



Interim report January – June 2022

Moberg Pharma AB (Publ)

Q1

Q2

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Q4





ANOTHER AGREEMENT IN PLACE AND PATIENT ENROLLMENT ONGOING IN THE NORTH AMERICAN PHASE 3 STUDY

“Patients are now being enrolled in the new North American Phase 3 study, which is fully financed thanks to the rights issue we carried out. Concurrently, the registration process for MOB-015 is underway in Europe, where the company submitted a registration application in March of this year and expects an approval and launch next year,” says Anna Ljung, CEO of Moberg Pharma.

SIX-MONTH PERIOD (JAN-JUN 2022)

- EBITDA SEK -9.1 million (-8.9) *
- Operating profit (EBIT) SEK -10.4 million (-10.2) *
- Profit after tax SEK -8.3 million (-8.3) *
- Total profit SEK -8.3 million (15.3) **
- Diluted earnings per share SEK -0.13 (0.36)
- Cash and cash equivalents amounted to SEK 160.0 million (124.2)

SECOND QUARTER (APR-JUN 2022)

- EBITDA SEK -4.3 million (-3.5) *
- Operating profit (EBIT) SEK -4.9 million (-4.1) *
- Profit after tax SEK -3.9 million (-3.3) *
- Total profit SEK -3.9 million (-3.3)
- Diluted earnings per share SEK -0.06 (-0.08)
- Cash and cash equivalents amounted to SEK 160.0 million (124.2)

* All comparative figures refer to continuing operations

** Note that the spin-off of BUPI in 2021 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 SECOND QUARTER

- In April, the Board of Directors resolved to carry out a fully guaranteed issue of new ordinary shares with preferential rights for existing shareholders. The Board also resolved on a directed issue to guarantors in the rights issue. 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 net proceeds will be used for registration activities and clinical work for MOB-015.
- Enrollment of patients has begun for the Phase 3 study for MOB-015. The randomized, vehicle-controlled, multicenter Phase 3 study will include approximately 350 patients in North America.
- The Annual General Meeting on May 18 resolved, among other things, to implement a long-term incentive program. The purpose of the newly issued shares, 1,125,000 in total, is to secure fulfillment of the commitments under this year's incentive program.
- The total number of ordinary shares in the company increased to 100,859,335, including 52,516,260 ordinary shares through registration of the rights issue, 536,952 ordinary shares in the directed issue to guarantors in the rights issue and 1,125,000 shares through the issuance of class C shares.

SIGNIFICANT EVENTS AFTER THE SECOND QUARTER

- In August, a distribution agreement was signed with Padagis for MOB-015 in Israel. Padagis will conduct registration activities in Israel, and will be marketing, distributing and selling MOB-015 in Israel and the Palestinian territories upon completion of registration.



STATEMENT FROM THE CEO

Patients are now being enrolled in the new North American Phase 3 study, which is fully financed thanks to the rights issue carried out in the quarter. Concurrently, the registration process is now underway for MOB-015 in Europe, where the company submitted a registration application in March of this year and expects an approval and launch next year.

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 launch MOB-015 in 2023.

The war in Ukraine has unleashed turbulence in the market, and the global economy has been hurt by increased inflation and higher interest rates. We have no direct exposure to Ukraine or Russia, have no debt financing and benefit from operating in a relatively stable industry with underlying, demographically driven demand. The rights issue carried out in May provided the company with SEK 121 million before transaction costs and means that the new North American Phase 3 study is fully financed, which gives us the opportunity to capture the full potential of MOB-015.

Patient recruitment is now fully underway for the North American Phase 3 study and the first patients were enrolled in May. The randomized, vehicle-controlled, multicenter Phase 3 study will enroll a total of 350 patients in the U.S. and Canada. 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.

The company just recently signed a new distribution agreement, this time with Padagis for Israel, to complement the five commercial agreements we already have in place. The agreement gives Padagis exclusive rights to market and sell MOB-015 in Israel and the Palestinian territories, while Moberg Pharma assumes production and supply responsibility.

Moberg Pharma is progressing towards its goal to create the future market leader in nail fungus. In 2022, the company made important progress in our three critical activities: the registration process, the clinical study and the preparations together with our partners prior to launch 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, Israel 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 THE TWO PHASE 3 STUDIES SHOW THAT MOB-015 HAS UNIQUE ANTIFUNGAL EFFECT

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

MOB-015 is the first topical treatment with a mycological cure rate at the same level as oral terbinafine, the current gold standard for treatment of onychomycosis. Before the 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 topical treatment without systemic exposure.

EU 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.

START OF NORTH AMERICAN PHASE 3 STUDY

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 approximately 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.

FINANCIAL OVERVIEW

REVENUES AND PROFIT

Second quarter (April - June 2022)

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 consist of business development and administration expenses of SEK 4.9 million (3.7), followed by research and development expenses of SEK 0.3 million (0.9). Operating profit for the second quarter was SEK -4.9 million (-4.1) and total profit was SEK -3.9 million (-3.3).

Six-month period (January - June 2022)

Operating profit for the six-month period was SEK -10.4 million (-10.2), where the largest expense item was business development and administrative expenses of SEK 9.8 million (9.4). 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

Second quarter (April - June 2022)

Cash flow from operating activities before changes in working capital was SEK -4.2 million (-4.2). Cash flow from investments in continuing operating activities was SEK -18.7 million (-10.3) and relates to capitalized expenditure for the new North American Phase 3 study. Cash flow from financing activities was SEK 108.9 million (-0.7) and relates to the rights issue of SEK 109.7 million in the quarter. The total change in cash and cash equivalents in the quarter was SEK 86.6 million (-9.4). Cash and cash equivalents amounted to SEK 160.0 million (124.2) at the end of the period.

Six-month period (January - June 2022)

Cash flow from operating activities was SEK -9.6 (-12.4) million. Cash flow from investing activities was SEK -41.3 million (-25.0). Cash flow from financing activities was SEK 108.3 million (132.3). The total change in cash and cash equivalents in the six-month period was SEK 57.4 million (94.9).



INVESTMENTS

Investments in intangible assets relate to capitalized expenses for development work on MOB-015 of SEK 18.7 million (10.3) in the quarter and SEK 41.3 million (15.0) in the six-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)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
R&D expenses (in statement of comprehensive income)	-288	-936	-873	-2 143	-3 449
Capitalized R&D investments	-18,749	-10,294	-41,269	-14,973	-31,309
Depreciation/amortization booked to R&D expenses	421	430	842	814	1,696
Change in R&D investments (in statement of financial position)	-18,328	-9,864	-40,427	-14,159	-29,613
Total R&D expenditure	-18,616	-10,800	-41,300	-16,302	-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 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 six-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 2,302,000 performance share units, with a maximum potential dilution of 5.1%. 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 June 30, 2022:

Shareholders	Number of shares	% of votes and capital
ÖSTERSJÖSTIFTELSEN	10,428,503	10.3
ABN AMRO GLOBAL CUSTODY SERVICES NV, W8IMY	8,996,945	8.9
AVANZA PENSION	7,434,803	7.4
FORMUE NORD MARKEDSNEUTRAL A/S	2,641,483	2.6
MOBERG PHARMA AB (PUBL)	2,589,746	2.6
NORDNET PENSIONSFORSÄKRING AB	1,983,609	2.0
BANQUE CANTONALE VAUDOISE, W8IMY	1,612,800	1.6
GUNNARSSON, MIKAEL	1,523,592	1.5
SAMOURKASIDIS, THEODOROS	1,360,000	1.4
ÅSBERG, FREDRIK ERIK	1,306,875	1.3
KIERKEGAARD, NILS KRISTIAN ANDERS	1,294,577	1.3
ÖHRN, MARTIN LENNART	1,107,413	1.1
LUNDMARK, SVEN ANDERS ²	1,001,561	1.0
OLELIND, ÖRJAN	936,276	0.9
RÅSUNDA FORVALTNING AKTIEBOLAG	900,000	0.9
LUNDBERG, GÖRAN	845,336	0.8
SEB	760,100	0.8
IVELAND, BEATRICE	715,000	0.7
PRONATOR INVEST AB	658,122	0.7
TRAPPGATAN INVEST AB	610,831	0.6
TOTAL, 20 LARGEST SHAREHOLDERS	48,707,572	48.3
Other shareholders	52,151,763	51.7
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 January to June 2022, the parent company's operating profit was SEK -10.4 million (-10.0), while profit after financial items was SEK -10.4 million (-10.1). Cash and cash equivalents amounted to SEK 160.0 million (124.2) at the end of the period. Restricted equity amounted to SEK 373.6 million (309.3).

² Total shares owned by board member Anders Lundmark is 1,366,061, some are owned via an endowment insurance policy and included in line Avanza Pension above.



OTHER INFORMATION

ORGANIZATION

Per June 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)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Continuing operations					
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	-	-	-	-	-
Selling expenses	-179	-7	-304	-7	-70
Business development and administrative expenses	-4,933	-3,702	-9,832	-9,390	-18,438
Research and development costs	-288	-936	-873	-2,143	-3,449
Other operating income	458	526	646	1,353	2,227
Other operating expenses	-	-	-	-	-
Operating profit (EBIT)	-4,942	-4,119	-10,363	-10,187	-19,730
Interest income and similar items	-	-	-	-	-
Interest expenses and similar items	-20	-35	-43	-123	-240
Profit after financial items from continuing operations (EBT)	-4,962	-4,154	-10,406	-10,310	-19,970
Tax on profit for the period	1,057	830	2,059	2,036	3,748
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	-3,905	-3,324	-8,347	-8,274	-16,222
Discontinued operations					
Profit after tax for the period from discontinued operations (see Note 2)	-	-	-	23,589	23,589
PROFIT FOR THE PERIOD	-3,905	-3,324	-8,347	15,315	7,367
TOTAL PROFIT FOR THE PERIOD	-3,905	-3,324	-8,347	15,315	7,367
Of which total result from continuing operations	-3,905	-3,324	-8,347	-8,274	-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	-3,905	-3,324	-8,347	15,440	7,492
Profit attributable to non-controlling interests	-	-	-	-125	-125
Total profit attributable to parent company shareholders	-3,905	-3,324	-8,347	15,440	7,492
Total profit attributable to non-controlling interests	-	-	-	-125	-125
Basic earnings per share	-0.06	-0.08	-0.13	0.37	0.17
Diluted earnings per share ³	-0.06	-0.08	-0.13	0.36	0.17
Basic earnings from continuing operations per share	-0.06	-0.08	-0.13	-0.20	-0.38
Diluted earnings from continuing operations per share ³	-0.06	-0.08	-0.13	-0.20	-0.38
EBITDA FROM CONTINUING OPERATIONS	-4,296	-3,474	-9,072	-8,895	-17 146
Depreciation/amortization	-646	-645	-1,291	-1,292	-2,584
Operating profit (EBIT)	-4,942	-4,119	-10,363	-10,187	-19,730

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN BRIEF

(SEK thousand)	2022-06-30	2021-06-30	2021-12-31
Assets			
Intangible assets	368,311	310,706	327,042
<i>Capitalized development</i> ⁴	368,311	310,706	327,042
Tangible non-current assets	-	-	-
Right-of-use assets	3,228	5,811	4,519
Deferred tax asset	20,833	12,921	14,673
Total non-current assets	392,372	329,438	346,234
Trade receivables and other receivables	3,250	2,855	2,000
Cash and cash equivalents	160,055	124,195	102,655
Total current assets	163,305	127,050	104,655
TOTAL ASSETS	555,677	456,488	450,889
Equity and liabilities			
Equity attributable to parent company's shareholders	540,188	441,092	434,051
Total equity	540,188	441,092	434,051
Non-current leasing liabilities	689	3,412	1,235
Non-current non-interest-bearing liabilities	65	65	65
Total non-current liabilities	754	3,477	1,300
Current leasing liabilities	2,723	2,669	2,696
Current non-interest-bearing liabilities	12,012	9,250	12,842
Total current liabilities	14,735	11,919	15,538
TOTAL EQUITY AND LIABILITIES	555,677	456,488	450,889

⁴ For further details, see note 3.



CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

(SEK thousand)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Operating activities					
Operating profit before financial items from continuing operations	-4,942	-4,119	-10,363	-10,570	-19,730
Operating profit before financial items from discontinued operations	-	-	-	-	-390
Operating profit before financial items	-4,942	-4,119	-10,363	-10,570	-20,120
Financial items, received and paid	-20	-35	-43	-123	-240
Taxes paid	-	-	-	-	-
<i>Adjustments:</i>					
Depreciation/amortization and capital gains	646	645	1,291	1,292	2,584
Employee share-based adjustments to equity ⁵	149	-705	701	-429	631
Cash flow before changes in working capital	-4,167	-4,214	-8,414	-9,837	-17,145
Change in working capital					
Increase (-)/Decrease (+) in operating receivables	-722	7,784	-386	6,080	6,836
Increase (+)/Decrease (-) in operating liabilities	1,276	-2,033	-830	-8,678	-4,987
OPERATING CASH FLOW	-3,613	1,537	-9,630	-12,435	-15,296
Investing activities					
Net investments in intangible assets	-18,749	-10,294	-41,269	-14,973	-31,309
Net investments in and divestment of subsidiaries	-	-	-	-9,999	-9,999
CASH FLOW FROM INVESTING ACTIVITIES	-18,749	-10,294	-41,269	-24,972	-41,308
Financing activities					
Repayment of leases	-705	-659	-1,383	-1,314	-3,464
Issue of new shares less transaction costs	109,682	-	109,682	133,631	133,438
CASH FLOW FROM FINANCING ACTIVITIES	108,977	-659	108,299	132,317	129,974
Change in cash and cash equivalents	86,615	-9,416	57,400	94,910	73,370
Cash and cash equivalents at the beginning of period	73,440	133,611	102,655	29,285	29,285
Cash and cash equivalents at the end of period	160,055	124,195	160,055	124,195	102,655

⁵ Note that revaluation of estimated costs for social security contributions for share-based compensation plans 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 –June 30, 2022					
Opening balance, January 1, 2022	4,405	731,376	-301,730	-	434,051
<i>Total profit</i>					
Profit for the period			-8,347	-	-8,347
<i>Transactions with shareholders</i>					
New shares issued	5,422	124,168			129,590
Transaction costs		-15,807			-15,807
Share-based incentive program		701			701
CLOSING BALANCE, JUNE 30, 2022	9,827	840,438	-310,077	-	540,188

(SEK thousand)	Share capital	Other capital contributions	Accumulated profit/loss	Non-controlling interest	Total equity
January 1 –June 30, 2021					
Opening balance, January 1, 2021	3,814	693,278	-309,222	7,707	395,577
<i>Total profit</i>					
Profit for the period			15,440	-125	15,315
<i>Transactions with shareholders</i>					
Distribution OncoZenge AB				-7,582	-7,582
New shares issued	591	37,620			38,211
Employee stock options		-429			-429
CLOSING BALANCE, JUNE 30, 2021	4,405	730,469	-294,793	-	441,092

(SEK thousand)	Share capital	Other capital contributions	Accumulated profit/loss	Non-controlling interest	Total equity
1 January – 31 December 2021					
Opening balance, January 1, 2021	3,814	693,278	-309,222	7,707	395,577
<i>Total profit</i>					
Profit for the period			7,492	-125	7,367
<i>Transactions with shareholders</i>					
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)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Net revenue *	-	-	-	-	-
EBITDA *	-4,296	-3,474	-9,072	-8,895	-17,146
Operating profit (EBIT) *	-4,942	-4,119	-10,363	-10,187	-19,730
Total profit	-3,905	-3,324	-8,347	15,315	7,367
Cash and cash equivalents	160,055	124,195	160,055	124,195	102,655
Balance sheet total	555,677	456,488	555,677	456,488	450,889
Equity/assets ratio	97%	97%	97%	97%	96%
Return on equity	Neg	Neg	Neg	3%	2%
Diluted earnings per share, SEK	-0.06	-0.08	-0.13	0.36	0.17
Equity per share, SEK	5.50	9.99	5.50	9.99	9.85
Basic average number of shares	63,490,261	44,046,679	62,315,932	42,031,521	43,039,100
Diluted average number of shares	65,515,168	45,170,081	64,369,903	43,156,701	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
Share price on balance sheet date, SEK	1.82	5.22	1.82	5.22	5.37
Market capitalization balance date, SEK million	179	230	179	230	237

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

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

* Defined in accordance with IFRS



PARENT COMPANY INCOME STATEMENT SUMMARY

(SEK thousand)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	-	-	-	-	-
Selling expenses	-179	-7	-304	-7	-70
Business development and administrative expenses	-4,933	-3,702	-9,832	-9,390	-18,438
Research and development costs	-288	-936	-873	-2,143	-3,449
Other operating income	458	526	646	1,562	2,436
Other operating expenses	-	-	-	-	-
Operating profit	-4,942	-4,119	-10,363	-9,978	-19,521
Interest income	-	-	-	-	-
Interest expenses	-20	-35	-43	-123	-240
Profit after financial items	-4,962	-4,154	-10,406	-10,101	-19,761
Tax on profit for the period	1,057	830	2,059	1,991	3,703
PROFIT	-3,905	-3,324	-8,347	-8,110	-16,058



PARENT COMPANY BALANCE SHEET SUMMARY

(SEK thousand)	2022-06-30	2021-06-30	2021-12-31
Assets			
Intangible non-current assets	368,311	310,706	327,042
Tangible non-current assets	-	-	-
Right-of-use assets	3,228	5,811	4,519
Non-current financial assets	100	100	100
Deferred tax asset	20,833	12,921	14,673
Total non-current assets	392,472	329,538	346,334
Trade receivables and other receivables	3,250	2,756	2,000
Cash and cash equivalents	160,055	124,195	102,655
Total current assets	163,305	126,951	104,655
TOTAL ASSETS	555,777	456,489	450,989
Equity and liabilities			
Equity	540,189	441,093	434,052
Non-current leasing liabilities	689	3,412	1,235
Non-current non-interest-bearing liabilities	65	65	65
Total non-current liabilities	754	3,477	1,300
Liabilities to Group companies	99	99	99
Current leasing liabilities	2,723	2,669	2,696
Current non-interest-bearing liabilities	12,012	9,151	12,842
Total current liabilities	14,834	11,919	15,637
TOTAL EQUITY AND LIABILITIES	555,777	456,489	450,989



PARENT COMPANY CASH FLOW STATEMENT SUMMARY

(SEK thousand)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Operating activities					
Operating profit before financial items	-4,942	-4,119	-10,363	-9,978	-19,521
Financial items, received and paid	-20	-35	-43	-123	-240
<i>Adjustments:</i>					
Depreciation/amortization and capital gains	646	645	1,291	1,292	2,584
Expenses for share-based incentive program	149	-705	701	-429	631
Cash flow before changes in working capital	-4,167	-4,214	-8,414	-9,238	-16,546
Change in working capital					
Increase (-)/Decrease (+) in operating receivables	-722	7,784	-386	6,175	6,931
Increase (+)/Decrease (-) in operating liabilities	1,276	-2,033	-830	-9,372	-5,681
OPERATING CASH FLOW	-3,613	1,537	-9,630	-12,435	-15,296
Investing activities					
Net investments in intangible assets	-18,749	-10,294	-41,269	-14,973	-31,309
CASH FLOW FROM INVESTING ACTIVITIES	-18,749	-10,294	-41,269	-14,973	-31,309
Financing activities					
Issue of loans	-	-	-	-	-
Repayment of leases	-705	-659	-1,383	-1,314	-3,464
Issue of new shares less transaction costs	109,682	-	109,682	133,631	133,438
CASH FLOW FROM FINANCING ACTIVITIES	108,977	-659	108,299	132,317	129,974
Change in cash and cash equivalents	86,615	-9,416	57,400	104,909	83,369
Cash and cash equivalents at the beginning of the period	73,440	133,611	102,655	19,286	19,286
Cash and cash equivalents at the end of the period	160,055	124,195	160,055	124,195	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 4, 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)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	-	-	-	-	-
Selling expenses	-	-	-	-	-
Business development and administration expenses	-	-	-	-355	-355
Research and development costs	-	-	-	-55	-55
Other operating items	-	-	-	-	-
Operating profit	-	-	-	-410	-410
Finance costs	-	-	-	-	-
Tax benefit/(expense)	-	-	-	52	52
Post-tax profit/(loss) of discontinued operations	-	-	-	-358	-358
Revaluation of discontinued operations	-	-	-	23,927	23,927
Profit after tax for the period from discontinued operations	-	-	-	23,569	23,569
TOTAL PROFIT FOR THE PERIOD	-	-	-	23,569	23,569

NOTE 3 SPECIFICATION OF MAJOR INTANGIBLE NON-CURRENT ASSETS

(SEK thousand)	2022-06-30	2021-06-30	2021-12-31
Capitalized expenditure for MOB-015	368,311	310,706	327,042
TOTAL CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK	368,311	310,706	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.

Interim report for January –September 2022	November 8, 2022
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

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

The interim report has not 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, August 9, 2022

Kerstin Valinder Strinnholm
Executive Chairman

Anders Lundmark
Board member

Nikolaj Sörensen
Board member

Mattias Klintemar
Board member

Anna Ljung
CEO