Interim report January – June 2021

Moberg Pharma AB (Publ)

Q1

Q2

Q3

Q4

REGISTRATION PREPARATIONS FULLY UNDERWAY

"The registration preparations for MOB-015 are progressing as planned, with the goal to submit a registration application in Europe in the second half of 2021. Further discussions with regulatory authorities are scheduled this autumn and a final decision from the EMA's Paediatric Committee is expected in September, which will determine the timing for submission of the registration application," says Anna Ljung, CEO of Moberg Pharma.

SIX-MONTH PERIOD (JAN-JUN 2021)

- EBITDA SEK -8.9 million (-9.3)*
- Operating profit (EBIT) SEK -10.2 million (-10.5)*
- Profit after tax SEK -8.3 million (-8.6)*
- Total profit SEK 15.3 million (-8.6)**
- Diluted earnings per share SEK 0.36 (-0.46)**
- Cash and cash equivalents amounted to SEK 124.2 million (43.0)

SECOND QUARTER (APR-JUN 2021)

- EBITDA SEK -3.5 million (-5.7)*
- Operating profit (EBIT) SEK -4.1 million (-6.3)*
- Profit after tax SEK -3.3 million (-5.2)*
- Total profit SEK -3.3 million (-5.2)
- Diluted earnings per share SEK -0.08 (-0.28)
- Cash and cash equivalents amounted to SEK 124.2 million (43.0)

**The comparative figures refer to continuing operations*
***The spin-off of BUPI resulted in a positive earnings effect of SEK 24 million, included in total profit and earnings per share for the six-month period.*

SIGNIFICANT EVENTS IN THE SECOND QUARTER

- The results from the North American phase 3 study with MOB-015 have been published in the Journal of the American Academy of Dermatology.
- Agneta Larhed will be the new Vice President Pharmaceutical Innovation & Development at Moberg Pharma. Dr. Larhed will join the management team in September.
- The Annual Meeting on May 18 resolved to introduce a long-term incentive program. Nikolaj Sörensen, CEO of Orexo, joined the Board of Directors as a new member.

SIGNIFICANT EVENTS AFTER THE SECOND QUARTER

- The total number of ordinary shares in the company increased to 45,511,425. The newly issued shares, 910,000 in total, are being held to secure the commitments in this year's incentive program.

Conference call – August 10, 2021 at 3:00 p.m. CET

CEO Anna Ljung will present the report at a telephone conference on August 10, 2021 at 3:00 p.m. CET.

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STATEMENT FROM THE CEO

The registration preparations for MOB-015 are progressing as planned, with the goal to submit a registration application in Europe in the second half of 2021. Further discussions with regulatory authorities are scheduled this autumn and a final decision from the EMA's Paediatric Committee is expected in September, which will determine the timing for submission of the registration application.

Registration preparations in Europe are progressing with a target to submit a full application, which offers the possibility of data exclusivity for up to 10 years following market approval. This means that regulatory approval of a pediatric plan will determine when we can submit the registration application. After submitting supplementary data, a final decision is anticipated from the EMA's Paediatric Committee in September. After discussions with regulatory authorities, we see a strong likelihood that we can utilize this registration route. In the unlikely event that the authority does not approve the pediatric plan, we intend to instead submit a hybrid application, since the patent on MOB-015 is considered to provide strong protection.

As previously announced, the registration application is expected to be granted within 18 months after submission, allowing a planned launch of MOB-015 in late 2023. The primary endpoint was reached in both phase 3 studies with a total of more than 800 patients, where mycological cure was achieved in 76% of patients, which is superior to other topical treatments and on par with oral treatment, but without the risk of serious side effects. The results from the North American phase 3 study were recently published in the prestigious Journal of the American Academy of Dermatology[1]. The article concluded that "MOB-015 was effective in treating onychomycosis in patients 12 to 74 years of age. The lack of systemic absorption of MOB-015 reduces the potential for systemic AEs seen in oral terbinafine. MOB-015 has a favorable benefit-to-risk ratio, making it a consideration for the treatment of dermatophyte onychomycosis."

Moberg Pharma has an important year ahead with frequent discussions with regulatory authorities regarding the registration application. Concurrently, we have strengthened our management team with the addition of Agneta Larhed, VP Pharmaceutical Innovation & Development, who has broad experience with regulatory issues and drug development, including with the Swedish MPA, Orexo and Q-Med, and as an expert in the European Pharmacopoeia Expert Group no. 12[2].

The company is advancing as planned toward the goal to register a new drug that will offer patients in many markets a significantly better treatment alternative for nail fungus. Submission of the registration application in the second half of the year will be an important milestone.

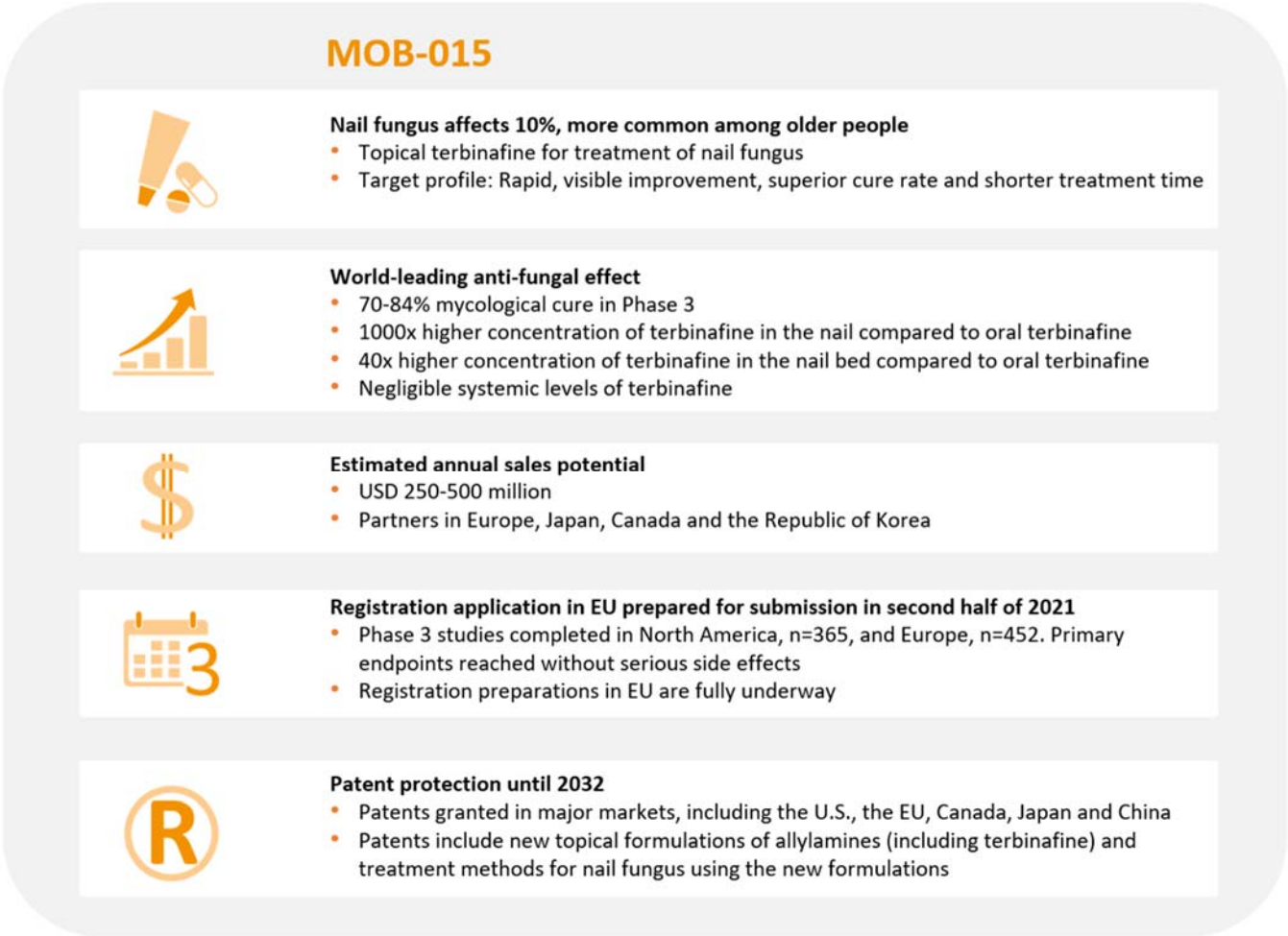
Anna Ljung, CEO of Moberg Pharma

[1] Volume 85, Issue 1, July 2021, Pages 95-104
[2] Dosage forms and pharmaceutical technical procedures

ABOUT MOBERG PHARMA AND MOB-015

Moberg Pharma's goal is to make MOB-015 the world's leading treatment for nail fungus and to build a specialty pharmaceutical company with its own sales in the U.S. and sales through partners in other markets. With MOB-015 as an anchor, the company intends to expand the product portfolio with additional products in adjacent areas either developed in-house or acquired.

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



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.[3]

[3] 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, complete cure at 52 weeks. Mycological cure (eradicating the fungal infection) was achieved in 76 percent of the patients (70 percent of the patients in the North American study and 84 percent of the patients in the European study), which is substantially higher than reported for other topical treatments (30-54 percent). Furthermore, the onset of the antifungal effect is more rapid than for oral terbinafine, with MOB-015 delivering 55–78 percent mycological cure at 6 months (vs 40 percent for oral terbinafine) and 37–46 percent already at 3 months (vs 15 percent for oral terbinafine).

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

EU LAUNCH PLANNED IN 2023

In October 2020, the company announced that it had decided to request pre-submission meetings with regulatory authorities, with the goal of submitting a registration application in the second half of 2021 in Europe. With an expected processing time of about 1.5 years, this means possible approval in early 2023 and launch in Europe by the end of 2023. Moberg Pharma also intends to discuss the next step for the U.S. market in an advice meeting with the FDA. For market approval in the U.S., the FDA normally requires two studies that demonstrate superiority (statistically superior to the comparator) for the primary endpoint. Consequently, an additional study is likely needed for registration in the U.S. market.

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

In total, four 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; and the Consumer Health division of Bayer AG, a world leader in OTC fungus treatments with the brand Canesten, for Europe.

The agreements give these partners exclusive rights to market and sell MOB-015 in each respective market, while Moberg Pharma assumes production and supply responsibility. Within the framework of the agreements Moberg Pharma can receive milestone payments of up to a total USD 120 million upon successful development and commercialization, in addition to royalties and compensation for delivered products.

Previously, Moberg Pharma has successfully commercialized products in the U.S. and therefore has retained the rights to MOB-015 for the US market. The aim is to repeat the journey taken with Kerasal Nail®, where Moberg Pharma combined direct sales in the U.S. with strategic collaborations in other major territories. The most important markets for MOB-015 are expected to be the U.S., EU, Japan, Canada and China, all with patent protection until 2032.

PROVEN COMMERCIAL MODEL

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

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

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

FINANCIAL OVERVIEW

REVENUES AND PROFIT

Second quarter (April - June 2021)

Moberg Pharma's operations consist of research and development, business development and administrative functions. The majority of the development expenditure incurred is directly attributable to the development project MOB-015 and is capitalized. The largest expense items in the quarter therefore consist of business development and administration expenses of SEK 3.7 million (5.5), followed by research and development expenses of SEK 0.9 million (0.8). Items in other revenue is primarily the reinvoicing of costs incurred.

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. The BUPI project was distributed to the shareholders on February 4, 2021 (Lex ASEA through the subsidiary OncoZenge AB). For the parent company, 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.

Six-month period (January - June 2021)

Total profit contains a gain on the spin-off of OncoZenge AB of SEK 23.6 million. The result refers to the difference between the market value of the shares to Moberg Pharma's shareholders adjusted to the book value of the spun-off assets on the spin-off date.

CASH FLOW

Second quarter (April - June 2021)

Cash flow from operating activities was SEK 1.5 million (-2.2). This amount includes the reimbursement of one-offs tied to the divestment of OncoZenge (including VAT outlaid on the transfer of the assets). Cash flow from continuing operating activities was SEK -6,5 million (-2,2). Cash flow from investing activities was SEK -10.3 million (-18.3) and relates to capitalized expenditure for development work. Cash flow from financing activities was SEK -0.7 million (5.2) and relates to payments for leased assets. The total change in cash and cash equivalents in the quarter was SEK -9.4 million (-15.3). Cash and cash equivalents amounted to SEK 124.2 million (36.3) at the end of the period.

Six-month period (January - June 2021)

Cash flow from operating activities was SEK -12.4 (-10.4) million. Cash flow from investing activities was SEK -25.0 million (-22.6). Cash flow from investing activities includes SEK 10.0 million for the spin-off of OncoZenge AB. The amount relates to cash reserves in the subsidiary on the spin-off date. Cash flow from financing activities was SEK 132.3 million (4.5) and relates to the issue approved in December 2020 and registered in January 2021. The total change in cash and cash equivalents in the six-month period was SEK 94.9 million (-28.4).

INVESTMENTS

Investments in intangible assets in the quarter relate to capitalized expenses for MOB-015 of SEK 9.0 million (18.2).

R&D expenses (costs and investments) (SEK thousand)	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
R&D expenses (in statement of comprehensive income)	**-936**	**-762**	**-2,143**	**-1,910**	**-3,477**
Capitalized R&D investments	-10,294	-18,181	-14,973	-22,621	-33,494
Depreciation/amortization booked to R&D expenses	430	448	814	720	1,461
Change in R&D investments (in statement of financial position)	**-9,864**	**-17,733**	**-14,159**	**-21,901**	**-32,033**
Total R&D expenditure	**-10,800**	**-18,495**	**-16,302**	**-23,811**	**-35,510**

LIABILITIES

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

CHANGES IN EQUITY

SHARES

Share capital at the end of the period was SEK 4,460,143, where the total number of shares outstanding was 44,601,425 ordinary shares with a quotient value of SEK 0.10. Moberg Pharma holds 554,746 repurchased ordinary shares at the end of the period.

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

After the end of the period, in July 2021, 910,000 class C shares were issued to ensure that the company can secure its commitments according to the long-term incentive program LTI 2021 resolved by the Annual General Meeting on May 18, 2021. The issue is reported as a repurchase of own shares. The shares are intended to ensure fulfilment of the commitments under the incentive program and are owned by Moberg Pharma. At reporting date, Moberg Pharma holds 1,464,746 repurchased own shares.

SHARE-BASED COMPENSATION PLANS

At reporting date, the number of outstanding instruments was 85,854 employee stock warrants and 1,432,000 performance share units. If all employee stock warrants were exercised, the total number of shares would increase by 85,854. Performance share units are issued and held in trust, where the actual number of shares that can be transferred varies depending on the share's performance and that the company meets its business goals over several years. For detailed information on the incentive programs, see the 2020 Annual Report. Detailed information on the incentive program LTI 2021 can be found in the notice of the Annual General Meeting dated May 18, 2021, which was subsequently approved, as noted in the minutes from the meeting.

The following table gives an indication of the maximum levels of dilution at different levels of share price and when the company meets 75% of its corporate goals over the entire period:

Instruments granted based on strike price				
Share price	10	20	30	40
Number of new shares due to diluting warrants	0	85,854	85,854	85,854
Number of shares allocated by performance share units	858,000	923,808	1,146,000	1,146,000
Theoretical dilution	**1.9%**	**2.0%**	**2.5%**	**2.5%**
Company's market capitalization, SEK million	464	892	1,331	1,775
Gain for instrument holders [4], SEK million	8.6	19.1	35.8	48.2
Actual dilution[5]	**1.9%**	**2.1%**	**2.7%**	**2.7%**

[4] Total pretax gain for warrant holders.
[5] 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 30, 2021:

Shareholders	Number of shares	% of votes and capital
ÖSTERSJÖSTIFTELSEN	4,405,943	9.88
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION[6]	4,178,948	9.37
NORDNET PENSIONSFÖRSÄKRING AB	1,939,009	4.35
BANQUE CANTONALE VAUDOISE, W8IMY	1,656,800	3.71
DANSKE BANK AS NOMINEE	951,831	2.13
LUNDMARK, SVEN ANDERS	784,166	1.76
ABN AMRO GLOBAL CUSTODY SERVICES NV, W8IMY	742,601	1.66
U.S. BANK NATIONAL ASSOCIATION, W9	660,843	1.48
MOBERG PHARMA AB	554,746	1.24
ÖHRN, MARTIN LENNART	451,744	1.01
ATTERKVIST, STELLAN	432,000	0.97
GUNNARSSON, MIKAEL	340,000	0.76
BERGER, GUNVALD	336,666	0.75
MIÖEN, JENS CHRISTIAN	281,383	0.63
POLSKI, DANIEL	247,666	0.56
SAXO BANK A/S CLIENT ASSETS	233,294	0.52
PERSSON, JAN CHRISTER	223,678	0.5
BERG, NILS GUSTAF ERIK	219,337	0.49
NORDNET LIVSFORSIKRING AS	218,134	0.49
HANDELSBANKEN LIV FÖRSÄKRINGSAKTIEBO	204,036	0.46
TOTAL, 20 LARGEST SHAREHOLDERS	**19,062,825**	**42.7**
Other shareholders	25,538,600	57.3
TOTAL	**44,601,425**	**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 April to June 2021, the parent company's operating profit amounted to SEK -4.1 million (-6.3). while profit after financial items was SEK -4.2 million (-6.5). Cash and cash equivalents amounted to SEK 124.2 million (36.2) at the end of the period.

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

OTHER INFORMATION

ORGANIZATION

Per June 30, 2021, Moberg Pharma had 11 employees, of whom 91% 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 of particular significance for Moberg Pharma's future development are linked to the results of clinical trials, regulatory actions, patents and trademarks, key personnel, sensitivity to economic fluctuations, future capital requirements, and financial risk factors. A description of these risks can be found in the company's 2020 Annual Report on page 21.

OUTLOOK

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

In the near term, the focus is on registration preparations for MOB-015 with the goal of submitting a registration application in the second half of 2021 in Europe. With an expected processing time of about 1.5 years, this means possible approval in the first half of 2023 and launch in Europe by the end of 2023. Moberg Pharma also intends to discuss the next step for the U.S. market in an advice meeting with the FDA. 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 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Continuing operations					
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Selling expenses	-7	5	-7	-153	-179
Business development and administrative expenses	-3,702	-5,502	-9,390	-10,811	-19,793
Research and development costs	-936	-762	-2,143	-1,910	-3,477
Other operating income	526	-53	1,353	2,349	2,495
Other operating expenses	-	-	-	-	-
Operating profit (EBIT)	**-4,119**	**-6,312**	**-10,187**	**-10,525**	**-20,954**
Interest income and similar items	-	23	-	23	23
Interest expenses and similar items	-35	-226	-123	-273	-1,840
Profit after financial items from continuing operations (EBT)	**-4,154**	**-6,515**	**-10,310**	**-10,775**	**-22,771**
Tax on profit for the period	830	1,282	2,036	2,139	4,324
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-3,324**	**-5,233**	**-8,274**	**-8,636**	**-18,447**
Discontinued operations					
Profit after tax for the period from discontinued operations (see Note 2)	-	-	23,589	-	1,575
PROFIT FOR THE PERIOD	**-3,324**	**-5,233**	**15,315**	**-8,636**	**-20,022**
Items that will be reclassified to profit	**-3,324**	**-5,233**	**15,315**	**-8,636**	**-20,022**
Translation differences of foreign operations	-3,324	-5,233	-8,274	-8,636	-18,447
Reclassification of translation differences to profit from sale of discontinued operations	-	-	23,589	-	-1,575
Profit for the period attributable to parent company shareholders	-3,324	-5,233	15,440	-8,636	-19,863
Profit attributable to non-controlling interests	-	-	-125	-	-159
Total profit attributable to parent company shareholders	-3,324	-5,233	15,440	-8,636	-19,863
Total profit attributable to non-controlling interests	-	-	-125	-	-159
Basic earnings per share	**-0.08**	**-0.28**	**0.37**	**-0.46**	**-1.05**
Diluted earnings per share [7]	**-0.08**	**-0.28**	**0.36**	**-0.46**	**-1.05**
Basic earnings from continuing operations per share	**-0.08**	**-0.28**	**-0.20**	**-0.46**	**-0.98**
Diluted earnings from continuing operations per share [7]	**-0.08**	**-0.28**	**-0.20**	**-0.46**	**-0.98**
EBITDA FROM CONTINUING OPERATIONS	**-3,474**	**-5,683**	**-8,895**	**-9,267**	**-18,441**
Depreciation/amortization	-645	-629	-1,292	-1,258	-2,513
Operating profit (EBIT)	**-4,119**	**-6,312**	**-10,187**	**-10,525**	**-20,954**

[7] 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)	2021-06-30	2020-06-30	2020-12-31
Assets			
Intangible assets	310,706	306,911	295,733
Capitalized Development [8]	*310,706*	*300,061*	*295,733*
Patents	-	*6,850*	-
Property, plant and equipment	-	21	1
Right-of-use assets	5,811	8,025	7,102
Deferred tax asset	12,921	6,213	10,930
Total non-current assets	**329,438**	**321,170**	**313,766**
Trade receivables and other receivables	2,855	6,747	3,010
Subscribed for equity	-	-	111,735
Assets held for distribution	-	-	32,782
Cash and cash equivalents	124,195	36,274	19,286
Total current assets	**127,050**	**43,021**	**166,813**
TOTAL ASSETS	**456,488**	**364,191**	**480,579**
Equity and liabilities			
Equity attributable to parent company's shareholders	441,092	328,401	387,870
Non-controlling interests	-	-	7,707
Total equity	**441,092**	**328,401**	**395,577**
Non-current leasing liabilities	3,412	5,825	4,753
Non-current non-interest-bearing liabilities	65	65	65
Total non-current liabilities	**3,477**	**5,890**	**4,818**
Current leasing liabilities	2,669	2,506	2,642
Current non-interest-bearing liabilities	9,250	22,269	30,199
Liabilities related to assets held for distribution	-	-	2,218
Dividend payable	-	-	45,125
Total current liabilities	**11,919**	**29,900**	**80,184**
TOTAL EQUITY AND LIABILITIES	**456,488**	**364,191**	**480,579**

[8] For further details, see note 3

CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

(SEK thousand)	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Operating activities					
Operating profit before financial items from continuing operations	-4,119	-6,312	-10,570	-10,525	-20,954
Operating profit before financial items from discontinued operations	-	-	-	-	-1,983
Operating profit before financial items	-4,119	-6,312	-10,570	-10,525	-22,937
Financial items, received and paid	-35	-171	-123	-218	-1,816
Taxes paid	-	-	-	-	-
Adjustments:					
Depreciation/amortization and capital gains	645	629	1,292	1,258	2,513
Employee share-based adjustments to equity [9]	-705	320	-429	522	1,034
Cash flow before changes in working capital	**-4,214**	**-5,534**	**-9,837**	**-8,963**	**-21,206**
Change in working capital					
Increase (-)/Decrease (+) in inventories	-	-	-	-	-
Increase (-)/Decrease (+) in operating receivables	7,784	1,019	6,080	-2,579	-10,277
Increase (+)/Decrease (-) in operating liabilities	-2,033	2,282	-8,678	1,187	1,558
OPERATING CASH FLOW	**1,537**	**-2,233**	**-12,435**	**-10,355**	**-29,925**
Investing activities					
Net investments in intangible assets	-10,294	-18,268	-14,973	-22,621	-33,494
Net investments in subsidiaries	-	-	-9,999	-	-
CASH FLOW FROM INVESTING ACTIVITIES	**-10,294**	**-18,268**	**-24,972**	**-22,621**	**-33,494**
Financing activities					
Issue of loans	-	5,093	-	5,093	-
Repayment of loans	-	-	-	-	-
Repayment of leases	-659	-618	-1,314	-1,234	-2,482
Payment in the form of redemption procedure	-	-	-	-	-
Issue of new shares less transaction costs	-	684	133,631	684	30,479
CASH FLOW FROM FINANCING ACTIVITIES	**-659**	**5,159**	**132,317**	**4,543**	**27,997**
Change in cash and cash equivalents	**-9,416**	**-15,342**	**94,910**	**-28,433**	**-35,422**
Cash and cash equivalents at beginning of period	133,611	51,616	29,285	64,707	64,707
Exchange rate differences in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of period	124,195	36,274	124,195	36,274	29,285[10]

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK thousand)	Share capital	Other capital contributions	Accumulated profit/loss	Non-controlling interest	Total equity
1 January – 30 June 2021					
Opening balance, January 1, 2021	**3,814**	**693,278**	**-309,222**	**7,707**	**395,577**
Total profit					
Profit for the period			15,440	-125	15,315
Transactions with shareholders					
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 januari – 30 June 2020					
Opening balance, January 1, 2020	**1,867**	**578,198**	**-244,234**	**-**	**335,831**
Total profit					
Profit for the period			-8,636		-8,636
Transactions with shareholders					
New shares issued	40	681			721
Repurchase own shares	-37				-37
Employee stock options		522			522
CLOSING BALANCE, JUNE 30, 2020	**1,870**	**579,401**	**-252,870**	**-**	**328,401**

KEY RATIOS FOR THE GROUP

(SEK thousand)	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net revenue *	-	-	-	-	-
EBITDA *	-3,474	-5,683	-8,895	-9,267	-18,441
Operating profit (EBIT) *	-4,119	-6,312	-10,187	-10,525	-20,954
Total profit	-3,324	-5,233	15,315	-8,636	-20,022
Cash and cash equivalents	124,195	36,274	124,195	36,274	19,286
Balance sheet total	456,488	364,191	456,488	364,191	479,704
Equity/assets ratio	97%	90%	97%	90%	81%
Return on equity	Neg	Neg	3%	Neg	Neg
Diluted earnings per share, SEK	-0.08	-0.28	0.36	-0.46	-1.05
Equity per share, SEK	9.99	17.56	9.99	17.59	19.53
Basic average number of shares	44,046,679	18,671,824	42,031,521	18,668,764	18,906,232
Diluted average number of shares	45,170,081	18,811,380	43,156,701	18,811,380	18,922,135
Number of shares at the end of the period excluding repurchased own shares	44,046,679	18,703,194	44,046,679	18,668,764	19,864,781
Share price on balance sheet date, SEK	5.22	14.54	5.22	14.54	7.21
Market capitalization balance date, SEK million	230	272	230	271	143

** continuing operations*

DEFINITIONS OF KEY RATIOS

Moberg Pharma presents certain financial performance measurements in the inteim 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 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Selling expenses	-7	5	-7	-153	-179
Business development and administrative expenses	-3,702	-5,502	-9,390	-10,811	-21,257
Research and development costs	-936	-762	-2,143	-1,910	-3,778
Other operating income	526	-53	1,562	2,349	3,078
Other operating expenses	-	-	-	-	-
Operating profit	**-4,119**	**-6,312**	**-9,978**	**-10,525**	**-22,136**
Capital gain from divested subsidiary and similar income	-	23	-	23	23
Interest expenses	-35	-226	-123	-273	-1,840
Profit after financial items	**-4,154**	**-6,515**	**-10,101**	**-10,775**	**-23,953**
Tax on profit for the period	830	1,282	1,991	2,139	4,567
PROFIT	**-3,324**	**-5,233**	**-8,110**	**-8,636**	**-19,386**

PARENT COMPANY BALANCE SHEET SUMMARY

(SEK thousand)	2021-06-30	2020-06-30	2020-12-30
Assets			
Subscribed for equity not yet paid	-	-	38,211
Intangible assets	310,706	306,911	295,733
Property, plant and equipment	-	21	1
Right-of-use assets	5,811	8,025	7,102
Non-current financial assets	100	150	22,151
Deferred tax asset	12,921	6,213	10,930
Total non-current assets	**329,538**	**321,320**	**335,917**
Trade receivables and other receivables	2,756	6,747	8,931
Subscribed equity	-	-	111,735
Cash and cash equivalents	124,195	36,224	19,286
Total current assets	**126,951**	**42,971**	**139,952**
TOTAL ASSETS	**456,489**	**364,291**	**514,080**
Equity and liabilities			
Equity	441,093	328,402	449,632
Non-current interest-bearing liabilities	-	-	-
Non-current leasing liabilities	3,412	5,825	4,753
Non-current non-interest-bearing liabilities	65	65	65
Total non-current liabilities	**3,477**	**5,890**	**4,818**
Liabilities to Group companies	99	99	99
Current leasing liabilities	2,669	2,506	2,642
Current non-interest-bearing liabilities	9,151	22,269	34,837
Dividend payable at book value	-	-	22,052
Total current liabilities	**11,919**	**29,999**	**59,630**
TOTAL EQUITY AND LIABILITIES	**456,489**	**364,291**	**514,080**

PARENT COMPANY CASH FLOW STATEMENT SUMMARY

(SEK thousand)	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Operating activities					
Operating profit before financial items	-4,119	-6,312	-9,978	-10,525	-22,136
Financial items, received and paid	-35	-171	-123	-218	-1,816
Adjustments:					
Depreciation/amortization and capital gains	645	629	1,292	1,258	2,513
Employee share-based adjustments to equity	-705	319	-429	522	1,034
Cash flow before changes in working capital	**-4,214**	**-5,535**	**-9,238**	**-8,963**	**-20,405**
Change in working capital					
Increase (-)/Decrease (+) in inventories	-	-	-	-	-
Increase (-)/Decrease (+) in operating receivables	7,784	1,019	6,175	-2,579	-4,764
Increase (+)/Decrease (-) in operating liabilities	-2,033	2,282	-9,372	1,187	-4,755
OPERATING CASH FLOW	**1,537**	**-2,234**	**-12,435**	**-10,355**	**-29,924**
Investing activities					
Net investments in intangible assets	-10,294	-18,268	-14,973	-22,621	-33,494
Net investments in subsidiaries	-	-	-	-	50
CASH FLOW FROM INVESTING ACTIVITIES	**-10,294**	**-18,268**	**-14,973**	**-22,621**	**-33,444**
Financing activities					
Issue of loans	-	5,093	-	5,093	-
Repayment of loans	-	-	-	-	-
Repayment of leases	-659	-618	-1,314	-1,234	-2,482
Payment in the form of redemption procedure	-	-	-	-	-
Issue of new shares less transaction costs	-	684	133,631	684	20,479
CASH FLOW FROM FINANCING ACTIVITIES	**-659**	**5,159**	**132,317**	**4,543**	**17,997**
Change in cash and cash equivalents	**-9,416**	**-15,343**	**104,909**	**-28,433**	**-45,371**
Cash and cash equivalents at the beginning of the period	133,611	51,567	19,286	64,657	64,657
Cash and cash equivalents at the end of the period	124,195	36,224	124,195	36,224	19,286

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 20202, 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.

NOTE 2 DISCONTINUED OPERATIONS

The operations attributable to the BUPI project are reported as discontinued operations. The Extraordinary General Meeting on 1 December 2020 decided, in accordance with the Board's proposal, to distribute Moberg Pharma's interest in the BUPI project through shares in the subsidiary OncoZenge AB to Moberg Pharma's shareholders. The dividend was paid in accordance with Lex ASEA on 4 February 2021. In accordance with the decision to distribute the shares in OncoZenge AB on 1 December 2020, a liability for this distribution was recorded at fair value of 45 million was recorded, whereas the intangible assets transferred were reported at cost of 22 million. When the assets were distributed in February 2021, the asset amount was adjusted to fair value and reported as a revaluation of discontinued operations.

INCOME STATEMENT DISCONTINUED OPERATIONS

(TSEK)	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Selling expenses	-	-	-	-	-
Business development and administration expenses	-	-	-355	-	-1,682
Research and development expenses	-	-	-55	-	-301
Other operating items	-	-	-	-	-
Operating profit	**-**	**-**	**-410**	**-**	**-1,983**
Finance costs	-	-	-	-	-
Tax benefit/(expense)	-	-	52	-	408
Post-tax profit/(loss) of discontinued operations	**-**	**-**	**-358**	**-**	**-1,575**
Revaluation of discontinued operations	-	-	23,927	-	-
Profit after tax for the period from discontinued operations	**-**	**-**	**23,569**	**-**	**-1,575**
TOTAL PROFIT FOR THE PERIOD	**-**	**-**	**23,569**	**-**	**-1,575**

NOTE 3 SPECIFICATION OF MAJOR INTANGIBLE NON-CURRENT ASSETS

(SEK thousand)	2021-06-30	2020-06-30	2020-12-31
Capitalized expenditure for MOB-015	310,706	284,860	295,733
Capitalized expenditure for BUPI[11]	-	15,201	-
TOTAL CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK	**310,706**	**300,061**	**295,733**

[11] The BUPI project was reclassified to non-current assets held for distribution as of December 31, 2020

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 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 2021	November 9, 2021
Year-end report 2021	February 8, 2022
Interim report for January –March 2022	May 10, 2022
Interim report for January–June 2022	August 9, 2022
Interim report for January –September 2022	November 8, 2022

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 10, 2021

Peter Wolpert *Styrelseordförande*	Fredrik Granström *Styrelseledamot*	Nikolaj Sörensen *Styrelseledamot*
Mattias Klintemar *Styrelseledamot*	Anna Ljung *VD*	