Interim report January – September 2021

Moberg Pharma AB (Publ)

Q1

Q2

Q3

Q4

APPROVAL FROM THE EMA'S PAEDIATRIC COMMITTEE

"The approval from the EMA's paediatric committee in September is an important milestone towards our goal to submit a registration application for MOB-015 in Europe this year and enables us to pursue a full marketing authorization application with data exclusivity in Europe for up to 10 years after market approval. Hand in hand with registration preparations, commercialization preparations are underway, including through the collaboration with Allderma ahead of the Scandinavian launch," says Anna Ljung, CEO of Moberg Pharma.

NINE-MONTH PERIOD (JAN-SEP 2021)

- EBITDA SEK -12.9 million (-13.8) *
- Operating profit (EBIT) SEK -14.8 million (-15.7) *
- Profit after tax SEK -12.2 million (-13.3) *
- Total profit SEK 11.4 million (-13.3) **
- Diluted earnings per share SEK 0.26 (-0.71) **
- Cash and cash equivalents amounted to SEK 111.4 million (30.0)

THIRD QUARTER (JUL-SEP 2021)

- EBITDA SEK -4.0 million (-4.6) *
- Operating profit (EBIT) SEK -4.7 million (-5.2) *
- Profit after tax SEK -3.9 million (-4.7) *
- Total profit SEK -3.9 million (-4.7)
- Diluted earnings per share SEK -0.09 (-0.25)
- Cash and cash equivalents amounted to SEK 111.4 million (30.0)

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

SIGNIFICANT EVENTS IN THE THIRD QUARTER

- Approval received for the pediatric plan of MOB-015 from the EMA's pediatric committee (PDCO).
- Agneta Larhed, Vice President Pharmaceutical Innovation & Development, joined the company's management team in September.
- The total number of ordinary shares in the company increased to 45,511,425. The purpose of the newly issued shares, 910,000 in total, is to secure the commitments in accordance with this year's incentive program.
- The Swedish Tax Agency has published a notification on the updated acquisition cost of shares in Moberg Pharma AB after the distribution of shares in OncoZenge. Of the original acquisition cost of shares in Moberg Pharma, 88 percent represents the balance of shares in Moberg Pharma and 12 percent represents the received shares in OncoZenge.

SIGNIFICANT EVENTS AFTER THE THIRD QUARTER

- Moberg Pharma entered into collaboration with Allderma ahead of Scandinavian launch. Allderma is managed by the commercial leaders which were responsible for the successful Nordic launch of Nalox®, Moberg Pharma's first-generation nail fungus product.

Conference call – November 9, 2021 at 3:00 p.m. CET

CEO Anna Ljung will present the report at a telephone conference on November 9, 2021 at 3:00 p.m. CET.

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STATEMENT FROM THE CEO

The approval from the EMA's paediatric committee in September is an important milestone towards our goal to submit a registration application for MOB-015 in Europe this year and enables us to pursue a full marketing authorization application with data exclusivity in Europe for up to 10 years after market approval. Hand in hand with registration preparations, commercialization preparations are underway, including through the collaboration with Allderma ahead of the Scandinavian launch.

With the approval of the EMA's pediatric committee, we now have the necessary pieces in place to submit a registration application for MOB-015 in Europe for adults. We intend to submit the application through a decentralized process and are now in discussions with several regulatory authorities on the possibility of serving as a reference country and on when they can process our application based on their current workloads. Our goal to submit the application before the end of the year remains the same. As previously announced, the registration application is expected to be granted within 18 months after submission, allowing the planned launch of MOB-015 in late 2023.

The positive decision from the EMA's pediatric committee means that Moberg Pharma will conduct a pediatric study with 30 children starting in the second half of 2022. This study does not affect the timing of the product's approval in Europe for adults, only when the approval can be broadened to include children.

The Swedish Tax Agency has published a notification on the allocation of acquisition cost after the spin-off of BUPI through the distribution of shares in OncoZenge to Moberg Pharma's shareholders and successful listing of OncoZenge on Nasdaq First North Growth Market earlier this year. The spin-off captures the value in the BUPI project and also had a positive effect on earnings of SEK 24 million, which is included in Moberg Pharma's positive total profit for the period of SEK 11 million. Of the original acquisition cost of shares in Moberg Pharma, 88 percent is allocated to the remaining shares in Moberg Pharma AB and 12 percent to the distributed shares in OncoZenge AB.

In addition to the registration application in Europe, the company is preparing for the next clinical Phase 3 study for MOB-015 in North America. The purpose of the new study is to enable market approval in the U.S. and strengthen the product's clinical data and marketing claims globally. The risk in the new study is significantly reduced through the experience gained from the previous studies and cooperation with the same CRO and lead investigator as in the previous North American study. The company intends to submit documentation on the new study to the FDA and ethical committee in the first quarter of 2022.

Ahead of the planned European launch in 2023, commercialization preparations are underway as well. Recently, a licensing agreement was signed for the Nordic market with Allderma AB, whose commercial leaders were previously responsible for the launch of Moberg Pharma's first-generation nail fungus product, Nalox®, in the Nordic market. The new agreement entrusts Allderma with marketing, distribution and sales in Sweden, Denmark and Norway, while Moberg Pharma is responsible for the manufacture and delivery of the product. The collaboration with Allderma complements the existing licensing agreement for MOB-015 in Europe and our European partner retains the right at a later date to assume the license in these markets. When Nalox® was launched in Sweden, it quickly became the market leader and grew the market by 400%. We look forward to repeating this successful cooperation and see a great benefit in being directly involved in the launch of MOB-015 in our home market prior to additional launches with our partners.

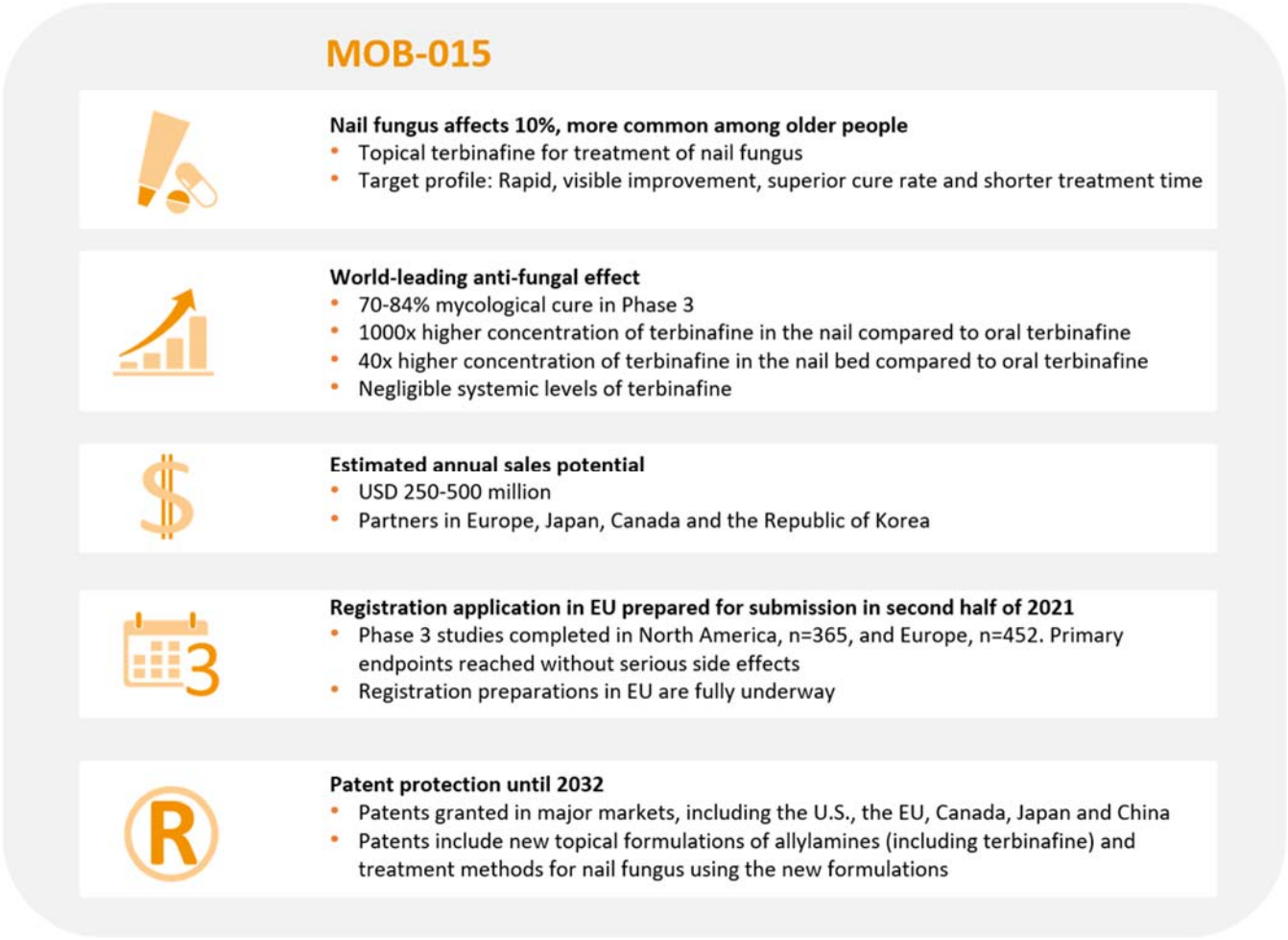
We are advancing towards the company's goal to register a new and better nail fungus product. The submission of the registration application in Europe and the start of the Phase 3 study in North America are the most important milestones in the near term.

Anna Ljung, CEO of Moberg Pharma

ABOUT MOBERG PHARMA AND MOB-015

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

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



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

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

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

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

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

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

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. 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, five agreements are in place with commercial partners for MOB-015: with Cipher Pharmaceuticals for Canada; Taisho in Japan; Allderma in Scandinavia; 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 U.S. market. The aim is to repeat the journey taken with Kerasal Nail®, where Moberg Pharma combined direct sales in the U.S. with strategic collaborations in other major territories. The most important markets for MOB-015 are expected to be the U.S., EU, Japan, Canada and China, all with patent protection until 2032.

PROVEN COMMERCIAL MODEL

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

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

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

FINANCIAL OVERVIEW

REVENUES AND PROFIT

Third quarter (July - September 2021)

Moberg Pharma's operations consist of research and development, business development and administrative functions. The majority of the development expenditure incurred is directly attributable to the development project MOB-015 and is capitalized. The largest expense items in the quarter therefore consist of business development and administration expenses of SEK 4.4 million (4.1), followed by research and development expenses of SEK 0.6 million (1.1). Other revenue primarily relates to the reinvoicing of costs incurred. Comparatives for the quarter include a loss after tax for the BUPI project of SEK 0.1 million. Comparatives for the quarter have not been restated as amounts are not judged to be material.

Nine-month period (January - September 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 spinoff date. Comparatives for the nine-month period include a loss after tax for the BUPI project of SEK 0.3 million. Comparatives for the nine-month period have not been restated as amounts are not judged to be material.

The comparative figures in the consolidated income statement for jan-dec 2020 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.

CASH FLOW

Third quarter (July - September 2021)

Cash flow from operating activities was SEK -2.4 million (-6.1). Cash flow from investing activities was SEK -9.7 million (-8.6) and relates to capitalized expenditure for development work. Cash flow from financing activities was SEK -0.7 million (8.5) and relates to payments for leased assets. The total change in cash and cash equivalents in the quarter was SEK -12.8 million (-6.3). Cash and cash equivalents amounted to SEK 111.4 million (30.0) at the end of the period.

Nine-month period (January - September 2021)

Cash flow from operating activities was SEK -14.8 million (-16.5). Cash flow from investing activities was SEK -34.7 million (-31.2) and 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 131.6 million (13.0) and relates to the issue approved in December 2020 and registered in January 2021. The total change in cash and cash equivalents in the period was SEK 82.1 million (-34.7).

INVESTMENTS

Investments in intangible assets in the quarter relate to capitalized expenses for MOB-015 of SEK 9.7 million (8.6).

R&D expenses (costs and investments) (SEK thousand)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
R&D expenses (in statement of comprehensive income)	**-600**	**-1,143**	**-2,743**	**-3,053**	**-3,477**
Capitalized R&D investments	-9,700	-8,584	-24,673	-38,770	-33,494
Depreciation/amortization booked to R&D expenses	430	378	1,244	1,169	1,461
Change in R&D investments (in statement of financial position)	**-9,270**	**-8,206**	**-23,429**	**-37,601**	**-32,033**
Total R&D expenditure	**-9,870**	**-9,349**	**-26,172**	**-40,654**	**-35,510**

LIABILITIES

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

CHANGES IN EQUITY

SHARES

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

A rights issue was approved by the Extraordinary General Meeting on December 1, 2020. The rights issue was fully subscribed and in January 2021 Moberg Pharma received approximately SEK 150 million before transaction costs. The rights issue was registered in January 2021 and increased the number of shares and votes by 23,175,576. 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.

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

SHAREHOLDER INFORMATION

The company's largest shareholders per September 30, 2021:

Shareholders	Number of shares	% of votes and capital
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION[2]	4,552,927	10.0
ÖSTERSJÖSTIFTELSEN	4,405,943	9.7
BANQUE CANTONALE VAUDOISE, W8IMY	1,612,800	3.5
NORDNET PENSIONSFÖRSÄKRING AB	1,574,442	3.5
MOBERG PHARMA AB	1,464,746	3.2
ABN AMRO GLOBAL CU.S.TODY SERVICES NV, W8IMY	983,711	2.2
LUNDMARK, SVEN ANDERS	784,166	1.7
U.S. BANK NATIONAL ASSOCIATION, W9	660,843	1.5
ÖHRN, MARTIN LENNART	550,767	1.2
ATTERKVIST, STELLAN	448,000	1.0
GUNNARSSON, MIKAEL	340,000	0.8
BERGER, GUNVALD	336,666	0.7
POLSKI, DANIEL	279,369	0.6
SAXO BANK A/S CLIENT ASSETS	261,147	0.6
OLSSON, ROBERT	250,000	0.6
HANDELSBANKEN LIV FÖRSÄKRINGSAKTIEBO	224,786	0.5
PERSSON, JAN CHRISTER	223,678	0.5
GAMLA LIVFÖRSÄKRINGSAKTIEBOLAGET, SEB TRYGG LIV	193,292	0.4
PLAIN CAPITAL BRONX	188,000	0.4
BERG, NILS GU.S.TAF ERIK	185,474	0.4
TOTAL, 20 LARGEST SHAREHOLDERS	**19,520,757**	**42.9**
Other shareholders	25,990,668	57.1
TOTAL	**45,511,425**	**100**

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

SHARE-BASED COMPENSATION PLANS

As at the reporting date, the number of outstanding instruments was 85,854 employee stock warrants and 1,352,000 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 business 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	835,500	889,883	1,073,500	1,073,500
Theoretical dilution	**1.8%**	**1.9%**	**2.3%**	**2.3%**
Company's market capitalization, SEK million	463	892	1 333	1 778
Gain for instrument holders [3], SEK million	8.4	18.4	33.7	45.3
Actual dilution[4]	**1.8%**	**2.1%**	**2.5%**	**2.5%**

PARENT COMPANY

Moberg Pharma AB (publ), corp. reg. no. 556697-7426, is the parent company of the Group. The operations of the Group are primarily conducted in the parent company and consist of research and development, business development and administrative functions. For the period July to September 2021, the parent company's operating profit was SEK -4.7 million (-5.2), while profit after financial items was SEK -4.7 million (-5.7). Cash and cash equivalents amounted to SEK 111.4 million (29.5) at the end of the period.

OTHER INFORMATION

ORGANIZATION

Per September 30, 2021, Moberg Pharma had 7 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 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 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 submit documentation on the new North American Phase 3 study to the FDA and ethical committee in the first quarter 2022. In parallel with the registration preparations, commercialization preparations are underway to maximize value and create future growth.

[3] Total pretax gain for warrant holders.
[4] Calculated from the gain made by instrument holders through market capitalization at the given share price.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(TSEK)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Continuing operations					
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Selling expenses	-15	-22	-22	-175	-179
Business development and administrative expenses	-4,435	-4,138	-13,825	-14,949	-19,793
Research and development costs	-600	-1,143	-2,743	-3,053	-3,477
Other operating income	397	113	1,750	2,462	2,495
Other operating expenses	-	-	-	-	-
Operating profit (EBIT)	**-4,653**	**-5,190**	**-14,840**	**-15,715**	**-20,954**
Interest income and similar items	-	-	-	23	23
Interest expenses and similar items	-91	-522	-214	-795	-1,840
Profit after financial items from continuing operations (EBT)	**-4,744**	**-5,712**	**-15,054**	**-16,487**	**-22,771**
Tax on profit for the period	834	1,046	2,870	3,185	4,324
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-3,910**	**-4,666**	**-12,184**	**-13,302**	**-18,447**
Discontinued operations					
Profit after tax for the period from discontinued operations (see Note 2)	-	-	23,589	-	1,575
PROFIT FOR THE PERIOD	**-3,910**	**-4,666**	**11,405**	**-13,302**	**-20,022**
Items that will be reclassified to profit	**-3,910**	**-4,666**	**11,405**	**-13,302**	**-20,022**
Translation differences of foreign operations	-3,910	-4,666	-12,184	-13,302	-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	-3,910	-4,666	11,530	-13,302	-19,863
Profit attributable to non-controlling interests	-	-	-125	-	-159
Total profit attributable to parent company shareholders	-3,910	-4,666	11,530	-13,302	-19,863,
Total profit attributable to non-controlling interests	-	-	-125	-	-159
Basic earnings per share	**-0.09**	**-0.25**	**0.27**	**-0.71**	**-1.05**
Diluted earnings per share [5]	**-0.09**	**-0.25**	**0.26**	**-0.71**	**-1.05**
Basic earnings from continuing operations per share	**-0.09**	**-0.25**	**-0.29**	**-0.71**	**-0.98**
Diluted earnings from continuing operations per share [7]	**-0.09**	**-0.25**	**-0.29**	**-0.71**	**-0.98**
EBITDA FROM CONTINUING OPERATIONS	**-4,007**	**-4,559**	**-12,902**	**-13,826**	**-18,441**
Depreciation/amortization	-646	-631	-1,938	-1,889	-2,513
Operating profit (EBIT)	**-4,653**	**-5,190**	**-14,840**	**-15,715**	**-20,954**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN BRIEF

(TSEK)	2021-09-30	2020-09-30	2020-12-31
Assets			
Intangible assets	320,406	315,495	295,733
Capitalized Development [6]	320,406	308,645	*295,733*
Patents	-	6,850	-
Property, plant and equipment	-	9	1
Right-of-use assets	5,165	7,407	7,102
Deferred tax asset	13,756	7,259	10,930
Total non-current assets	**339,327**	**330,170**	**313,766**
Trade receivables and other receivables	2,778	3,884	3,010
Subscribed for equity	-	-	111,735
Assets held for distribution	-	-	32,782
Cash and cash equivalents	111,407	30,006	19,286
Total current assets	**114,185**	**33,890**	**166,813**
TOTAL ASSETS	**453,512**	**364,060**	**480,579**
Equity and liabilities			
Equity attributable to parent company's shareholders	437,685	332,422	387,870
Non-controlling interests	-	-	7,707
Total equity	**437,685**	**332,422**	**395,577**
Non-current leasing liabilities	2,736	5,190	4,753
Non-current non-interest-bearing liabilities	65	65	65
Total non-current liabilities	**2,801**	**5,255**	**4,818**
Current interest-bearing liabilities	-	5,837	-
Current leasing liabilities	2,581	2,518	2,642
Current non-interest-bearing liabilities	10,445	18,028	30,199
Liabilities related to assets held for distribution	-	-	2,218
Dividend payable	-	-	45,125
Total current liabilities	**13,026**	**26,383**	**80,184**
TOTAL EQUITY AND LIABILITIES	**453,512**	**364,060**	**480,579**

[6] For further details, see note 3

CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

(TSEK)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Operating activities					
Operating profit before financial items from continuing operations	-4,653	-5,190	-14,840	-15,715	-20,954
Operating profit before financial items from discontinued operations	-	-	-390	-	-1,983
Operating profit before financial items	-4,653	-5,190	-15,230	-15,715	-22,937
Financial items, received and paid	-91	-523	-214	-741	-1,816
Taxes paid	-	-	-	-	-
Adjustments:					
Depreciation/amortization and capital gains	646	631	1,938	1,889	2,513
Employee share-based adjustments to equity [7]	507	324	78	846	1,034
Cash flow before changes in working capital	**-3,591**	**-4,758**	**-13,428**	**-13,721**	**-21,206**
Change in working capital					
Increase (-)/Decrease (+) in operating receivables	-22	2,862	6,058	283	-10,277
Increase (+)/Decrease (-) in operating liabilities	1,193	-4,240	-7,485	-3,053	1,558
OPERATING CASH FLOW	**-2,420**	**-6,136**	**-14,855**	**-16,491**	**-29,925**
Investing activities					
Net investments in intangible assets	-9,700	-8,584	-24,673	-31,205	-33,494
Net investments in subsidiaries	-	-	-9,999	-	-
CASH FLOW FROM INVESTING ACTIVITIES	**-9,700**	**-8,584**	**-34,672**	**-31,205**	**-33,494**
Financing activities					
Issue of loans	-	712	-	5,805	-
Repayment of leases	-663	-623	-1,977	-1,857	-2,482
Issue of new shares less transaction costs	-5	8,363	133,626	9,047	30,479
CASH FLOW FROM FINANCING ACTIVITIES	**-668**	**8,452**	**131,649**	**12,995**	**27,997**
Change in cash and cash equivalents	**-12,788**	**-6,268**	**82,122**	**-34,701**	**-35,422**
Cash and cash equivalents at beginning of period	124,195	36,274	29,285[8]	64,707	64,707
Cash and cash equivalents at the end of period	111,407	30,006	111,407	30,006	29,285[8]

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

[8] 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

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

(TSEK)	Share capital	Other capital contributions	Accumulated profit/loss	Non-controlling interest	Total equity
1 January 2020 – 30 September 2020					
Opening balance, January 1, 2020	**1,867**	**578,198**	**-244,234**	**-**	**335,831**
Total profit					
Profit for the period			-13,302		-13,302
Transactions with shareholders					
New shares issued	101	8,983			9,084
Repurchase own shares	-37				-37
Employee stock options		846			846
CLOSING BALANCE, SEPTEMBER 30, 2020	**1,931**	**588,027**	**-257,536**	**-**	**332,422**

KEY RATIOS FOR THE GROUP

(TSEK)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Net revenue *	-	-	-	-	-
EBITDA *	-4,007	-4,559	-12,902	-13,826	-18,441
Operating profit (EBIT) *	-4,653	-5,190	-14,840	-15,715	-20,954
Total profit	-3,910	-4,666	11,405	-13,302	-20,022
Cash and cash equivalents	111,407	30,006	111,407	30,006	19,286
Balance sheet total	453,512	364,060	453,512	364,060	479,704
Equity/assets ratio	97%	91%	97%	91%	81%
Return on equity	Neg	Neg	3%	Neg	Neg
Diluted earnings per share, SEK	-0.09	-0.25	0.26	-0.71	-1.05
Equity per share, SEK	9.94	17.22	9.94	17.22	19.53
Basic average number of shares	44,046,679	18,749,895	42,703,240	18,679,093	18,906,232
Diluted average number of shares	45,141,829	18,887,987	43,798,734	18,818,106	19,044,408
Number of shares at the end of the period excluding repurchased own shares	44,046,679	19,303,629	44,046,679	19,303,629	19,864,781
Share price on balance sheet date, SEK	6.12	13.52	6.12	13.52	7.21
Market capitalization balance date, SEK million	270	261	270	261	143

**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

(TSEK)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Net revenue	-	-	-	-	-
Cost of goods sold	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Selling expenses	-15	-22	-22	-175	-179
Business development and administrative expenses	-4,435	-4,138	-13,825	-14,949	-21,257
Research and development costs	-600	-1,143	-2,743	-3,053	-3,778
Other operating income	397	113	1,959	2,462	3,078
Other operating expenses	-	-	-	-	-
Operating profit	**-4,653**	**-5,190**	**-14,631**	**-15,715**	**-22,136**
Capital gain from divested subsidiary and similar income	-	-	-	23	23
Interest expenses	-91	-522	-214	-795	-1,840
Profit after financial items	**-4,744**	**-5,712**	**-14,845**	**-16,487**	**-23,953**
Tax on profit for the period	834	1,046	2,825	3,185	4,567
PROFIT	**-3,910**	**-4,666**	**-12,020**	**-13,302**	**-19,386**

PARENT COMPANY BALANCE SHEET SUMMARY

(TSEK)	2021-09-30	2020-09-30	2020-12-30
Assets			
Subscribed for equity not yet paid	-	-	38,211
Intangible assets	320,406	315,495	295,733
Property, plant and equipment	-	9	1
Right-of-use assets	5,165	7,407	7,102
Non-current financial assets	100	650	22,151
Deferred tax asset	13,756	7,259	10,930
Total non-current assets	**339,427**	**330,820**	**335,917**
Trade receivables and other receivables	2,778	3,884	8,931
Subscribed equity	-	-	111,735
Cash and cash equivalents	111,407	29,456	19,286
Total current assets	**114,185**	**33,340**	**139,952**
TOTAL ASSETS	**453,612**	**364,160**	**514,080**
Equity and liabilities			
Equity	437,686	332,423	449,632
Non-current leasing liabilities	2,736	5,190	4,753
Non-current non-interest-bearing liabilities	65	65	65
Total non-current liabilities	**2,801**	**5,255**	**4,818**
Liabilities to Group companies	99	99	99
Current interest-bearing liabilities	-	5,837	-
Current leasing liabilities	2,682	2,518	2,642
Current non-interest-bearing liabilities	10,344	18,028	34,837
Dividend payable at book value	-	-	22,052
Total current liabilities	**13,125**	**26,482**	**59,630**
TOTAL EQUITY AND LIABILITIES	**453,612**	**364,160**	**514,080**

PARENT COMPANY CASH FLOW STATEMENT SUMMARY

(TSEK)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Operating activities					
Operating profit before financial items	-4,653	-5,190	-14,631	-15,715	-22,136
Financial items, received and paid	-91	-523	-214	-741	-1,816
Adjustments:					
Depreciation/amortization and capital gains	646	631	1,938	1,889	2,513
Employee share-based adjustments to equity	507	324	78	846	1,034
Cash flow before changes in working capital	**-3,591**	**-4,758**	**-12,829**	**-13,721**	**-20,405**
Change in working capital					
Increase (-)/Decrease (+) in operating receivables	-22	2,862	6,153	283	-4,764
Increase (+)/Decrease (-) in operating liabilities	1,193	-4,240	-8,179	-3,053	-4,755
OPERATING CASH FLOW	**-2,420**	**-6,136**	**-14,855**	**-16,491**	**-29,924**
Investing activities					
Net investments in intangible assets	-9,700	-8,584	-24,673	-31,205	-33,494
Net investments in subsidiaries	-	-500	-	-500	50
CASH FLOW FROM INVESTING ACTIVITIES	**-9,700**	**-9,084**	**-24,673**	**-31,705**	**-33,444**
Financing activities					
Issue of loans	-	712	-	5,805	-
Repayment of leases	-663	-623	-1,977	-1,857	-2,482
Issue of new shares less transaction costs	-5	8,363	133,626	9,047	20,479
CASH FLOW FROM FINANCING ACTIVITIES	**-668**	**8,452**	**131,649**	**12,995**	**17,997**
Change in cash and cash equivalents	**-12,788**	**-6,768**	**92,121**	**-35,201**	**-45,371**
Cash and cash equivalents at the beginning of the period	124,195	36,224	19,286	64,657	64,657
Cash and cash equivalents at the end of the period	111,407	29,456	111,407	29,456	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 2020, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The parent company financial statements were prepared in accordance with Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board, Financial Statements for Legal Entities.

Amounts are presented in Swedish kronor and rounded to the nearest thousand unless otherwise stated. Rounding to the nearest thousand may mean that certain amounts do not match when added up.

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

NOTE 3 SPECIFICATION OF MAJOR INTANGIBLE NON-CURRENT ASSETS

(TSEK)	2021-09-30	2020-09-30	2020-12-31
Capitalized expenditure for MOB-015	320,406	293,444	295,733
Capitalized expenditure for BUPI[9]	-	15,201	-
TOTAL CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK	**320,406**	**308,645**	**295,733**

[9] 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.

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

The Annual General Meeting for Moberg Pharma will be held on May 16, 2022 at 5 p.m. CET at the company's premises. In regard to the ongoing COVID-19 pandemic Moberg Pharma will continue to closely monitor the Public Health Agency of Sweden´s recommendations. Should Moberg Pharma's AGM be impacted in terms of attending the AGM in person, the company will inform its shareholders. The last date for shareholders to request to have a matter brought before the Annual General Meeting is March 28, 2022. The Annual Report will be made available no later than April 18, 2022 at the Company's website www.mobergpharma.com.

FOR FURTHER INFORMATION, PLEASE CONTACT

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Mark Beveridge, VP Finance, tel. 076 - 805 82 88, mark.beveridge@mobergpharma.se
For more information on Moberg Pharma's business, please see the company's website, www.mobergpharma.com.

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

DECLARATION

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

Bromma, November 9, 2021

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

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

REVIEW REPORT

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

INTRODUCTION

We have reviewed the condensed interim report for Moberg Pharma AB as at 30 September 2021 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

Stockholm, 9 November 2021

Ernst & Young AB

Andreas Troberg
Authorized Public Accountant