<b>RESTATED</b>		<b>RESTATED</b>	<b>RESTATED</b>
Operating profit before financial items from continuing operations	-9,171	-11,100	-4,219	-21,105	-34,947
Operating profit before financial items from discontinued operations	5,111	27,351	599,371	49,876	99,766
<b>Operating profit before financial items</b>	<b>-4,060</b>	<b>16,251</b>	<b>595,152</b>	<b>28,771</b>	<b>64,819</b>
Financial items, received and paid	-32,862	-9,103	-42,288	-18,205	-36,410
Taxes paid	-	-8	-15	-8	-736
<i>Adjustments:</i>					
Depreciation/amortization and capital gains	635	4,064	10,518	13,470	31,861
Capital gains	-5,031	-	-624,905	-	-
Revaluation assets/liabilities	-	-	-	-	-4,552
Employee share-based adjustments to equity <sup>9</sup>	528	627	1,675	1,345	1,438
<b>Cash flow before changes in working capital</b>	<b>-40,790</b>	<b>11,831</b>	<b>-59,863</b>	<b>25,373</b>	<b>56,420</b>
<b>Change in working capital</b>					
Increase (-)/Decrease (+) in inventories	-284	8,072	-3,481	7,983	3,822
Increase (-)/Decrease (+) in operating receivables	-22,230	-39,648	19,050	-40,817	17,583
Increase (+)/Decrease (-) in operating liabilities	-570	35,561	6,441	34,776	-3,943
<b>OPERATING CASH FLOW</b>	<b>-63,874</b>	<b>15,816</b>	<b>-37,853</b>	<b>27,315</b>	<b>73,891</b>
<b>Investing activities</b>					
Net investments in intangible assets	-13,401	3,474	-32,396	-25,830	-83,641
Net investments in subsidiaries	-50	-	1,432,816	-	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-13,451</b>	<b>3,474</b>	<b>1,400,420</b>	<b>-25,830</b>	<b>-83,641</b>
<b>Financing activities</b>					
Issue of loans	-	-	23,205	-	-
Repayment of loans	-600,000	-	-600,000	-	-
Repayment of leases	-514	-	-1,031	-	-
Issue of new shares less transaction costs	30	-528	23,236	-528	-666
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-600,484</b>	<b>-528</b>	<b>-554,590</b>	<b>-528</b>	<b>-666</b>
<b>Change in cash and cash equivalents</b>	<b>-677,809</b>	<b>18,762</b>	<b>807,977</b>	<b>957</b>	<b>-10,416</b>
Cash and cash equivalents at beginning of period	1,596,943	102,481	110,785	119,437	119,437
Exchange rate differences in cash and cash equivalents	-	930	372	1,779	1,764
Cash and cash equivalents at the end of period	919,134	122,173	919,134	122,173	110,785

<sup>9</sup> Note that revaluation of estimated costs for social security contributions for employee stock options is reported in change in operating liabilities.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK thousand)	Share capital	Other capital contributions	Translation reserve	Accumulated loss	Total equity
<b>January 1 – June 30, 2019</b>					
<b>Opening balance, January 1, 2019</b>	<b>1,744</b>	<b>528,122</b>	<b>59,394</b>	<b>4,758</b>	<b>594,018</b>
<i>Total income</i>					
Profit for the period				558,816	558,816
Other comprehensive income – translation differences on translation of foreign operations			-59,394		-59,394
<i>Transactions with shareholders</i>					
New share issue	66	23,169			23,235
Employee stock options	8	4,346			4,354
<b>CLOSING BALANCE, JUNE 30, 2019</b>	<b>1,818</b>	<b>555,639</b>	<b>-</b>	<b>563,574</b>	<b>1,121,029</b>
<b>January 1 – June 30, 2018</b>					
<b>Opening balance, January 1, 2018</b>	<b>1,744</b>	<b>527,203</b>	<b>38,542</b>	<b>-15,080</b>	<b>552,409</b>
<i>Total income</i>					
Profit for the period				6,699	6,699
Other comprehensive income – translation differences on translation of foreign operations			20,555		20,555
<i>Transactions with shareholders</i>					
New share issue	26				26
Transaction costs, new share issue		-412			-412
Repurchase own shares	-26				-26
Employee share-based incentive adjustments		1,345			1,345
<b>CLOSING BALANCE, JUNE 30, 2018</b>	<b>1,744</b>	<b>528,136</b>	<b>59,097</b>	<b>-8,381</b>	<b>580,596</b>
<b>January 1 – December 31, 2018</b>					
<b>Opening balance, January 1, 2018</b>	<b>1,744</b>	<b>527,203</b>	<b>38,542</b>	<b>-15,080</b>	<b>552,409</b>
<i>Total income</i>					
Profit for the period				19,838	19,838
Other comprehensive income – translation differences on translation of foreign operations			20,852		20,852
<i>Transactions with shareholders</i>					
New share issue	26				26
Transaction costs, new share issue		-519			-519
Repurchase own shares	-26				-26
Employee share-based incentive adjustments		1,438			1,438
<b>CLOSING BALANCE, DECEMBER 31, 2018</b>	<b>1,744</b>	<b>528,122</b>	<b>59,394</b>	<b>4,758</b>	<b>594,018</b>





## KEY RATIOS FOR THE GROUP

(SEK thousand)	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net revenue *	-	-	15,554	-	4,553
EBITDA *	-8,536	-11,075	-2,950	-21,049	-34,856
Operating profit (EBIT) *	-9,171	-11,100	-4,219	-21,105	-34,947
Profit after tax	-5,089	4,692	558,816	6,699	19,839
Cash and cash equivalents	919,134	122,173	919,134	122,173	110,785
Balance sheet total	1,209,972	1,265,678	1,209,972	1,265,678	1,251,614
Equity/assets ratio	93%	46%	93%	46%	47%
Return on equity	0%	1%	50%	1%	3%
Diluted earnings per share, SEK	-0.28	0.27	31.35	0.38	1.14
Equity per share, SEK	61.66	32.80	61.66	33.29	34.06
Basic average number of shares	17,883,932	17,446,606	17,662,347	17,443,684	17,440,762
Diluted average number of shares	18,080,898	17,446,606	17,825,850	17,443,684	17,462,351
Number of shares at the end of the period excluding repurchased own shares	18,179,859	17,440,762	18,179,859	17,440,762	17,440,762
Share price on balance sheet date, SEK	65.90	32.45	65.90	32.45	43.00
Market capitalization balance date, SEK millions	1,198	566	1,198	566	750

*\*reflects current operations only*

## 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 replacement for the performance measurements defined in accordance with IFRS.

### Net revenue adjusted for acquisitions and divestments

Net revenue for products owned by the company through the entire reporting period and through the entire comparative period.

### 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)	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net revenue	-	30,670	42,848	66,471	142,394
Cost of goods sold	26	-2,490	-2,477	-6,692	-14,130
<b>Gross profit</b>	<b>26</b>	<b>28,180</b>	<b>40,371</b>	<b>59,779</b>	<b>128,263</b>
Selling expenses	-222	-10,706	-11,450	-21,328	-42,346
Business development and administrative expenses	-8,511	-7,698	-56,908	-15,244	-29,226
Research and development costs	-3,601	-4,675	-7,860	-8,598	-16,207
Other operating income	3,217	8,199	4,208	9,514	16,914
Other operating expenses	-	-	-	-	-1,077
<b>Operating profit</b>	<b>-9,091</b>	<b>13,300</b>	<b>-31,639</b>	<b>24,123</b>	<b>56,321</b>
Capital gain from divested subsidiary and similar income	5,122	-	646,606	-	1
Interest expenses	-3,812	-9,768	-42,445	-19,437	-38,974
<b>Profit after financial items</b>	<b>-7,781</b>	<b>3,532</b>	<b>572,522</b>	<b>4,687</b>	<b>17,347</b>
Tax on profit for the period	2,691	-953	6,553	-1,328	-4,337
<b>PROFIT</b>	<b>-5,090</b>	<b>2,579</b>	<b>579,075</b>	<b>3,359</b>	<b>13,010</b>



## PARENT COMPANY BALANCE SHEET SUMMARY

(SEK thousand)	2019-06-30	2018-06-30	2018-12-31
<b>Assets</b>			
Intangible assets	255,654	847,090	889,346
Property, plant and equipment	80	149	114
Right-of-use assets	10,493	-	-
Non-current financial assets	150	178,106	178,106
Deferred tax asset	11,617	8,044	5,064
<b>Total non-current assets</b>	<b>277,994,</b>	<b>1,033,389</b>	<b>1,072,630</b>
Inventories	-	466	728
Trade receivables and other receivables	12,994	15,530	19,043
Receivables from Group companies	-	-	-
Cash and cash equivalents	919,084	100,854	93,998
<b>Total current assets</b>	<b>932,078</b>	<b>116,849</b>	<b>113,769</b>
<b>TOTAL ASSETS</b>	<b>1,210,072</b>	<b>1,150,238</b>	<b>1,186,399</b>
<b>Equity and liabilities</b>			
Equity	1,121,030	504,727	514,364
Non-current interest-bearing liabilities	23,642	593,120	594,451
Non-current lease liabilities	8,331	-	-
Non-current non-interest-bearing liabilities	65	-	65
<b>Total non-current liabilities</b>	<b>32,038</b>	<b>593,120</b>	<b>594,516</b>
Liabilities to Group companies	99	16,611	41,306
Current interest-bearing liabilities	-	-	-
Current lease liabilities	2,366	-	-
Current non-interest-bearing liabilities	54,540	35,781	36,213
<b>Total current liabilities</b>	<b>57,005</b>	<b>52,392</b>	<b>77,519</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,210,072</b>	<b>1,150,238</b>	<b>1,186,399</b>



## PARENT COMPANY CASH FLOW STATEMENT SUMMARY

(SEK thousand)	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
<b>Operating activities</b>					
Operating profit before financial items	-9,091	13,300	-31,639	24,123	56,321
Financial items, received and paid	-32,861	-9,103	-42,288	-18,205	-36,410
<i>Adjustments:</i>					
Depreciation/amortization and capital gains	635	2,718	9,092	10,839	26,429
Revaluation assets/liabilities	-	-	-	-	-4,552
Employee share-based adjustments to equity	528	398	1,362	926	607
<b>Cash flow before changes in working capital</b>	<b>-40,789</b>	<b>7,313</b>	<b>-63,473</b>	<b>17,683</b>	<b>42,395</b>
<b>Change in working capital</b>					
Increase (-)/Decrease (+) in inventories	-285	-398	443	-466	-728
Increase (-)/Decrease (+) in operating receivables	-66,119	9,927	5,309	5,896	2,381
Increase (+)/Decrease (-) in operating liabilities	43,319	17,873	36,696	6,894	33,989
<b>OPERATING CASH FLOW</b>	<b>-63,874</b>	<b>34,715</b>	<b>-21,025</b>	<b>30,007</b>	<b>78,037</b>
<b>Investing activities</b>					
Net investments in intangible assets	-13,401	3,474	-32,065	-25,830	-80,578
Net investments in subsidiaries	-50	-	1,432,766	-	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-13,451</b>	<b>3,474</b>	<b>1,400,701</b>	<b>-25,830</b>	<b>-80,578</b>
<b>Financing activities</b>					
Issue of loans	-	-	23,205	-	-
Repayment of loans	-600,000	-	-600,000	-	-
Repayment of leases	-514	-	-1,031	-	-
Issue of new shares less transaction costs	30	-528	23,236	-528	-666
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-600,484</b>	<b>-528</b>	<b>-554,590</b>	<b>-528</b>	<b>-666</b>
<b>Change in cash and cash equivalents</b>	<b>-677,809</b>	<b>-37,661</b>	<b>825,086</b>	<b>3,649</b>	<b>-3,207</b>
Cash and cash equivalents at the beginning of the period	1,596,893	63,193	93,998	97,205	97,205
Cash and cash equivalents at the end of the period	919,084	100,854	919,084	100,854	93,998



## 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 2018, 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. MSEK stands for million Swedish kronor. Amounts and figures in parentheses are comparative figures from the previous year.

### NEW AND CHANGED ACCOUNTING PRINCIPLES TO BE APPLIED FROM 2019

As of January 1, 2019, IAS 17 was replaced by IFRS 16 Leasing. According to the new standard, most leased assets shall be recognized in the balance sheet and the lessee shall divide the cost into interest payments and depreciation of the asset. The Group has chosen to apply the modified retroactive approach to the new standard, which does not require a recalculation of comparative periods. The leasing portfolio mainly comprises leased office premises. The Group has chosen not to report short-term leases and leasing agreements for which the underlying asset has a low value as an asset with rights of use and leasing liabilities, respectively. As an effect of the transition, a right-to-use asset of SEK 15.1 million has been recognized as an asset with corresponding liabilities of SEK 15.1 million in accordance with the table below.

### IFRS 16 IMPACT ON THE STATEMENT OF FINANCIAL POSITION

(SEK thousand)	2018.12.31	Adjustments	2019.01.01
<b>Assets</b>			
Right-of-use assets	-	15,174	15,174
<b>TOTAL</b>	-	<b>15,174</b>	<b>15,174</b>
<b>Equity and liabilities</b>			
Non-current lease liability	-	12,368	12,368
Current lease liability	-	2,805	2,805
<b>TOTAL</b>	-	<b>15,174</b>	<b>15,174</b>

After the divestment of the commercial portfolio, the right-of-use assets have decreased by SEK 3.4 million and the corresponding decrease in non-current and current lease liabilities amounts to SEK 2.7 million and SEK 0.7 million, respectively.

### IFRS 16 IMPACT ON THE STATEMENT OF PROFIT OR LOSS

The transition has entailed interest expenses of SEK 0.1 million and depreciation of SEK 0.6 million during the quarter.

### RECONCILIATION OF MINIMUM LEASE PAYMENTS ACCORDING TO IAS 17 AND REPORTED LEASING LIABILITY ACCORDING TO IFRS 16

(SEK thousand)	
<b>Operational leasing December 31, 2018</b>	<b>17,416</b>
<i>Applied transition relief rules:</i>	
Short-term leases	-115
Contract where the underlying asset is of low value	-96
Effect of present value calculation with incremental borrowing rate	-1,099
Adjustment of amounts not related to minimum lease payments	-932
<b>OPENING LEASE LIABILITY JANUARY 1, 2019</b>	<b>15,174</b>

## NOTE 2 DISCONTINUED OPERATIONS

On February 12, 2019, the company announced that it had entered into an agreement to divest its subsidiaries MPJ OTC AB and Moberg Pharma North America LLC. According to the terms of the agreement, the parent company's OTC business was transferred to the subsidiary MPJ OTC AB prior to the transaction. The divested business comprises the company's entire commercial operations and the transaction is thus reported as discontinued operations. The transaction was completed on March 29, 2019 for a total cash consideration of SEK 1,432.8 million, which resulted in a net gain of SEK 561 million after transaction costs. The effect from the divestment on the total profit was SEK 501 million.





## INCOME STATEMENT DISCONTINUED OPERATIONS

(SEK thousand)	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Revenue	-	141,881	91,919	233,384	434,489
Cost of goods sold	26	-31,470	-22,293	-55,746	-104,436
<b>Gross Profit</b>	<b>26</b>	<b>110,411</b>	<b>69,626</b>	<b>177,638</b>	<b>330,052</b>
Selling expenses	-	-86,311	-51,262	-127,914	-224,886
Business development and administration expenses	-	-4,015	-3,255	-7,505	-16,638
Research and development expenses	-	-986	-1,158	-1,902	-4,602
Other operating items	54	8,252	741	9,559	15,840
<b>Operating Profit</b>	<b>80</b>	<b>27,351</b>	<b>14,692</b>	<b>49,876</b>	<b>99,765</b>
Finance costs	-3,100	-9,767	-17,478	-19,435	-38,970
Tax benefit/(expense)	501	-4,097	5,651	-7,037	-13,114
<b>Post-tax profit/(loss) of discontinued operations</b>	<b>-2,519</b>	<b>13,487</b>	<b>2,865</b>	<b>23,404</b>	<b>47,682</b>
Capital gain on sale of discontinued operations	5,031	-	624,905	-	-
Transaction costs on sale of discontinued operations and bond redemption	-	-	-40,226	-	-
Financial charges from sale of discontinued operations	-	-	-24,000	-	-
<b>Post-tax gain on sale of discontinued operations</b>	<b>5,031</b>	<b>-</b>	<b>560,679</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) after tax for the period from discontinued operations</b>	<b>2,512</b>	<b>13,487</b>	<b>563,544</b>	<b>23,404</b>	<b>47,682</b>
<b>Items that will be reclassified to profit</b>					
Translation differences of foreign operations	-	16,962	8,855	20,555	20,853
Reclassification of translation differences to profit from sale of discontinued operations	-	-	-68,249	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>16,962</b>	<b>-59,394</b>	<b>20,555</b>	<b>20,853</b>
<b>TOTAL PROFIT FOR THE PERIOD</b>	<b>2,512</b>	<b>30,449</b>	<b>504,150</b>	<b>43,959</b>	<b>68,535</b>

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

(SEK thousand)	2019-06-30
Capitalized expenditure for MOB-015	234,417
Capitalized expenditure for BUPI	14,387
<b>TOTAL CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK</b>	<b>248,804</b>

## 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 comprise one operating segment.

## NOTE 5 RELATED PARTY TRANSACTIONS

No material changes have occurred in relationships and transactions with related parties compared with that as described in the Annual Report.



## SHORTENED FINANCIAL YEAR AND DIVIDEND

In March 2019, the OTC-business was divested for a cash consideration of USD 155 million adjusted for working capital. The company intends to use the cash consideration to, among other things, distribute approximately SEK 43–45 per ordinary share to its shareholders in 2019. Payment of the OTC dividend presupposes that the company has established the annual report for the current financial year in order for Moberg Pharma to be able to present sufficient distributable funds. In order to be able to pay the OTC dividend during 2019, the extraordinary general meeting in March 2019 decided to shorten the current financial year to the period 1 January – 30 June 2019. The payment of the OTC dividend will be subject to a decision at the Annual General Meeting for the abbreviated financial year 1 January – 30 June 2019.

Consequently, the Board of Directors intends to propose that the Annual General Meeting for the abbreviated financial year 1 January – 30 June 2019 be held on 30 October 2019, and to resolve on an extraordinary distribution to the shareholders of Moberg Pharma in the form of an automatic share redemption procedure. The purchaser of the OTC-business will not be entitled to the distribution.

By way of the automatic share redemption procedure, each ordinary share will be split into an ordinary share and a redemption share. The redemption share will thereafter be automatically redeemed at an amount between tentatively SEK 43 and 45 per share. The redemption shares will also be admitted to trading on Nasdaq Stockholm. Accordingly, shareholders may choose to either (a) keep their redemption shares and receive the redemption payment, or (b) sell their redemption shares on Nasdaq Stockholm, which for shareholders resident outside of Sweden may be favorable from a tax perspective. Payment for the redemption shares is expected to be disbursed by the end of November 2019.

The Board of Directors' complete proposal, as well as an information document further describing the automatic share redemption procedure, will be presented well in advance of the Annual General Meeting.

According to Moberg Pharma's current assessment, the OTC dividend is expected to amount to approximately SEK 43–45 per ordinary share in the company. However, the actual and final amount of the OTC dividend may change and depend on several factors, such as transaction costs, the receipt of expected milestone payments, anticipated investments in R&D, business development, and administrative costs to complete the MOB-015 development program, exchange rate fluctuations and other factors affecting Moberg Pharma's financial situation at the actual time of disbursement of the OTC dividend.

## INFORMATION AND FINANCIAL CALENDAR

This information is such that Moberg Pharma AB (publ) is obliged to disclose pursuant to the Securities Market Act and/or the Financial Instruments Trading Act.

Interim report for July – September 2019

November 19, 2019

The Annual General Meeting for the abbreviated fiscal year 1 January to 30 June 2019 will be held on October 30, 2019 at the company's premises. Shareholders may submit proposed items of business for the Annual General Meeting no later than September 11, 2019.



## 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](http://www.mobergpharma.com).

This 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, August 29, 2019

Peter Wolpert  
*Chairman of the Board*

Fredrik Granström  
*Board member*

Andrew B. Hochman  
*Board member*

Mattias Klintemar  
*Board member*

Anna Ljung  
*CEO*