UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-39630

MOONLAKE IMMUNOTHERAPEUTICS
(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands	**98-1711963**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Dorfstrasse 29 **6300 Zug** **Switzerland**	**N/A**
(Address of principal executive offices)	(ZIP Code)

41 415108022
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary share, par value $0.0001 per share	MLTX	The Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2025, there were 63,704,544 Class A Ordinary Shares, $0.0001 par value (the "Class A Ordinary Shares"), and 526,178 Class C Ordinary Shares, $0.0001 par value (the "Class C Ordinary Shares"), issued and outstanding.

MOONLAKE IMMUNOTHERAPEUTICS

FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)	September 30, 2025 (Unaudited)	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 350,736	$ 180,426
Short-term marketable debt securities	29,743	267,601
Other receivables	4,022	2,844
Prepaid expenses	26,714	23,418
Total current assets	**411,215**	**474,289**
Non-current assets		
Operating lease right-of-use assets	1,911	2,922
Property and equipment, net	622	722
Other non-current assets	587	—
Total non-current assets	**3,120**	**3,644**
Total assets	**$ 414,335**	**$ 477,933**
Liabilities and Equity		
Current liabilities		
Trade and other payables	$ 25,282	$ 8,992
Accrued expenses and other current liabilities	21,587	12,099
Short-term portion of operating lease liabilities	1,499	1,372
Total current liabilities	**48,368**	**22,463**
Non-current liabilities		
Long-term debt	73,741	—
Long-term portion of operating lease liabilities	486	1,458
Pension liability	549	621
Total non-current liabilities	**74,776**	**2,079**
Total liabilities	**123,144**	**24,542**
Commitments and contingencies (Note 16)		
Shareholders' equity		
Class A Ordinary Shares: $0.0001 par value per share; 500,000,000 shares authorized; 63,704,544 shares issued and outstanding as of September 30, 2025; 63,077,431 shares issued and outstanding as of December 31, 2024	6	6
Class C Ordinary Shares: $0.0001 par value per share; 100,000,000 shares authorized; 526,178 shares issued and outstanding as of September 30, 2025; 841,269 shares issued and outstanding as of December 31, 2024	—	—
Additional paid-in capital	689,108	677,415
Accumulated deficit	(400,486)	(235,593)
Accumulated other comprehensive income	278	4,997
Total shareholders' equity	**288,906**	**446,825**
Noncontrolling interests	2,285	6,566
Total equity	**291,191**	**453,391**
Total liabilities and equity	**$ 414,335**	**$ 477,933**

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except share and per share data)	**2025**	**2024**	**2025**	**2024**
Operating expenses				
Research and development	$ (60,635)	$ (35,736)	$ (146,856)	$ (72,412)
General and administrative	(10,799)	(7,376)	(32,760)	(21,099)
Total operating expenses	**(71,434)**	**(43,112)**	**(179,616)**	**(93,511)**
Operating loss	**(71,434)**	**(43,112)**	**(179,616)**	**(93,511)**
Interest expense	(3,198)	—	(5,254)	—
Other income, net	4,053	7,090	17,930	18,903
Loss before income tax	**(70,579)**	**(36,022)**	**(166,940)**	**(74,608)**
Income tax expense	(115)	(92)	(363)	(241)
Net loss	**$ (70,694)**	**$ (36,114)**	**$ (167,303)**	**$ (74,849)**
Of which: net loss attributable to controlling interests shareholders	*(69,729)*	*(35,390)*	*(164,891)*	*(73,331)*
Of which: net loss attributable to noncontrolling interests shareholders	*(965)*	*(724)*	*(2,412)*	*(1,518)*
Net unrealized gain (loss) on marketable securities and short-term investments	(255)	(325)	(4,920)	509
Actuarial gain (loss) on employee benefit plans	8	(116)	116	(111)
Other comprehensive income (loss)	(247)	(441)	(4,804)	398
Comprehensive loss	**$ (70,941)**	**$ (36,555)**	**$ (172,107)**	**$ (74,451)**
Comprehensive loss attributable to controlling interests shareholders	*(69,972)*	*(35,823)*	*(169,622)*	*(72,941)*
Comprehensive loss attributable to noncontrolling interests	*(969)*	*(733)*	*(2,485)*	*(1,510)*
Weighted-average number of Class A Ordinary Shares, basic and diluted	63,369,984	62,896,782	63,295,999	62,803,220
Basic and diluted net loss per share attributable to controlling interests shareholders	**$ (1.10)**	**$ (0.56)**	**$ (2.61)**	**$ (1.17)**

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MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

(in thousands except share data)	Class A Ordinary Shares Shares	Class A Ordinary Shares Amount	Class C Ordinary Shares Shares	Class C Ordinary Shares Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2024	**60,466,453**	**$ 6**	**2,505,476**	**$ —**	**$ 609,969**	**$ (116,657)**	**$ 2,358**	**$ 495,676**	**$ 17,815**	**$ 513,491**
Share-based compensation under the Employee Share Participation Plan and MoonLake Immunotherapeutics 2022 Equity Incentive Plan	—	—	—	—	1,693	—	—	**1,693**	**(16)**	**1,677**
Buyback of unvested MoonLake AG Common Shares by MoonLake AG into treasury following an employee contract termination	—	—	—	—	113	—	1	**114**	**(114)**	**—**
Capital injection from MoonLake to MoonLake AG	—	—	—	—	(4,667)	—	—	**(4,667)**	**3,057**	**(1,610)**
Cancellation of MoonLake Class C Ordinary Shares following an employee contract termination in MoonLake AG	—	—	(16,853)	—	—	—	—	**—**	**—**	**—**
Issuance of Class A Ordinary Shares, net of transaction costs	914,828	—	—	—	52,540	—	—	**52,540**	**—**	**52,540**
Net loss for the three months ended March 31, 2024	—	—	—	—	—	(13,673)	—	**(13,673)**	**(302)**	**(13,975)**
Other comprehensive income	—	—	—	—	—	—	257	**257**	**6**	**263**
Conversion of MoonLake Class C Ordinary Shares into Class A Ordinary Shares	1,493,356	—	(1,493,356)	—	10,537	—	76	**10,613**	**(10,613)**	**—**
Balance at March 31, 2024	**62,874,637**	**$ 6**	**995,267**	**$ —**	**$ 670,185**	**$ (130,330)**	**$ 2,692**	**$ 542,553**	**$ 9,833**	**$ 552,386**
Share-based compensation under the Employee Share Participation Plan and MoonLake Immunotherapeutics 2022 Equity Incentive Plan	— $	—	— $	— $	1,813 $	— $	— $	1,813 $	15 $	1,828
Other comprehensive income	— $	—	— $	— $	— $	— $	564 $	564 $	12 $	576
Net loss for the three months ended June 30, 2024	— $	—	— $	— $	— $	(24,267) $	— $	(24,267) $	(492) $	(24,759)
Balance at June 30, 2024	**62,874,637**	**$ 6**	**995,267**	**$ —**	**$ 671,998**	**$ (154,597)**	**$ 3,256**	**$ 520,663**	**$ 9,368**	**$ 530,031**
Share-based compensation under the Employee Share Participation Plan and MoonLake Immunotherapeutics 2022 Equity Incentive Plan	— $	—	— $	— $	1,828 $	— $	— $	1,828 $	15 $	1,843
Net loss for the three months ended September 30, 2024	— $	—	— $	— $	— $	(35,390) $	— $	(35,390) $	(724) $	(36,114)
Other comprehensive loss	— $	—	— $	— $	— $	— $	(432) $	(432) $	(9) $	(441)
Conversion of MoonLake Class C Ordinary Shares into Class A Ordinary Shares	153,998 $	—	(153,998) $	— $	1,336 $	— $	9 $	1,345 $	(1,345) $	—
Options exercised under the MoonLake Immunotherapeutics 2022 Equity Incentive Plan	17,390 $	—	— $	— $	91 $	— $	— $	91 $	— $	91
Refund of stamp duty fees for prior capital injection from MoonLake to MoonLake AG	— $	—	— $	— $	90 $	— $	— $	90 $	2 $	92
Balance at September 30, 2024	**63,046,025**	**$ 6**	**841,269**	**$ —**	**$ 675,343**	**$ (189,987)**	**$ 2,833**	**$ 488,195**	**$ 7,307**	**$ 495,502**

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Class A Ordinary Shares		Class C Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
(in thousands except share data)	Shares	Amount	Shares	Amount						
Balance at January 1, 2025	**63,077,431**	**6**	**841,269**	**—**	**677,415**	**(235,593)**	**4,997**	**446,825**	**6,566**	**453,391**
Share-based compensation under the Employee Share Participation Plan and MoonLake Immunotherapeutics 2022 Equity Incentive Plan	—	—	—	—	2,279	—	—	**2,279**	**11**	**2,290**
Conversion of MoonLake Class C Ordinary Shares into Class A Ordinary Shares	111,949	—	(111,949)	—	841	—	10	**851**	**(851)**	**—**
Options exercised and converted under the Employee Stock Option Plan, net of stamp duty fee	93,347	—	—	—	129	—	—	**129**	**(9)**	**120**
Issuance of Restricted Stock Awards under the MoonLake Immunotherapeutics 2022 Equity Incentive Plan	191,526	—	—	—	—	—	—	**—**	**—**	**—**
Net loss for the three months ended March 31, 2025	—	—	—	—	—	(39,944)	—	**(39,944)**	**(615)**	**(40,559)**
Other comprehensive loss	—	—	—	—	—	—	(2,620)	**(2,620)**	**(41)**	**(2,661)**
Balance at March 31, 2025	**63,474,253**	**6**	**729,320**	**—**	**680,664**	**(275,537)**	**2,387**	**407,520**	**5,061**	**412,581**
Share-based compensation under the Employee Share Participation Plan and MoonLake Immunotherapeutics 2022 Equity Incentive Plan	—	—	—	—	3,298	—	—	**3,298**	**11**	**3,309**
Net loss for the three months ended June 30, 2025	—	—	—	—	—	(55,220)	—	**(55,220)**	**(831)**	**(56,051)**
Other comprehensive loss	—	—	—	—	—	—	(1,867)	**(1,867)**	**(28)**	**(1,895)**
Balance at June 30, 2025	**63,474,253**	**6**	**729,320**	**—**	**683,962**	**(330,757)**	**520**	**353,731**	**4,213**	**357,944**
Share-based compensation under the Employee Share Participation Plan and MoonLake Immunotherapeutics 2022 Equity Incentive Plan	—	—	—	—	3,698	—	—	**3,698**	**10**	**3,708**
Net loss for the three months ended September 30, 2025	—	—	—	—	—	(69,729)	—	**(69,729)**	**(965)**	**(70,694)**
Other comprehensive loss	—	—	—	—	—	—	(244)	**(244)**	**(3)**	**(247)**
Conversion of MoonLake Class C Ordinary Shares into Class A Ordinary Shares	203,142	—	(203,142)	—	968	—	2	**970**	**(970)**	**—**
Options exercised under the MoonLake Immunotherapeutics 2022 Equity Incentive Plan	27,149	—	—	—	480	—	—	**480**	**—**	**480**
Balance at September 30, 2025	**63,704,544**	**6**	**526,178**	**—**	**689,108**	**(400,486)**	**278**	**288,906**	**2,285**	**291,191**

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
(in thousands)	**2025**	**2024**
Cash flow from operating activities		
Net loss	$ (167,303)	$ (74,849)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,865	1,021
Share-based compensation expense	9,308	5,348
Net periodic pension benefit gain for the qualified pension plan	(27)	(3)
Other non-cash items	(928)	251
Changes in operating assets and liabilities:		
Other receivables	(1,178)	(1,350)
Operating lease right-of-use assets	—	(5)
Prepaid expenses	(3,296)	(7,523)
Other non-current assets	(587)	—
Trade and other payables	16,290	8,873
Operating lease liabilities	(845)	(872)
Accrued expenses and other current liabilities	9,488	995
Net cash flow used in operating activities	**(137,213)**	**(68,114)**
Cash flow from investing activities		
Purchase of short-term marketable debt securities	(206,207)	(203,335)
Proceeds from maturities of short-term marketable debt securities	439,145	145,414
Purchase of property and equipment	(35)	(344)
Net cash flow provided by (used in) investing activities	**232,903**	**(58,265)**
Cash flow from financing activities		
Proceeds from long-term debt, net of issuance costs	73,022	—
Issuance of Class A Ordinary Shares, net of transaction costs	—	52,540
Stamp duty on capital injection from MoonLake to MoonLake AG	—	(1,470)
Proceeds from options exercised under the MoonLake Immunotherapeutics 2022 Equity Incentive Plan	480	91
Proceeds from options exercised under Employee Stock Option Plan	100	—
Net cash flow provided by financing activities	**73,602**	**51,161**
Effect of movements in exchange rates on cash held	1,018	(296)
Net change in cash and cash equivalents	**170,310**	**(75,514)**
Cash and cash equivalents, beginning of period	180,426	451,169
Cash and cash equivalents, end of period	**$ 350,736**	**$ 375,655**
Supplementary disclosure of cash flow information:		
Cash paid for interest	$ 2,871	$ —
Cash paid for income taxes, net of refunds received	$ 66	$ 4
Non-cash operating lease right-of-use assets obtained in exchange for lease obligations	$ —	$ 555

The accompanying Notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

Note 1 — Overview of the Company

Corporate Information

MoonLake Immunotherapeutics is a clinical stage biotechnology company advancing therapies to address significant unmet needs in inflammatory skin and joint diseases. MoonLake Immunotherapeutics is currently a single asset company focused on the development of Sonelokimab ("SLK"), a novel tri-specific IL-17A and IL-17F inhibiting Nanobody that has the potential, based on response levels seen in clinical trials, to drive disease modification in dermatology and rheumatology patients.

Unless the context otherwise requires, "MoonLake" and the "Company" refer to the combined company following the Business Combination (as defined in Note 2 — Business Combination Agreement with Helix and Recapitalization included in MoonLake's audited consolidated financial statements and notes thereto in MoonLake's Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the Securities and Exchange Commission ("SEC") on February 26, 2025 (the "Annual Report")) consummated on April 5, 2022, together with its subsidiaries.

Note 2 — Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include those of the Company and its subsidiaries, MoonLake Immunotherapeutics AG, a Swiss stock corporation (Aktiengesellschaft) registered with the commercial register of the Canton of Zug, Switzerland under the number CHE-433.093.536 ("MoonLake AG"), MoonLake Immunotherapeutics Ltd., a private limited company incorporated in the United Kingdom, and MNLK Immunotherapeutics, Unipessoal Lda, a private limited company incorporated in Portugal, after elimination of all intercompany accounts and transactions. The accompanying unaudited condensed consolidated financial statements and notes hereto have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as set forth by the Financial Accounting Standards Board ("FASB") and in conformity with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial reporting. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the FASB.

In the opinion of management, all material adjustments necessary for a fair presentation of the financial information, which are of a normal and recurring nature, have been made for the interim periods reported. Results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results for the entire fiscal year or any other period. The unaudited condensed consolidated financial information for the three and nine months ended September 30, 2025 and 2024 have been prepared on the same basis as and should be read in conjunction with MoonLake's audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in the Annual Report.

In the current year, the Company has changed its presentation from ones to thousands and, as a result, rounding adjustments have been made to amounts disclosed in prior years.

The presentation currency of MoonLake is the U.S. Dollar ("$") and all amounts are presented as such, unless otherwise indicated. The term "Swiss franc" and "CHF" refer to the legal currency of Switzerland, "GBP" refers to the legal currency of the United Kingdom, and "€" and "Euro" refer to the legal currency of Portugal.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses. The significant judgments, estimates and assumptions relevant to the Company relate to:

- determining whether a transaction should be accounted for as a business combination or an asset acquisition;
- determining whether the in-process research and development expenditure ("IPR&D") has an alternative future use;
- determining assumptions used in estimating the fair value of share-based compensation;
- estimating the recoverability of the deferred tax asset; and
- estimating the amount of accruals in connection with the completion of clinical trial milestones.

The Company bases its judgments and estimates on various factors and information, which may include, but are not limited to, the Company's forecasts and future plans, current economic conditions and observable market-based transactions of its own shares, the results of which form the basis for making judgments about the carrying value of assets and liabilities and recorded amounts of expenses that are not readily apparent from other sources. To the extent there are material differences between the Company's estimates and the actual results, the Company's future results of operations may be affected.

Segment Information

The Company operates as a single operating segment. The Company's chief operating decision maker ("CODM"), its Chief Executive Officer, manages the Company's operations on a stand-alone basis for the purposes of allocating resources and assessing financial performance.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value. The Company considers $nil and $59.7 million short-term marketable debt securities in the form of eurocommercial papers and certificates of deposit to be cash equivalents as of September 30, 2025 and December 31, 2024, respectively.

Marketable Securities and Short-Term Investments

The Company invests in short-term marketable securities in the form of debt securities. At the time of purchase, the Company assesses whether such debt security should be classified as held-to-maturity or available-for-sale debt securities.

Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity debt securities are carried at amortized cost, adjusted for accretion of discounts or amortization of premiums to maturity computed under the effective interest method. Such accretion or amortization is included in "Other income, net". Marketable debt securities not classified as held-to-maturity are classified as available-for-sale and reported at fair value.

Net unrealized gains and losses on available-for-sale debt securities are excluded from the determination of earnings and are instead recognized in the "Accumulated other comprehensive income" component of shareholders' equity until realized. Realized gains and losses on available-for-sale debt securities are computed based upon the historical cost of these securities, using the specific identification method.

Interest income is recognized when earned. Realized gains and losses are included in "Other income, net" and the cost of securities sold is determined using the specific-identification method.

Marketable debt securities are classified as either “Cash and cash equivalents” or “Short-term marketable debt securities” according to their original maturity at the time of acquisition. Changes in unrealized gains and losses pertaining to cash equivalent securities are added back into the condensed consolidated statements of cash flows as those are excluded from the determination of earnings but impact the cash and cash equivalents position.

The Company estimates credit losses expected over the life of financial assets based on historical experience, current conditions and reasonable and supportable forecasts. There is no material impact to the unaudited condensed consolidated financial statements given the investments are highly liquid thereby carrying negligible credit loss risk and are all held with reputable companies with a low risk of default.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash accounts in large financial institutions which, at times, may exceed the CHF 100 thousand deposit protection limit in Switzerland, the $250 thousand Federal Deposit Insurance Corporation deposit insurance coverage limit in the United States, the GBP 85 thousand Financial Services Compensation Scheme deposit protection limit in the United Kingdom, or the €100 thousand Fundo de Garantia de Depósitos deposit protection limit in Portugal. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash and cash equivalents are held. Additionally, the Company ensures further protection against credit risk by diversifying its cash holdings across a variety of credit institutions, thereby minimizing the potential impact of any adverse events on a single institution. Further, the Company's investment strategy for cash (in excess of current business requirements) is set to invest in short-term marketable debt securities. Management actively monitors credit risk in the investment portfolio. Credit risk exposures are controlled in accordance with policies approved by the board of directors to identify, measure, monitor and control credit risks.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of inputs to fair value measurements:

- Level 1, meaning the use of quoted prices for identical instruments in active markets;
- Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or are directly or indirectly observable; and
- Level 3, meaning the use of unobservable inputs. Observable market data is used when available.

Transfers between Levels 1, 2 or 3 within the fair value hierarchy are recognized at the end of the reporting period when the respective transaction occurred.

Long-Term Debt

Long-term debt is recognized as the amount of cash proceeds received plus the accreted present value of the End of Term Charge (as defined in the Loan and Security Agreement, as defined in Note 4 — *Debt*), less the unamortized End of Term Charge, debt issuance costs, and debt discount. It is subsequently reported at amortized cost. Interest expense is calculated using the effective interest method and any difference between the proceeds (net of unamortized debt discount, debt issuance costs, End of Term Charge, and accreted present value of End of Term Charge) and the principal amount is recognized through interest expense over the estimated life of the related debt. For the undrawn term loan tranches, allocated issuance costs are recorded as deferred charges - long-term debt, which is included in "Other non-

current assets" on the Company's condensed consolidated balance sheet until drawn. In the case of a milestone event not being met or the tranche availability window expiring undrawn, the deferred asset will be recorded as interest expense on the Company's condensed consolidated statements of operations and comprehensive loss.

Leases

The Company determines if an arrangement is or contains a lease at contract inception. For these arrangements, it is evaluated if the arrangement involves an identified asset that is physically distinct or whether the Company has the right to substantially all of the capacity of an identified asset that is not physically distinct. In arrangements that involve an identified asset, there is also judgment in evaluating if the Company has the right to direct the use of that asset.

MoonLake does not have any finance leases. As of September 30, 2025, the Company has five operating leases related to the office spaces located in (i) Dorfstrasse 29, 6300, Zug, Switzerland (comprised of two leases), (ii) 95 Regent Street, CB2 1AW, Cambridge, England, United Kingdom, and (iii) Rua Manuel Pinto de Azevedo 860, 4150-335, Porto, Portugal (comprised of two leases). The operating leases are recognized on a straight-line basis over the lease term commencing on the date the Company has the right to use the leased property. Right-of-use assets and lease liabilities are measured at the lease commencement date based on the present value of the remaining lease payments over the lease term, determined using the discount rate for the lease at the commencement date. Because the rate implicit in the leases is not readily determinable, the Company uses the incremental borrowing rate as the discount rate, which approximates the interest rate at which the Company could borrow on a collateralized basis with similar terms and payments and in similar economic environments.

Leases with an initial term of 12 months or less that do not have the option to purchase the underlying asset are not recorded on the balance sheet, with lease expense for these leases recognized on a straight-line basis over the lease term commencing on the date the Company has the right to use the leased property.

Property and Equipment

Property and equipment, net is stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of three to five years. As of September 30, 2025, property and equipment, net relates to information technology, office equipment, and leasehold improvements.

Impairment of Long-Lived Assets

The Company reviews all long-lived asset groups, which consist of operating lease right-of-use assets, and property and equipment, whenever events or changes in circumstance indicate that these assets may not be recoverable. When evaluating long-lived assets, if the Company concludes that the estimated undiscounted cash flows attributable to the assets are less than their carrying value, the Company recognizes an impairment loss based on the excess of the carrying amount of the assets over their respective fair values. There was no impairment of long-lived assets for the nine months ended September 30, 2025, and 2024.

Research and Development Contract Costs and Accruals

Research and development expenses include employee payroll, consulting, contract research, contract manufacturing costs attributable to research and development activities and manufacturing of pre-launch inventory, which are expensed as incurred.

Upfront payments and milestone payments made for the licensing of technology are expensed as research and development expenses in the period in which it is probable that a liability has been incurred. Advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

The Company has entered into various research and development contracts with companies both inside and outside of the United States. These agreements are generally cancellable, and related payments are recorded as research and development expenses as incurred. The Company records accruals for estimated ongoing research costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies or trials, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates. The Company's historical accrual estimates have not been materially different from the actual costs.

Pre-Launch Inventory

Prior to obtaining regulatory approval of a product candidate, the Company may incur production costs to support the commercial launch of such product. Until the date at which regulatory approval has been received or it is considered probable, and the future economic benefit is expected to be realized, all such costs are recorded as research and development expenses as incurred.

Share-Based Compensation

The Company recognizes compensation expense based on estimated fair values for all stock-based payment awards made to eligible employees, members of the board of directors and independent contractors that are expected to vest.

The valuation of stock option awards is determined at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the Company to make assumptions and judgments about the inputs used in the calculations, such as the fair value of the common stock, expected term, expected volatility of the Company's common stock, risk-free interest rate and expected dividend yield. The valuation of restricted stock awards is measured by the fair value of the Company's common stock on the date of the grant.

For all stock options granted, the Company calculated the expected term as the period that share-based awards are expected to be outstanding. The estimate of expected volatility is based on comparative companies' volatility within the Company's industry. The risk-free rate is based on the yield available on United States Treasury zero-coupon issues corresponding to the expected term of the award.

The fair value of the common stock granted under the ESPP (as defined in Note 14 — *Share-Based Compensation*) was historically estimated by management with reference to the market-based transaction with its Series A investors, as there was no public market for the common stock.

Share-based payment arrangements are accounted for under the fair value method. Total compensation is measured at grant date, based on the fair value of the award at that date, and recorded in earnings over the period the employees are required to render service. The Company recognizes compensation cost only for those awards expected to meet the service conditions on a straight-line basis over the requisite service period of the award.

Foreign Currency

The functional currency of the Company and its subsidiaries is the U.S. dollar. Balances and transactions denominated in foreign currencies are converted as follows: monetary assets and liabilities are translated using exchange rates in effect at the balance sheet dates and non-monetary assets and liabilities are translated at historical exchange rates. Income and expenses are translated at the daily exchange rate on the respective transaction date.

Gains or losses from foreign currency translation are included in the condensed consolidated statements of operations and comprehensive loss in "Other income, net". The Company recognized a foreign currency transaction loss of $267 thousand for the three months ended September 30, 2025, a foreign currency transaction gain of $75 thousand for the

nine months ended September 30, 2025, and a foreign currency transaction loss of $27 thousand and $126 thousand for the three and nine months ended September 30, 2024, respectively.

Income Taxes

The Company accounts for income taxes by using the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is recorded to the extent it is more likely than not that all or a portion of the Company's deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

Net Loss per Class A Ordinary Shares

Basic net loss per Class A Ordinary Share is calculated using the two-class method under which earnings are allocated to both Class A Ordinary Shares and participating securities. Basic net loss per share is calculated by dividing the net loss attributable to Class A Ordinary Shares by the weighted-average number of Class A Ordinary Shares outstanding for the period. The diluted net loss per Class A Ordinary Share is computed by dividing the net loss using the weighted-average number of Class A Ordinary Shares and, if dilutive, potential Class A Ordinary Shares outstanding during the period.

In periods in which the Company reports a net loss attributable to shareholders of Class A Ordinary Shares, diluted net loss per share attributable to shareholders of Class A Ordinary Shares is the same as basic net loss per share attributable to shareholders of Class A Ordinary Shares, since dilutive Class A Ordinary Shares are not assumed to be outstanding if their effect is anti-dilutive.

Acquisitions

The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first assessing whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. On April 29, 2021, MoonLake AG entered into an in-licensing agreement (the “In-License Agreement”) with Merck Healthcare KGaA, Darmstadt, Germany (“MHKDG”) to acquire the Sonelokimab program (the “SLK Program”) and determined that substantially all of the fair value of the gross assets acquired related to IPR&D of SLK. Therefore, this transaction was accounted for as an asset acquisition.

IPR&D represents incomplete technologies that the Company acquires, which at the time of acquisition, are still under development and have no alternative future use. The fair value of such technologies is expensed upon acquisition. A technology is considered to have an alternative future use if it is probable that the Company will use the asset in its current, incomplete state as it existed at the acquisition date, in another research and development project that has not yet commenced, and economic benefit is anticipated from that use. If a technology is determined to have an alternative future use, then the fair value of the program would be recorded as an asset on the balance sheet rather than expensed.

Contingent consideration payments (for example milestone payments due upon the occurrence of a specific event) in asset acquisitions are recognized in the period in which it is probable that a liability has been incurred (unless the contingent consideration meets the definition of a derivative, in which case the amount becomes part of the cost in the asset acquired). Upon recognition of the contingent consideration payment, the amount is expensed if it relates to IPR&D or capitalized if it relates to a developed product which is generally considered to be when clinical trials have been completed and regulatory approval obtained.

Future royalty payments due on net sales will be recognized in cost of goods sold when net sales are recognized.

Pension

The Company accounts for pension assets and liabilities, which requires the recognition of the funded status of pension plans in the Company's condensed consolidated balance sheets. The liability in respect to defined benefit pension plans is the projected benefit obligation calculated annually by independent actuaries using the projected unit credit method. The projected benefit obligation as of September 30, 2025 represents the actuarial present value of the estimated future payments required to settle the obligation that is attributable to employee services rendered before that date. Service costs for such pension plans, represented in the net periodic pension benefit cost, are included in the personnel expenses of the various functions where the employees are engaged. The other components of net benefit cost are included in the condensed consolidated statements of operations and comprehensive loss separately from the service cost component, in "Other income, net". Plan assets are recorded at their fair value.

Gains or losses arising from plan curtailments or settlements are accounted for at the time they occur. Any net pension asset is limited to the present value of the future economic benefits available to the Company in the form of refunds from the plan or expected reductions in future contributions to the plan. Actuarial gains and losses arising from differences between the actual and the expected return on plan assets are recognized in "Accumulated other comprehensive income".

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes - Improvements to Income Taxes Disclosures*, which amends guidance on to enhance the transparency and decision usefulness of income tax disclosures. It is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosure (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires a public entity to disclose additional information about specific expense categories in the notes to financial statements on an annual and interim basis. It is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact.

In September 2025, the FASB issued ASU 2025-07, *Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*, which amends the ASC guidance to address stakeholders' concerns about (1) the application of derivative accounting to contracts with features based on the operations or activities of one of the parties to the contract and (2) the diversity in accounting for share-based, non-cash consideration from a customer that is consideration for the transfer of goods or services. The amendments will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. The Company is currently evaluating the impact.

Prior Period Reclassification

The amortization expense in the condensed consolidated statements of cash flows in prior periods has been reclassified to conform with the current period presentation. The amortization expense of $938 thousand was reclassified from "Other non-cash items" to "Depreciation and amortization". The change did not have any impact on the net cash flow used in operating activities.

Note 3 – Risks and Liquidity

Going Concern, Liquidity and Capital Resources

MoonLake is subject to risks common to companies in the biopharmaceutical industry, and the Company believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position or results of operations: ability to obtain future financing, regulatory approval and market acceptance of, and reimbursement for, product candidates, performance of third-party contract research organizations and manufacturers upon which the Company relies, protection of the Company's intellectual property, litigation or claims against the Company based on intellectual property, patent, product, regulatory, clinical or other factors, and the Company's ability to attract and retain employees necessary to support its growth.

The Company is dependent on third-party manufacturers to supply products for research and development activities in its programs and for eventual commercialization. In particular, the Company relies and expects to continue to rely on a small number of manufacturers to supply the Company with its requirements for the active pharmaceutical ingredients and formulated drugs related to these programs. These programs could be adversely affected by a significant interruption in the supply of active pharmaceutical ingredients and formulated drugs.

The Company's ability to generate revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of SLK in one or more indications, which is expected to take a number of years. The Company expects to continue to incur significant expenses and operating losses for at least the next two years as the Company continues the development of SLK and prepares for commercial launches. It is expected that operating losses will fluctuate significantly from year to year depending on the timing of the Company's planned clinical development programs, efforts to achieve regulatory approval, and marketing and sales expenditures.

The Company incurred a loss of $167.3 million for the nine months ended September 30, 2025. As of September 30, 2025, the Company’s current assets exceeded its current liabilities by $362.8 million.

As of September 30, 2025, the Company had $350.7 million of cash and cash equivalents. Based on the Company's current operating plan and the Loan and Security Agreement as defined in Note 4 — *Debt*, management believes that the Company has sufficient capital to fund its operations and capital expenditures into the second half of 2027.

Note 4 – Debt

On March 31, 2025 (the “Closing Date”), MoonLake as a guarantor entered into a loan and security agreement (the “Loan and Security Agreement”) with its subsidiary, MoonLake AG, as borrower, the lenders party thereto (the “Lenders”), and Hercules Capital, Inc. (“Hercules”), as the administrative and collateral agent for itself and the Lenders. The Loan and Security Agreement provides a non-dilutive senior secured term loan facility (the “Credit Facility”) of up to an aggregate principal amount of $500.0 million. The Credit Facility matures on April 1, 2030 (the “Maturity Date”) and bears interest at an annual rate equal to the greater of (i) prime rate as reported in The Wall Street Journal plus 1.45% and (ii) 8.45%, subject to a 0.25% reduction upon achievement of the U.S. Food and Drug Administration's (“FDA”) approval of a Biologics License Application (“BLA”) for SLK.

The Credit Facility comprises:

a. A first tranche (the “Tranche 1 Loan”) in an aggregate principal amount of $75.0 million fully funded on the Closing Date,

b. Subject to MoonLake’s announcement that the VELA-1 and VELA-2 Phase 3 studies of SLK in adult patients with moderate to severe hidradenitis suppurativa each achieved their protocol-specified primary endpoint with

SLK having demonstrated an acceptable safety profile (the "Tranche 2 Milestone"), a second tranche with additional term loans in an aggregate principal amount of up to $125.0 million, available on the Tranche 2 Milestone achievement date through the earlier of (i) 30 days following such date and (ii) December 31, 2025,

c. Subject to MoonLake's announcement that the IZAR-1 and IZAR-2 Phase 3 studies of SLK in patients with active psoriatic arthritis each achieved their protocol-specified primary endpoint with SLK having demonstrated an acceptable safety profile (the "Tranche 3 Milestone"), a third tranche with additional term loans in an aggregate principal amount of up to $50.0 million, available on the Tranche 3 Milestone achievement date through the earlier of (i) 60 days following such date and (ii) September 15, 2026,

d. Subject to the Company's achievement of the Tranche 2 Milestone and Tranche 3 Milestone and the FDA's acceptance of the Company's submission of a BLA for SLK (collectively, the "Tranche 4 Milestone"), a fourth tranche with additional term loans in an aggregate principal amount of up to $50.0 million, available on the Tranche 4 Milestone achievement date through the earlier of (i) 60 days following such date and (ii) March 15, 2027, and

e. Subject to approval by the Lenders' in their discretion, a fifth tranche (the "Tranche 5 Loan") of additional term loans in an aggregate principal amount of up to $200.0 million.

On September 28, 2025, the Company announced the primary endpoint results of the VELA-1 and VELA-2 Phase 3 studies. While VELA-1 met the primary endpoint, a higher-than-expected placebo response at week 16 precluded VELA-2 from meeting the pre-specified primary endpoint and, as a result, the Company did not achieve the Tranche 2 and Tranche 4 Milestones.

As of September 30, 2025, the Company's carrying value of long-term debt and recognized deferred charges on the condensed consolidated balance sheets consists of the following:

(in thousands)

Non-current liabilities	**September 30, 2025**
Principal amount	$ 75,000
Accreted present value of End of Term Charge	3,525
Unamortized End of Term Charge	(3,004)
Unamortized debt issuance cost	(1,014)
Unamortized debt discount	(766)
Carrying value	**$ 73,741**
Non-current assets	
Deferred charges - long-term debt	$ 587
Total	**$ 587**

The effective interest rate is 10.41% and the Company recognized interest expense of $3.2 million and $5.3 million on the Loan and Security Agreement for the three and nine months ended September 30, 2025, respectively. A portion of the debt issuance costs related to the undrawn third and fifth tranches are recognized as deferred charges until drawn. The debt issuance costs related to the second and fourth tranches have been recognized as interest expense in the current period.

The Company may prepay advances in whole at any time subject to a prepayment charge. Upon repayment of all term loans on or after April 1, 2027, the Company is further required to pay an additional charge equal to 6.95% for the

Tranche 1 Loan and any draws under the Tranche 3 Loan; 4.25% for any draw under the Tranche 5 Loan, and if repayment occurs prior to 24 months, the charge applied will be 4.25% ("End of Term Charge"). As of September 30, 2025, the End of Term Charge is accrued at 6.95% of the Tranche 1 Loan balance and is recorded at present value as an addition to the long-term debt in non-current liabilities whereas the unamortized portion is recorded as contra non-current liabilities. The unamortized contra-liability will be amortized and the present value will be accreted up to the future value over the loan term as interest expense. The Tranche 1 Loan has a maturity requirement of $75.0 million due in 2030, with no other principal payments due for each of the five years following the date of the latest condensed consolidated balance sheets presented. Additional fees will be payable in connection with the Credit Facility upon drawing of future tranches.

The Loan and Security Agreement allows for the Company to satisfy a portion of the cash interest payments by capitalizing such interest payments as payment-in-kind (“PIK”). No PIK interest relating to the term loan has been recorded and included in the condensed consolidated balance sheet as of September 30, 2025.

The Loan and Security Agreement contains customary covenants, such as financial covenants and certain events of default after which loans under the Credit Facility may be due and payable immediately. The Company was in compliance with all covenants as of September 30, 2025.

All obligations under the Loan and Security Agreement will be secured on a first-priority basis, subject to certain exceptions, by security interests in substantially all assets of the Company and material subsidiaries of the Company, including its intellectual property, and will be guaranteed by material subsidiaries of the Company, including foreign subsidiaries, subject to certain exceptions.

Note 5 – Fair Value Measurements

The following table presents information about the Company's short-term marketable debt securities measured at fair value on a recurring basis and indicate the level in the fair value hierarchy in which the Company classifies the fair value measurement:

(in thousands)	**September 30, 2025**		**December 31, 2024**	
	Level 2	**Total**	**Level 2**	**Total**
Eurocommercial Papers	$ 29,743	**$ 29,743**	$ 207,701	**$ 207,701**
Certificates of Deposit	—	**—**	119,583	**119,583**
Total	**$ 29,743**	**$ 29,743**	**$ 327,284**	**$ 327,284**

Cash and accounts payable approximate their fair values as of September 30, 2025 and December 31, 2024, due to their short-term nature. Pension plan assets fair value is determined based on Level 2 inputs. The fair value of the long-term debt is estimated using the net present value of the payments, discounted at an interest rate that is consistent with a market interest rate, which is a Level 2 input as it is not actively traded. As of September 30, 2025, long-term debt of $73.7 million is reported at amortized cost which approximates the fair value.

Note 6 – Investments

The fair value and amortized cost of investments in short-term marketable debt securities by major security type as of September 30, 2025 and December 31, 2024 are as follows:

(in thousands)

	September 30, 2025			
	Amortized cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Eurocommercial Papers	$ 29,256	$ 487	$ —	$ 29,743
Total	**$ 29,256**	**$ 487**	**$ —**	**$ 29,743**
Of which classified within short-term marketable debt securities	29,256	487	—	**29,743**

(in thousands)

	December 31, 2024			
	Amortized cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Eurocommercial Papers	$ 204,572	$ 3,129	$ —	$ 207,701
Certificates of Deposit	117,305	2,278	—	119,583
Total	**$ 321,877**	**$ 5,407**	**$ —**	**$ 327,284**
Of which classified within cash and cash equivalents	59,311	372	—	**59,683**
Of which classified within short-term marketable debt securities	262,566	5,035	—	**267,601**

The following table presents the changes in fair values of the Company's short-term marketable debt securities, classified as Level 2 financial assets, and recognized in the "Accumulated other comprehensive income" as of September 30, 2025 and 2024:

(in thousands)

Beginning balance, January 1, 2025	**$ 5,407**
Other comprehensive income before reclassifications	8,663
Amounts reclassified from accumulated other comprehensive income	(13,583)
Ending balance, September 30, 2025	**$ 487**

(in thousands)

Beginning balance, January 1, 2024	**$ 2,721**
Other comprehensive income before reclassifications	13,001
Amounts reclassified from accumulated other comprehensive income	(12,492)
Ending balance, September 30, 2024	**$ 3,230**

As of September 30, 2025, the Company's marketable debt securities maturities are all due within one year.

Note 7 — Prepaid Expenses

(in thousands)		**September 30, 2025**		**December 31, 2024**
Non-clinical research and clinical development services	$	17,576	$	14,136
Supply and manufacturing services		6,694		7,716
Insurances		1,036		1,113
Other prepayments		1,408		453
Total	**$**	**26,714**	**$**	**23,418**

Note 8 — Trade and Other Payables

(in thousands)		**September 30, 2025**		**December 31, 2024**
Research and development services	$	19,576	$	5,081
Supply and manufacturing fees payable		4,242		3,597
Consulting and advisory services		660		39
Legal advisory services		151		93
Other payables		653		182
Total	**$**	**25,282**	**$**	**8,992**

Note 9 — Accrued Expenses and Other Current Liabilities

(in thousands)		**September 30, 2025**		**December 31, 2024**
Research and development services and license fees	$	10,679	$	2,022
Supply and manufacturing services		4,637		4,474
Bonuses and related employee compensation expenses		4,199		4,237
Tax liabilities		1,014		642
Accrued debt interest		553		—
Consultant and other fees		418		586
Legal fees		87		138
Total	**$**	**21,587**	**$**	**12,099**

Note 10 — Leases

In August 2021, the Company entered into an open-ended office lease agreement, effective November 1, 2021, to lease approximately 2,300 square feet of space on the last two floors of the building located at Dorfstrasse 29, 6300 Zug,

Switzerland. In December 2023, the contract was extended, leading to a new estimated effective duration of the lease period of 3 years, with expected expiration in January 2027.

On October 9, 2023, the Company entered into an office lease agreement, effective as of October 9, 2023, to lease approximately 3,900 square feet of office space on the fifth floor of the building located at Rua Manuel Pinto de Azevedo 860, 4150-335, Porto, Portugal. This lease has a 3-year initial term, with two extendable periods of 3 years each. The Company expects to exercise the first available option and extend this lease through October 2029.

On October 13, 2023, the Company entered into an office lease agreement, effective as of October 16, 2023, to lease approximately 6,000 square feet of office space on the first floor of the building located at 95 Regent Street, CB2 1AW, Cambridge, England, United Kingdom. This lease has a 3-year term agreement and is set to expire in October 2026.

On December 12, 2023, the Company entered into an open-ended office lease agreement, effective as of January 15, 2024, to lease approximately 1,700 square feet of additional office space at its existing corporate headquarters located at Dorfstrasse 29, 6300 Zug, Switzerland. The Company estimated the duration of the lease at inception and determined a 3-year term.

On August 14, 2024, the Company entered into an office lease agreement, effective as of September 8, 2024, to lease approximately 2,000 square feet of additional office space at its existing office located at Rua Manuel Pinto de Azevedo 860, 4150-335, Porto, Portugal. This lease has a 2-year initial term, with two extendable periods of 3 years each. The Company expects to exercise the first available option and extend this lease through October 2029.

The weighted average remaining lease term and weighted average discount rate for the operating leases as of September 30, 2025 and December 31, 2024 were as follows:

	September 30, 2025	December 31, 2024
Weighted average remaining lease term (in months)	23	29
Weighted average discount rate	4.7 %	4.7 %

The future minimum annual lease payments under these operating leases as of September 30, 2025 are as follows:

(in thousands)

Fiscal Year		Amount
2025 (remainder of the year)	$	400
2026		1,269
2027		147
2028		147
2029		100
Thereafter		—
Total lease payments		**2,064**
Less imputed interest		(79)
Total lease liability		**1,985**
Less current portion of lease liability		(1,499)
Long-term portion of operating lease liability	**$**	**486**

Operating cash outflows for amounts included in the measurement of lease liabilities were $1,161 thousand and $1,102 thousand for the nine months ended September 30, 2025 and 2024, respectively.

The Company recorded the following lease and variable lease expenses for the three and nine months ended September 30, 2025 and 2024:

(in thousands)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Operating lease expense	$ 365	$ 359	$ 1,095	$ 1,061
Variable lease expense	13	5	36	5
Total lease expense	**$ 378**	**$ 364**	**$ 1,131**	**$ 1,066**

Note 11 — Employee Benefit Plans

The Company operates a defined benefit pension plan in Switzerland (the "Plan") and a defined contribution pension plan in the United Kingdom, in accordance with local regulations and practices. As of September 30, 2025, the Plan covers the Company's employees in Switzerland with benefits in the event of death, disability, retirement, or termination of employment.

Components of Net Periodic Benefit Cost under the Plan

(in thousands)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Service cost	$ 86	$ 71	$ 246	$ 210
Interest cost	9	8	24	25
Expected return on plan assets	(21)	(15)	(60)	(45)
Amortization of unrecognized loss	3	3	9	8
Prior service credit recognized in current year	(3)	(3)	(8)	(8)
Net periodic benefit cost	**$ 74**	**$ 64**	**$ 211**	**$ 190**

The components of net periodic benefit cost other than the service cost component are included in general and administrative expense in the Company's condensed consolidated statements of operations and comprehensive loss.

Employer Contributions under the Plan

For the nine months ended September 30, 2025, contributions of $238 thousand (CHF 200 thousand) were made to the Plan. The Company presently anticipates contributing an additional estimated amount of $79 thousand (CHF 67 thousand) to fund the Plan in 2025 for a total of $317 thousand (CHF 266 thousand).

Note 12 — Shareholders' Equity

	Class A Ordinary Shares[1]		Class C Ordinary Shares[1]		Total Number of Ordinary Shares	
	Authorized	Issued and Outstanding	Authorized	Issued and Outstanding	Authorized	Issued and Outstanding
Balance at January 1, 2025	**500,000,000**	**63,077,431**	**100,000,000**	**841,269**	**600,000,000**	**63,918,700**
Conversion of Class C Ordinary Shares into Class A Ordinary Shares	—	111,949	—	(111,949)	—	—
Option exercised and converted under the Employee Stock Option Plan	—	93,347	—	—	—	93,347
Issuance of Restricted Stock Awards under the MoonLake Immunotherapeutics 2022 Equity Incentive Plan	—	191,526	—	—	—	191,526
Balance at March 31, 2025	**500,000,000**	**63,474,253**	**100,000,000**	**729,320**	**600,000,000**	**64,203,573**
Balance at June 30, 2025	**500,000,000**	**63,474,253**	**100,000,000**	**729,320**	**600,000,000**	**64,203,573**
Conversion of Class C Ordinary Shares into Class A Ordinary Shares	—	203,142	—	(203,142)	—	—
Options exercised under the MoonLake Immunotherapeutics 2022 Equity Incentive Plan Equity Incentive Plan	—	27,149	—	—	—	27,149
Balance at September 30, 2025	**500,000,000**	**63,704,544**	**100,000,000**	**526,178**	**600,000,000**	**64,230,722**

[1] *Fully paid-in registered shares with a par value of $0.0001*

Class A Ordinary Shares

On April 6, 2022, the Company's Class A Ordinary Shares began trading on The Nasdaq Capital Market ("Nasdaq") under the symbol “MLTX”. As of September 30, 2025, there were 63,704,544 Class A Ordinary Shares issued and outstanding. The Company is authorized to issue up to 500,000,000 Class A Ordinary Shares, par value $0.0001 per share. Holders of Class A Ordinary Shares are entitled to one vote per share.

Class C Ordinary Shares

As of September 30, 2025, there were 526,178 Class C Ordinary Shares issued and outstanding. The Company is authorized to issue up to 100,000,000 Class C Ordinary Shares, with a par value $0.0001 per share. Each Class C Ordinary Share entitles the holders thereof to one vote per share, but carries no economic rights.

At the closing of the Business Combination, MoonLake, MoonLake AG and each ML Party (as defined in Note 2 — *Business Combination Agreement with Helix and Recapitalization*, included in MoonLake's audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in the Annual Report) entered into a Restated and Amended Shareholders' Agreement (the "A&R Shareholders' Agreement"). With the intent to approximate the rights, obligations and restrictions that an ML Party would enjoy if it were a holder of Class A Ordinary Shares, the A&R Shareholders' Agreement (i) imposes certain transfer and other restrictions on the ML Parties, (ii) provides for the waiver of certain statutory rights and (iii) establishes certain mechanics whereby MoonLake and each of the ML Parties are able to effect the conversion of MoonLake AG Common Shares and Class C Ordinary Shares into a number of Class A Ordinary Shares equal to the Exchange Ratio of 33.638698 (as defined in Note 3 — *Basis of Presentation*, included in MoonLake's audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in the Annual Report). On September 2, 2025, pursuant to the A&R Shareholders' Agreement, certain holders of Class C Ordinary Shares submitted exchange notices to the Company, pursuant to which such holders of Class C Ordinary Shares effected the conversion of 6,039 MoonLake AG Common Shares and 203,142 Class C Ordinary Shares into 203,142 Class A Ordinary Shares using the Exchange Ratio. The foregoing description of the A&R Shareholders' Agreement is not complete and is qualified in its entirety by reference to, and should be read in connection with, the full text of the A&R Shareholders' Agreement filed as an exhibit on the Company's Current Report on Form 8-K filed with the SEC on April 11, 2022.

Equity Offerings

At-the-Market Offering

On May 11, 2023, the Company entered into a Sales Agreement (the "May 2023 Sales Agreement") with Leerink Partners LLC (formerly known as SVB Securities LLC) ("Leerink Partners"), through which the Company could issue and sell up to $200.0 million of its Class A Ordinary Shares (the "May 2023 ATM Shares"), through Leerink Partners as its sales agent. The May 2023 ATM Shares to be sold under the May 2023 Sales Agreement, if any, would be issued and sold pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-271546), which was declared effective by the SEC on May 9, 2023, and a prospectus supplement thereto filed with the SEC on May 11, 2023.

On June 27, 2023, the Company reduced the maximum aggregate offering amount of its Class A Ordinary Shares that could be issued and sold under the May 2023 Sales Agreement to $0 and no longer intends to sell Class A Ordinary Shares under the May 2023 Sales Agreement unless the Company files a further prospectus supplement indicating an amount of shares proposed to be sold.

On August 31, 2023, the Company entered into a Sales Agreement with Leerink Partners (the "August 2023 Sales Agreement" and together with the May 2023 Sales Agreement, the "Sales Agreements"), through which the Company could issue and sell up to $350.0 million of its Class A Ordinary Shares (the "August 2023 ATM Shares"), through Leerink Partners as its sales agent. The August 2023 ATM Shares to be sold under the August 2023 Sales Agreement, if any, would be issued and sold pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-274286), which was declared effective by the SEC on September 11, 2023, and a prospectus supplement thereto filed with the SEC on August 31, 2023. As of September 30, 2025, there was $265.0 million remaining for future sales under the August 2023 Sales Agreement.

For the three months ended September 30, 2025, there were no sales under the August 2023 Sales Agreement.

Public Offering of Class A Ordinary Shares

On June 27, 2023, the Company entered into an underwriting agreement with SVB Securities LLC and Guggenheim Securities LLC as the representatives of the underwriters named therein, to issue and sell 8,000,000 Class A Ordinary Shares at a public offering price of $50.00 per share (the "Offering"). In addition, the Company granted the underwriters

an option for a period of 30 days to purchase up to an additional 1,200,000 Class A Ordinary Shares at the public offering price less the underwriting discounts and commissions (the "Option"), and such Option was exercised in full by the underwriters.

The Offering closed on June 30, 2023, and net proceeds from the Offering, including proceeds from the exercise in full by the underwriters of the Option, were $436.7 million, after deducting the underwriting discounts and commissions and the offering expenses in the amount of $23.3 million.

Following the completion of the Offering, the Company opted to direct a substantial portion of the net proceeds to MoonLake AG. This was executed as a two-step process: (i) the Company acquired the remaining 22,756 MoonLake AG Common Shares held in treasury through a share purchase and assignment agreement formally executed on July 09, 2023 ($38.9 million) and (ii) the Company contributed additional funds to MoonLake AG's capital reserves through a cash contribution agreement formally executed on July 10, 2023 ($275.0 million). A stamp duty tax of $2.8 million was levied on the aforementioned capital contribution which the Company has classified as cash flows from financing activities in order to correctly mirror the underlying nature of the transaction.

On March 8, 2024, the Company executed a similar transaction as a two-step process: (i) the Company acquired 501 MoonLake AG Common Shares held in treasury through a share purchase and assignment agreement ($0.8 million) and (ii) the Company contributed an additional $150.0 million of funds to MoonLake AG's capital reserves through a cash contribution. A stamp duty tax of $1.5 million, net of refund received, was levied on the capital contribution which the Company has classified as cash flows from financing activities in order to correctly mirror the underlying nature of the transaction. The aforementioned increase in treasury shares occurred during the three months ended March 31, 2024 as a result of an employee termination entitling MoonLake AG to repurchase such employee's unvested shares (501 MoonLake AG Common Shares and 16,853 Class C Ordinary Shares) previously awarded as part of a share-based compensation program. Since the shares were subsequently sold to MoonLake, the corresponding Class C Ordinary Shares were canceled.

Note 13 — Net Loss Per Share

The following table sets forth the net loss per share calculations for the three and nine months ended September 30, 2025 and 2024:

(in thousands, except share and per share data)	**Three Months Ended September 30, 2025**	**Three Months Ended September 30, 2024**	**Nine Months Ended September 30, 2025**	**Nine Months Ended September 30, 2024**
Numerator				
Net loss attributable to controlling interests shareholders	$ (69,729)	$ (35,390)	$ (164,891)	$ (73,331)
Denominator				
Total weighted average number of outstanding shares	63,369,984	62,896,782	63,295,999	62,803,220
Net loss per share – basic and diluted	**$ (1.10)**	**$ (0.56)**	**$ (2.61)**	**$ (1.17)**

There were 1,632,266 and 973,800 common stock equivalents outstanding in the form of stock options and restricted stock awards under the Equity Incentive Plan (as defined below) as of September 30, 2025 and 2024, respectively, that have been excluded from the calculation of net loss per share – diluted as their effect would be anti-dilutive.

Class C Ordinary Shares have been excluded from the weighted average number of outstanding shares used to calculate the net loss per share – basic and diluted as they do not carry economic rights.

If the ML Parties elected to convert all of their MoonLake AG Common Shares and associated Class C Ordinary Shares into Class A Ordinary Shares as of January 1, 2024, the weighted average number of shares outstanding would have been 64,037,478 and 64,013,095 for the three and nine months ended September 30, 2025, respectively, resulting in a net loss per share of $1.10 and $2.61, respectively. Upon conversion, all 526,178 Class C Ordinary Shares would be forfeited and there would no longer be any non-controlling interests.

Note 14 — Share-Based Compensation

As of September 30, 2025, the Company had the following share-based compensation arrangements:

a. Restricted Founder Shares (as defined below) – created in April 2021 by MoonLake AG (fully vested as of April 2023);
b. The Employee Share Participation Plan (“ESPP”) – created in July 2021 by MoonLake AG;
c. The Employee Stock Option Plan (“ESOP”) – created in July 2021 by MoonLake AG (fully vested as of January 2024);
d. MoonLake Immunotherapeutics 2022 Equity Incentive Plan ("Equity Incentive Plan") – created in April 2022 by MoonLake Immunotherapeutics.

The purpose of the arrangements is to attract and retain the best available personnel and to provide participants with additional incentive to increase their efforts on behalf and in the best interest of the Company and its subsidiaries. The reference to “Common Shares” refers to shares in MoonLake AG.

MoonLake AG's compensation plans are settled with its Common Shares and with a number of Class C Ordinary Shares of the Company, determined by multiplying the number of Common Shares by the Exchange Ratio. The owners of Common Shares have the right to exchange their Common Shares for a number of Class A Ordinary Shares derived using the Exchange Ratio. In the event MoonLake AG shareholders elect to exchange their Common Shares, such MoonLake AG shareholder forfeits a number of Class C Ordinary Shares equal to the number of Class A Ordinary Shares issued (refer to Note 12 — *Shareholders’ Equity - Class C Ordinary Shares*).

As of January 1, 2024, the Company executed the conversion of the majority of the outstanding ESOP awards into an equivalent number of Equity Incentive Plan option awards that are settled with Class A Ordinary Shares, thereby eliminating the intermediary right to the exchange step noted above. From an accounting perspective, there is no underlying modification to the economic, control or legal rights of the awards, including vesting terms and conditions, exercise price and accounting classification. This is purely an administrative change as opposed to an accounting modification whereby the plan issuer is amended from MoonLake AG to MoonLake Immunotherapeutics. Consequently, there is no incremental fair value generated following the conversion and therefore no incremental expense recorded. Any remaining unvested compensation expense will be recorded over the remaining vesting period of the original awards, thereby resulting in no change to the unaudited condensed consolidated financial statements if the conversion had not occurred.

As a result of this administrative conversion, the two plans which remain active as of September 30, 2025 are the ESPP and Equity Incentive Plan, whereas the Restricted Founder Shares and ESOP are fully vested as of April 2023 and January 2024, respectively.

For the three and nine months ended September 30, 2025, the Company has recognized an increase in equity in the condensed consolidated balance sheets due to share-based compensation expense in the condensed consolidated statements of operations and comprehensive loss of $3.7 million and $9.3 million, respectively, and $1.8 million and $5.3 million for the three and nine months ended September 30, 2024, respectively. The share-based compensation expense was driven by the aforementioned two active share-based compensation plans and programs:

(in thousands)

Compensation Plan	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
ESPP	$ 741	$ 741	$ 2,199	$ 2,192
ESOP	—	—	(18)	—
Equity Incentive Plan	2,967	1,102	7,127	3,156
Total share-based compensation expense	**$ 3,708**	**$ 1,843**	**$ 9,308**	**$ 5,348**
Of which: included in research and development expense	*1,190*	*509*	*2,723*	*1,446*
Of which: included in general and administrative expense	*2,518*	*1,334*	*6,585*	*3,902*

We expect that all future employee awards will be made under the Equity Incentive Plan. As of September 30, 2025, 2,552,390 Class A Ordinary Shares from the authorized pool of 4,353,948 Class A Ordinary Shares remain available for future grants, and 1,440,740 Class A Ordinary Shares are reserved for issuance upon exercise of stock options granted under the Equity Incentive Plan.

Restricted Founder Shares 2021-2023 - MoonLake AG

On April 28, 2021, the shareholders' agreement between the co-founders, the Series A investors and MoonLake AG imposed a reverse vesting condition on 90% of the total 110,000 Common Shares (the equivalent of 3,700,257 Class C Ordinary Shares) held by each of the three co-founders. Therefore, 99,000 Common Shares (the equivalent of 3,330,231 Class C Ordinary Shares) held by each of the co-founders were subject to these restrictions and considered unvested (the "Restricted Founder Shares"). The Restricted Founder Shares vested on the 28th of each month at a rate of 4.166% over a period of two years until April 28, 2023. In the event of termination of the contractual relationship of the relevant co-founder before the end of the vesting period, MoonLake AG in first priority, or any third party designated by it, and the other shareholders in second priority pro rata to their shareholdings, had an option to purchase all or a pro rata portion of the leaver shares that remained unvested on the effective day of the termination at nominal value of CHF 0.10.

Employee Share Participation Plan (ESPP) 2021-2026 - MoonLake AG

The ESPP grants will vest 25% on each anniversary of the grant date. In the event of a termination of contractual relationship between the Company and the entitled employee, the awards can be deemed forfeited by MoonLake AG if certain conditions are met. Awards feature an accelerated vesting condition linked to a "Change of Control", defined as any transfer of shares that results in the proposed acquirer holding more than 50% of the then issued share capital of MoonLake AG or the Company, as the case may be, where all the outstanding awards (whether currently outstanding or granted in the future) will be deemed fully vested.

ESPP	Number of Shares	Weighted-Average Grant Date Fair Value
Awards unvested as of January 1, 2025	**319,769**	**10.00**
Awards vested for the nine months ended September 30, 2025	(220,401)	10.00
Awards unvested as of September 30, 2025	**99,368**	10.00

As of September 30, 2025, MoonLake AG had $0.9 million of total unrecognized compensation expense related to the ESPP that will be recognized over the weighted average period of 0.3 years.

Employee Stock Option Plan (ESOP) 2021-2025 - MoonLake AG

The ESOP grants vested 25% on each anniversary of the grant date. In the event of a termination of the contractual relationship between the Company and the entitled employee, options could have been deemed forfeited by MoonLake AG if certain conditions were met. The awards featured an accelerated vesting condition linked to a "Change of Control", defined as any transfer of shares that resulted in the proposed acquirer holding more than 50% of the then issued share capital of MoonLake AG or the Company, as the case may be, where all the outstanding awards (whether currently outstanding or granted in the future) would have been deemed fully vested.

ESOP	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted-Average Remaining Contractual Term (in years)
Awards outstanding as of January 1, 2025	**98,393**	**1.50**	**5,180**	**6.73**
Awards exercised for the nine months ended September 30, 2025	(93,347)	1.30	n/a	n/a
Awards forfeited for the nine months ended September 30, 2025	(5,046)	5.25	n/a	n/a
Awards outstanding as of September 30, 2025	—	—	—	—
Awards exercisable as of September 30, 2025	—	—	—	—

MoonLake Immunotherapeutics 2022 Equity Incentive Plan

On April 5, 2022 (the "Effective Date"), the Company created the Equity Incentive Plan to promote and closely align the interests of employees, officers, non-employee directors and other service providers of MoonLake Immunotherapeutics and its shareholders by providing share-based compensation and other performance-based compensation.

The Equity Incentive Plan provides for the grant of options, stock appreciation rights, restricted stock units, restricted stock and other share-based awards and for incentive bonuses, which may be paid in cash, Common Shares or a combination thereof, as determined by the compensation committee of the board of directors or such other committee as designated by the board of directors to administer the Equity Incentive Plan. The Equity Incentive Plan shall remain available for the grant of awards until the 10th anniversary of the Effective Date.

Equity Incentive Plan (Options)	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted-Average Remaining Contractual Term (in years)
Awards outstanding as of January 1, 2025	**972,476**	**$ 24.94**	**$ 28,588**	**8.18**
Awards granted for the nine months ended September 30, 2025	563,332	$ 43.19	n/a	n/a
Awards exercised for the nine months ended September 30, 2025	(27,149)	$ 17.68	n/a	n/a
Awards forfeited for the nine months ended September 30, 2025	(67,919)	$ 47.55	n/a	n/a
Awards outstanding as of September 30, 2025	**1,440,740**	**$ 31.15**	**$ 1,603**	**8.15**
Awards exercisable as of September 30, 2025	**566,602**	**$ 17.42**	**$ 1,168**	**6.85**

The aggregate intrinsic value represents the difference between the exercise price and the selling price received by option holders upon the exercise of stock options during the period.

The total intrinsic value of options exercised was $0.9 million and $0.7 million for the three months ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, the Company had $19.8 million of total unrecognized compensation expense related to options under the Equity Incentive Plan that will be recognized over the weighted average period of 2.94 years.

Weighted average assumptions for the awards issued during the nine months ended September 30, 2025	
Estimated fair value of the option on the grant date using Black-Scholes model ($)	29.65
Exercise price ($)	43.19
Expected term of the award on the grant date (years) [1]	6
Expected volatility of the share price [2]	75%
Risk-free interest rate [3]	4.4%
Expected dividend rate	—%

[1] The expected term represents the period that share-based awards are expected to be outstanding.
[2] The expected volatility was derived from the historical stock volatilities of comparable peer public companies within the Company's industry.
[3] The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the measurement date with maturities approximately equal to the expected term.

Weighted average assumptions for the awards issued during the nine months ended September 30, 2024	
Estimated fair value of the option on the grant date using Black-Scholes model ($)	31.31
Exercise price ($)	45.63
Expected term of the award on the grant date (years) [1]	6
Expected volatility of the share price [2]	75%
Risk-free interest rate [3]	4.3%
Expected dividend rate	—%

[1] The expected term represents the period that share-based awards are expected to be outstanding.
[2] The expected volatility was derived from the historical stock volatilities of comparable peer public companies within the Company's industry.
[3] The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the measurement date with maturities approximately equal to the expected term.

Equity Incentive Plan (Restricted Stock Awards)	Number of Shares	Weighted-Average Grant Date Fair Value
Awards unvested as of January 1, 2025	**—**	**$ —**
Awards granted for the nine months ended September 30, 2025	191,526	41.77
Awards unvested as of September 30, 2025	**191,526**	**$ 41.77**

Weighted average assumptions for the awards issued during the nine months ended September 30, 2025	
Estimated fair value of Common Shares on the grant date ($)	41.77

As of September 30, 2025, the Company had $6.8 million of total unrecognized compensation expense related to restricted stock awards under the Equity Incentive Plan that will be recognized over the weighted average period of 3.42 years.

Note 15 — Income Taxes

The Company's effective tax rate ("ETR") was (0.2)% and (0.2)% for the three and nine months ended September 30, 2025, respectively, and (0.3)% and (0.3)% for the three and nine months ended September 30, 2024, respectively. The Company is not aware of any items that would cause the quarterly ETR to be significantly different from the Company's annual ETR. The difference between the income tax provision that would be derived by applying the statutory rate to the Company's loss before income taxes and the income tax provision recorded was primarily attributable to the change in the valuation allowance. The Company continues to incur losses for the entities domiciled in the Cayman Island and Switzerland, and its ability to utilize the deferred tax asset related to the tax losses is not considered more likely than not. A full valuation allowance has been recorded against the deferred tax asset.

Note 16 — Commitments and Contingencies

Commitments

The Company has entered into agreements as of September 30, 2025 primarily in regards to the clinical and non-clinical development services with contract research organizations ("CROs"), as well as supply and logistics services with contract manufacturing organizations ("CMOs"), for the advancement of SLK. As of September 30, 2025, the total committed expense under these agreements amounted to $191.0 million.

The Company's In-License Agreement with MHKDG includes contractual milestone payments related to the achievement of pre-specified research, development, regulatory and commercialization events and indemnification provisions, which are common in such agreements. Pursuant to the agreements, the Company is obligated to make research and development and regulatory milestone payments upon the occurrence of certain events. Subject to the terms of the license, additional milestone payments of up to €299.6 million ($351.8 million using a September 30, 2025 exchange rate) are potentially payable upon satisfying specific milestones related to regulatory filing acceptance, first commercial sales, and aggregate annual net sales. The milestone payments are payable in cash. Milestone payments due prior to obtaining regulatory approval will be recorded as research and development expense upon determination that a milestone payment is probable to occur. Milestone payments due after obtaining regulatory approval will be capitalized when and if incurred. The Company will use commercially reasonable efforts to cause the milestones to occur. However, if the Company reasonably determines that a technical failure or commercial failure has occurred with respect to all or a part of the SLK Program, the Company, at its sole discretion, can terminate all or part of the SLK Program. As of September 30, 2025, the Company made a total of €7.5 million ($8.1 million using the then applicable exchange rate) in additional milestone payments.

In addition, on May 12, 2023, MoonLake AG entered into an agreement with Research Cooperation Technologies, Inc. (“RCT”) and MHKDG, effective as of June 1, 2023, pursuant to which the Company was granted a royalty-bearing, nonexclusive, sublicensable right and license under RCT’s patents and know-how related to a manufacturing process using an underlying yeast strain, Pichia pastoris, to develop, manufacture, use, sell, offer for sale, and import and otherwise commercialize SLK on a world-wide basis, subject to certain restrictions. This agreement replaces the Company’s sublicense for similar rights under the In-License Agreement. In the aggregate, the Company is required to pay royalties within the range of low to mid-teen percent of net sales under the aforementioned agreements with MHKDG and RCT.

Royalties will be recognized as cost of sales in the condensed consolidated statements of operations and comprehensive loss when net sales are recognized.

Note 17 - Segment Information

The Company operates as a single operating segment, focusing exclusively on the research, development, and eventual commercialization of its product. As the entire Company is centered around these activities, all consolidated parts of the Company are reviewed and analyzed as part of one segment.

As of September 30, 2025, the Company's single operating segment had not generated revenue from any programs or services. The accounting policies of the segment are the same as those described in the Note 2 — *Basis of Presentation and Significant Accounting Policies* section. The measure of segment assets is reported on the condensed consolidated balance sheets as total assets. The measure of segment profit or loss is reported on the condensed consolidated statement of operations and comprehensive loss as net loss. The CODM uses this as a starting point alongside significant non-cash items and working capital changes to evaluate cash burn and determine financial sustainability, cost management patterns and overall business viability as the clinical trials progress. The CODM also uses this to manage operations and ensure the most efficient use of Company resources against current budgets, alignment with strategic goals and preparation of future forecasts.

Significant Segment Expenses

The measure of significant segment expenses is reported in the accompanying condensed consolidated statements of operations and comprehensive loss as “Research and development” and “General and administrative” for the nine months ended September 30, 2025 and 2024, respectively.

Non-cash share-based compensation is reported in Note 14 — *Share-Based Compensation* for the nine months ended September 30, 2025 and 2024, respectively. Non-cash depreciation and amortization for the nine months ended September 30, 2025 and 2024 was $1.9 million and $1.0 million, respectively.

Geographical Data

Long-lived assets, consisting of property and equipment, net, and operating lease right-of-use assets by geographical area as of September 30, 2025 and December 31, 2024 are as follows:

(in thousands)

Country	**September 30, 2025**	**December 31, 2024**
Switzerland	$ 395	$ 610
United Kingdom	1,051	1,777
Portugal	1,086	1,257
Total	**$ 2,532**	**$ 3,644**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2025, appearing elsewhere in this quarterly report ("Quarterly Report") on Form 10-Q, and with our audited consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on February 26, 2025 (our "Annual Report"). Our unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2025 were prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and presented in United States dollars ($).

References to "MoonLake", "we", "us", "our", "our Company", "the Company" and "our business" refer to MoonLake Immunotherapeutics and its consolidated subsidiaries.

Special Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q, including, without limitation, statements regarding the following, are forward-looking statements: our future results of operations and financial position, our expectations regarding industry trends, the sufficiency of our cash and cash equivalents, the anticipated sources and uses of cash, the anticipated investments in our business, our business strategy, the plans and objectives of management for future operations and capital expenditures, and other information referred to in the sections titled "Business" and "Risk Factors" in our Annual Report and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in this Quarterly Report. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "expect", "plan", "anticipate", "could", "intend", "target", "project", "contemplate", "believe", "estimate", "predict", "potential", "might", "possible", or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report contains forward-looking statements that reflect our plans and strategy for our business and related financing as well as expectations regarding the timing of regulatory submissions and potential commercialization for SLK. Our actual results and the timing of events could differ materially from those anticipated in the forward-looking statements. These forward-looking statements are subject to a number of important risks, uncertainties and other factors that could cause actual results to differ materially from those in the forward-looking statements expressed or implied in this Quarterly Report on Form 10-Q. Such risks, uncertainties and other factors include, among others, the risks, uncertainties and factors set forth in the sections titled "Risk Factors" included in our Annual Report and this Quarterly Report and the following risks, uncertainties and factors:

- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- factors relating to our business, operations and financial performance, including, but not limited to:
    - we are substantially dependent on the success of our novel tri-specific Nanobody®, Sonelokimab ("SLK," also known as M1095/ALX 0761), which we license from Merck Healthcare KGaA, Darmstadt, Germany, an affiliate of Merck KGaA, Darmstadt, Germany ("MHKDG");
    - our ability to obtain regulatory approval for our products, and any related restrictions or limitations of any approved products;

- competition and competitive pressures from other global companies in the industries in which we operate;
- we have incurred significant losses since inception, and we expect to incur significant losses for the foreseeable future and may not be able to achieve or sustain profitability in the future;
- our ability to manage our growth effectively;
- the impact of adverse business and economic conditions including inflationary pressures, general economic slowdown or a recession, fluctuating interest rates, new or increased tariffs and other barriers to trade and changes in fiscal and monetary policy or government budget dynamics;
- while we have initiated and completed clinical trials, we have no products approved for commercial sale;
- we require substantial additional capital to finance our operations, and if we are unable to raise such capital when needed or on acceptable terms, we may be forced to delay, reduce, and/or eliminate one or more of our development programs or future commercialization efforts;
- our ability to renew existing contracts;
- our limited operating history;
- our ability to respond to general economic conditions;
- litigation and the ability to adequately protect our intellectual property rights; and
- the other factors described under the caption “Risk Factors” in our Annual Report, as may be updated in this Quarterly Report on Form 10-Q, and our other filings with the Securities and Exchange Commission (the “SEC”).

New risk factors emerge from time to time and it is not possible to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements, which speak only as of the date hereof. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements, including factors disclosed in “Risk Factors” in our Annual Report or “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and "Risk Factors" in this Quarterly Report. You should read this Quarterly Report on Form 10-Q and the documents that we reference herein completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Overview

We are a clinical stage biotechnology company advancing therapies to address significant unmet needs in inflammatory skin and joint diseases. We are currently a single asset company focused on the development of SLK, a novel tri-specific IL-17A and IL-17F inhibiting Nanobody, that we exclusively licensed from MHKDG and that has the potential, based on response levels seen in clinical trials, to drive disease modification in dermatology and rheumatology patients.

SLK is a proprietary Nanobody that was discovered by Ablynx N.V., Belgium, a Sanofi company (“Ablynx”), and previously studied by MHKDG and Avillion LLP under a 2017 co-development agreement. The terms “Nanobody” and “Nanobodies” used herewith are registered trademarks of Ablynx. Nanobodies are able to bind selectively to a specific antigen with high affinity. Nanobodies have a fraction of the molecular weight compared to traditional antibodies. They offer a number of potential advantages over traditional monoclonal antibodies, including the potential to create multivalent molecules with enhanced ability to penetrate inflamed tissue, especially when containing an additional albumin binding domain such as SLK, an easier manufacturing process and a higher thermostability.

We currently develop SLK in inflammatory diseases in dermatology and rheumatology where the pathophysiology is known to be driven by IL-17A and IL-17F. This group of diseases comprises our current target diseases, hidradenitis suppurativa ("HS"), psoriatic arthritis ("PsA"), axial spondyloarthritis ("axSpA"), palmoplantar pustulosis ("PPP"), and several other inflammatory conditions, including psoriasis ("PsO"). Our current target diseases affect millions of people worldwide, and we believe there is a need for improved treatment options. We believe that SLK has a differentiated mechanism of action and that its purposefully designed molecular characteristics, including its small size and its albumin binding site, facilitate deep tissue penetration in the skin and joints. We envision SLK as a key therapeutic alternative in our initial target indications and potentially in multiple other IL-17 driven inflammatory conditions.

HS Trials

In May 2022, we initiated a Phase 2b trial of SLK in patients with moderate-to-severe HS (the MIRA trial (M1095-HS-201)), and in June 2023, we announced positive top-line results from this trial, which met its primary endpoint of Hidradenitis Suppurativa Clinical Response ("HiSCR") 75. In October 2023, we announced positive 24-week top-line results showing that the maintenance treatment with SLK led to further improvements in HiSCR75 response rates and other clinically relevant outcomes in patients with moderate-to-severe HS. In February 2024, we announced the successful outcome of our end-of-Phase 2 interactions with the U.S. Food and Drug Administration ("FDA"), as well as positive feedback from our interactions with the E.U. European Medicines Agency ("EMA"), with both regulatory bodies supporting our proposed approach for advancing our Phase 3 program of SLK in HS. In May 2024, we announced the screening of the first patients in the VELA-1 trial (M1095-HS-301) and VELA-2 trial (M1095-HS-302). In April 2025, we announced completion of enrollment of the VELA program and presented baseline characteristics of enrolled patients. In September 2025, we announced primary endpoint data from the VELA-1 and VELA-2 clinical trials. In the combined VELA program, patients treated with SLK experienced a clinically meaningful and statistically significant improvement across all primary and key secondary endpoints using both pre-specified strategies ($p<0.001$). In VELA-1, SLK achieved statistical significance for all primary and key secondary endpoints using both pre-specified strategies (HiSCR75, delta to placebo of 17%, $p<0.001$). In VELA-2, intercurrent events in the higher-than-expected placebo arm precluded the study from achieving statistical significance in the week 16 primary endpoint using the composite strategy (HiSCR75, delta to placebo of 9%, $p=0.053$). From week 16, all patients are expected to continue to receive the 120mg dose of SLK through to 48 weeks, with a last assessment planned at week 52, followed by an open-label extension for up to two years. We are currently seeking FDA input on the adequacy of the current clinical evidence package to support a Biologics License Application ("BLA") submission for SLK in HS and expect to receive such input around the end of this year. We expect the 1-year data of VELA-1 and VELA-2 to become available in the second quarter of 2026.

PsA Trials

In December 2022, we initiated a Phase 2b trial in patients with active PsA (the ARGO trial (M1095-PSA-201)) and in November 2023, we announced positive top-line results from this trial, which met its primary endpoint of American College of Rheumatology ("ACR") 50. In March 2024, we announced positive 24-week data from the ARGO trial in PsA showing that continued treatment with SLK led to significant improvements across all key outcomes. In June 2024, we announced the successful outcome of our end-of-Phase 2 interactions with the FDA, as well as positive feedback from our interactions with the EMA, with both regulatory bodies supporting our proposed approach for advancing our Phase 3 program of SLK in PsA. In November 2024, we announced the screening of the first patients in the IZAR-1 trial (M1095-PSA-301) and IZAR-2 trial (M1095-PSA-302). We expect a readout of the primary and key secondary endpoints of the IZAR-1 clinical trial in the second quarter of 2026 and of the IZAR-2 clinical trial in the second half of 2026.

Additional Trials for Other Indications

In March 2024, we announced plans to initiate clinical studies of SLK in additional indications, including a Phase 3 trial in adolescent patients with HS (the VELA-TEEN trial (M1095-HS-304)), a Phase 2 trial in patients with PPP (the LEDA trial (M1095-PPP-201)), a Phase 2 trial in patients with axSpA (the S-OLARIS trial (M1095-axSpA-202)) and another Phase 2 trial applying novel imaging techniques in patients with PsA (the P-OLARIS trial (M1095-

snSpA-202)). In January 2025, we announced that first patients have been screened in the VELA-TEEN, the LEDA, and the S-OLARIS clinical trials. In November 2025, we presented the results of the LEDA clinical trial, as well as an interim analysis of the VELA-TEEN clinical trial. In the LEDA clinical trial, patients treated with SLK achieved a mean percent change from baseline in the Palmoplantar Pustular Psoriasis Area and Severity Index ("PPPASI") of 64% at week 16, and 39% of patients achieved a ≥75% reduction in the PPPASI ("PPPASI75"), suggesting that SLK could provide clinically meaningful improvements in patients with PPP. We expect to commence a Phase 3 clinical trial in PPP in the third quarter of 2026. The interim analysis of the VELA-TEEN clinical trial showed that 46% of patients achieved a HiSCR75 response at week 16 (n=11). The trial is expected to enroll a total of 30-35 patients and we expect topline results in the second quarter of 2026. Results of the S-OLARIS trial are expected to become available in the first quarter of 2026.

SLK was also studied in a Phase 2b trial in PsO patients where it showed a significant improvement in the primary end point as compared with placebo and for which results were presented in peer-reviewed scientific publications and conferences. In addition to the three Phase 2b trials, Phase 1 single ascending and multiple ascending dosing trials were previously completed, bringing the total number of patients in completed SLK-related trials to more than 700.

Timeline for Commercial Launch

We expect to submit a first BLA for SLK in the third or fourth quarter of 2026 and, subject to FDA approval, a first commercial launch in the U.S. in 2027.

We do not have any product candidates approved for commercial sale, and we have not generated any revenue from product sales. Our ability to generate revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of SLK in one or more indications, which we expect to take a number of years. We expect to continue to incur significant expenses and operating losses for at least the next three years as we continue the development of SLK and prepare for commercial launches. It is expected that operating losses will fluctuate significantly from year to year depending on the timing of our planned clinical development programs and efforts to achieve regulatory approval.

As of September 30, 2025, we had $350.7 million of cash and cash equivalents. Based on our current operating plans and the Loan and Security Agreement (as defined below), we believe that our existing cash, cash equivalents and short-term marketable securities, together amounting to $380.5 million, will be sufficient to fund our operating expenses and capital expenditure requirements into the second half of 2027.

Equity Offerings

At-the-Market Offerings

On May 11, 2023, we entered into a Sales Agreement (the "May 2023 Sales Agreement") with Leerink Partners LLC (formerly known as SVB Securities LLC) ("Leerink Partners"), through which we could issue and sell up to $200.0 million of our Class A Ordinary Shares (the "May 2023 ATM Shares"), through Leerink Partners as sales agent. The May 2023 ATM Shares to be sold under the May 2023 Sales Agreement, if any, would be issued and sold pursuant to our shelf registration statement on Form S-3 (File No. 333-271546), which was declared effective by the SEC on May 9, 2023, and a prospectus supplement thereto filed with the SEC on May 11, 2023.

On June 27, 2023, we reduced the maximum aggregate offering amount of our Class A Ordinary Shares that could be issued and sold under the May 2023 Sales Agreement to $0 and no longer intend to sell Class A Ordinary Shares under the May 2023 Sales Agreement unless we file a further prospectus supplement indicating an amount of shares proposed to be sold.

On August 31, 2023, we entered into a Sales Agreement with Leerink Partners (the "August 2023 Sales Agreement" and together with the May 2023 Sales Agreement, the "Sales Agreements"), through which we could issue and sell up to $350.0 million of our Class A Ordinary Shares (the "August 2023 ATM Shares"), through Leerink Partners as sales agent. The August 2023 ATM Shares to be sold under the August 2023 Sales Agreement, if any, would be issued and sold pursuant to our shelf registration statement on Form S-3 (File No. 333-274286), which was declared effective by the SEC on September 11, 2023, and a prospectus supplement thereto filed with the SEC on August 31, 2023. As of September 30, 2025, there was $265.0 million remaining for future sales under the August 2023 ATM Sales Agreement.

For the three months ended September 30, 2025, there were no sales under the August 2023 Sales Agreement.

Public Offering of Class A Ordinary Shares

On June 27, 2023, we entered into an underwriting agreement with Leerink Partners and Guggenheim Securities LLC as the representatives of the underwriters named therein to issue and sell 8,000,000 Class A Ordinary Shares at a public offering price of $50.00 per share (the "Offering"). In addition, we granted the underwriters an option for a period of 30 days to purchase up to an additional 1,200,000 Class A Ordinary Shares at the public offering price less the underwriting discounts and commissions (the "Option"), and such Option was exercised in full by the underwriters.

The Offering closed on June 30, 2023, and net proceeds from the Offering, including proceeds from the exercise in full by the underwriters of the Option, were $436.7 million, after deducting the underwriting discounts and commissions and the offering expenses in the amount of $23.3 million.

Following the completion of the Offering, we opted to direct a substantial portion of the net proceeds to MoonLake Immunotherapeutics AG, a Swiss stock corporation (Aktiengesellschaft) registered with the commercial register of the Canton of Zug, Switzerland under the number CHE-433.093.536 ("MoonLake AG"). This was executed as a two-step process: (i) we acquired the remaining 22,756 common shares in MoonLake AG ("MoonLake AG Common Shares") held in treasury through a share purchase and assignment agreement formally executed on July 09, 2023 ($38.9 million) and (ii) additional funds were contributed to MoonLake AG's capital reserves through a cash contribution agreement formally executed on July 10, 2023 ($275.0 million). A stamp duty tax of $2.8 million was levied on the aforementioned capital contribution which we have classified as cash flows from financing activities in order to correctly mirror the underlying nature of the transaction.

On March 8, 2024, we executed a similar transaction as a two-step process: (i) we acquired 501 MoonLake AG Common Shares held in treasury through a share purchase and assignment agreement ($0.8 million) and (ii) we contributed an additional $150.0 million of funds to MoonLake AG's capital reserves through a cash contribution. A stamp duty tax of $1.5 million, net of refund received, was levied on the capital contribution which we have classified as cash flows from financing activities in order to correctly mirror the underlying nature of the transaction. The aforementioned increase in treasury shares occurred during the three months ended March 31, 2024 as a result of an employee termination entitling MoonLake AG to repurchase such employee's unvested shares (501 MoonLake AG Common Shares and 16,853 Class C Ordinary Shares) previously awarded as part of a share-based compensation program. Since the shares were subsequently sold to MoonLake, the corresponding Class C Ordinary Shares were canceled.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from product sales. If our development efforts for SLK are successful and result in regulatory approval or new license agreements with third parties, we may generate revenue in the future from product sales or milestone payments. However, there can be no assurance as to when we will generate such revenue, if at all.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including third-party license fees and efforts relating to the development of SLK. We expense research and development costs as incurred, which include:

- employee-related expenses, including salaries, bonuses, benefits, share-based compensation, and other related costs for those employees involved in research and development efforts;
- external research and development expenses incurred under agreements with Clinical Research Organizations ("CROs") as well as consultants that conduct our research program and development services;
- costs incurred under collaboration agreements;
- costs related to manufacturing material for our research program, clinical studies, and pre-launch inventory;
- costs related to compliance with regulatory requirements; and
- facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent, utilities and insurance.

We estimate research and clinical trial expenses based on the services performed pursuant to contracts with research institutions, CROs, and Clinical Manufacturing Organizations ("CMOs") that conduct and manage research studies and clinical trials on our behalf based on actual time and expenses incurred by them or probable achievement of milestone events that are associated with contractually agreed milestone payments.

We account for advance payments for goods and services that will be used in future research and development activities as expenses when the services have been performed or when the goods have been received rather than when the payment is made.

We do not allocate employee costs, facilities costs, including depreciation, or other indirect costs to specific programs because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily for managing our research program, clinical development, and manufacturing activities.

The successful development of SLK is highly uncertain. We expect to incur significant research and development expenses for the foreseeable future as we continue the development and manufacturing partnerships for SLK, conduct research activities and potentially expand our pipeline by pursuing additional indications for SLK or including new product candidates in our portfolio. We cannot determine with certainty the timing of initiation, the duration, or the completion costs of current or future research studies and clinical trials of SLK due to the inherently unpredictable nature of research activities and clinical development. Clinical development timelines, the probability of success and the development costs can differ materially from expectations. We anticipate that we will make determinations as to which indications to pursue and how much funding to direct to each indication on an ongoing basis in response to the results of ongoing and future research studies and clinical trials, regulatory developments, and our ongoing assessments as to each indication's commercial potential.

Any changes in the outcome of any of these variables with respect to the development of SLK could mean a significant change in the costs and timing associated with its development. We may never succeed in achieving regulatory approval for SLK. We may obtain unexpected results from our clinical trials. We may elect to discontinue, delay or modify clinical trials or focus on other product candidates. For example, if the FDA, the EMA, or another regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect or if we experience significant delays in enrollment in any of our planned clinical trials, we could be required to expend significant additional financial resources and time on the completion of SLK's clinical development.

General and Administrative Expenses

General and administrative expense ("G&A") consists primarily of employee related costs, including salaries, bonuses, benefits, share-based compensation and other related costs for our executive and administrative functions. G&A expense also includes professional services, including legal, accounting and audit services and other consulting fees, as well as facility costs not otherwise included in research and development expenses, insurance and other general administrative expenses.

Based on our strategy, there are a number of factors that we expect will impact the level of research and development expenses, G&A expenses, and capital expenditures incurred by the business.

These factors include:

- *Completing the development of SLK in our current focus indications, HS, PsA, axSpA and PPP*— We expect to incur significant research and development expenses, and G&A expenses as we: (i) conduct clinical trials for SLK including the ongoing Phase 3 clinical trials in HS, PsA and adolescent HS, the ongoing Phase 2 clinical trials in axSpA and PsA, and potential future Phase 3 clinical trials in PPP and axSpA; (ii) attract, hire and retain additional clinical, scientific, quality control, and administrative personnel; and (iii) add clinical, operational, financial and management information systems and personnel.
- *Strengthening the differentiation elements for future SLK patients* — In parallel with our clinical trials, we expect to incur additional research expenditures as we conduct non-clinical research to continue refining our understanding of SLK/Nanobody biology and the potential impact in our selected therapeutic indications.
- *Preparing for commercialization of SLK* — We have started preparing the BLA to seek approval of SLK in the U.S. in HS and adolescent HS. We expect to incur significant research and development expense, and G&A expenses in this process, as we make milestone and commercial payments under the In-License Agreement, dated April 29, 2021, by and between MoonLake AG and MHKDG (the "In-License Agreement") (based on regulatory filing acceptances, first commercial sales, and aggregate annual net sales) and as we establish a sales, marketing and distribution infrastructure to commercialize SLK including establishing a presence in the U.S. We expect to submit the BLA in 2026 after completion of the VELA program, and, subject to FDA approval, we expect a commercial launch in the U.S. in 2027.
- *Building our manufacturing capabilities* — We do not own or operate manufacturing facilities, and currently have no plans to establish any. We partner with third-party CMOs for both drug substance and finished drug product. We obtain our supplies from these manufacturers based on purchase orders. Therefore, we expect to incur research and development costs for the purchase of our supplies on an as needed basis to conduct our clinical trials. Technology transfers for drug substance and drug product to commercial scale CMOs have already been executed in 2022, but we may pursue additional technology transfers and process improvements. This is designed to allow us to scale up while SLK is in clinical development and advance potential commercial requirements. The improvement of our manufacturing capabilities will be important in driving efficiency, maintaining high standards of quality control, and ensuring that investigators, physicians, and patients have adequate access to our product candidates, if approved. We began stock-piling of drug substance during the third quarter of 2025.
- *Deepening our intellectual property portfolio to support our Nanobody technology and product candidates* — We expect to continue to incur additional research and development expenditures as we continue extending our global intellectual property portfolio consisting of patents and patent applications, trade secrets, trademarks, and know-how to protect the product candidates developed from our Nanobody technology. We plan to expand our intellectual property portfolio as we continue to advance and develop existing product candidates.
- *Broadening our portfolio* — We believe that there are other indications beyond HS, PsA, axSpA and PPP where SLK has the potential to represent a differentiated therapeutic alternative and we may initiate clinical trials of SLK in such other indications. In addition, to further enhance our overall potential and provide increased optionality, we may supplement our current strategy with the in-licensing or acquisition of additional product candidates for clinical development (beyond SLK), rather than discovering such candidates ourselves, which would lead to additional research and development expenses, G&A expenses, and capital expenditures.

- *Granting share-based compensation awards and vesting of existing plans* — We expect to continue to grant awards to selected employees, directors and non-employees pursuant to the MoonLake Immunotherapeutics 2022 Equity Incentive Plan ("Equity Incentive Plan"). Further, we expect to continue to incur share-based compensation charges in connection with the above-mentioned plan and the vesting of awards made under MoonLake AG's Employee Share Participation Plan ("ESPP").

We also expect to incur additional IT, legal, accounting, lease and other expenses as we continue to grow our business. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our clinical trials and our expenditures on other research and development activities.

We expect our existing cash and cash equivalents to be sufficient to advance the development of SLK in multiple indications, including the above-mentioned clinical trials in HS, PsA, adolescent HS, PPP and axSpA, and to submit a Biologics License Application for SLK. Clinical development involves a lengthy and expensive process with uncertain outcomes and is subject to risks described under the heading "Risk Factors" in our most recent Annual Report on Form 10-K, including that our preclinical studies or clinical trials may not be conducted as planned or completed on schedule and may not satisfy the requirements of the FDA, EMA, or other comparable foreign regulatory authorities. If we are required to conduct additional preclinical studies or clinical trials of SLK beyond those that we currently contemplate, if we are delayed or unable to successfully complete clinical trials of SLK or other testing, or if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may require additional funding. Moreover, we will require additional capital to commercialize SLK and to discover, develop, obtain regulatory approval and commercialize any future product candidates, as applicable. We expect to finance future cash needs through public or private equity, additional debt or product collaborations. Additional capital may not be available in sufficient amounts or on reasonable terms, if at all. The current market environment for small biotechnology companies, like us, and broader macroeconomic factors, including recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures, may preclude us from successfully raising additional capital.

If we do not raise additional capital, we may not be able to expand our operations or otherwise capitalize on our business opportunities, our business and financial condition will be negatively impacted and we may need to: significantly delay, scale back or discontinue research and discovery efforts and the development or commercialization of SLK or any other product candidates or cease operations altogether; seek strategic alliances for research and development programs when we otherwise would not, or at an earlier stage than we would otherwise desire or on terms less favorable than might otherwise be available; or relinquish, or license on unfavorable terms, our rights to technologies or SLK or any other product candidates that we otherwise would seek to develop or commercialize ourselves.

Foreign Currency

Our functional currency is the U.S. dollar. Balances and transactions denominated in foreign currencies are converted as follows: monetary assets and liabilities are translated using exchange rates in effect at the balance sheet dates and non-monetary assets and liabilities are translated at historical exchange rates. Income and expenses are translated at the daily exchange rate on the respective transaction date.

Gains or losses from foreign currency translation are included in the condensed consolidated statements of operations and comprehensive loss in "Other income, net". We recognized a foreign currency transaction loss of $267 thousand for the three months ended September 30, 2025, a foreign currency transaction gain of $75 thousand for the nine months ended September 30, 2025, and a foreign currency transaction loss of $27 thousand and $126 thousand for the three and nine months ended September 30, 2024, respectively.

Results of Operations

Comparison of the three months ended September 30, 2025 and 2024

(in thousands, except percentages)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Change	Change %
Operating expenses				
Research and development	$ (60,635)	$ (35,736)	$ (24,899)	69.7 %
General and administrative	(10,799)	(7,376)	(3,423)	46.4 %
Total operating expenses	**(71,434)**	**(43,112)**	**(28,322)**	**65.7 %**
Operating loss	**(71,434)**	**(43,112)**	**(28,322)**	**65.7 %**
Interest expense	(3,198)	—	(3,198)	100.0 %
Other income, net	4,053	7,090	(3,037)	(42.8)%
Loss before income tax	**(70,579)**	**(36,022)**	**(34,557)**	**95.9 %**
Income tax expense	(115)	(92)	(23)	25.0 %
Net loss	**(70,694)**	**(36,114)**	**(34,580)**	**95.8 %**
Net unrealized loss on marketable securities and short-term investments	(255)	(326)	71	(21.8)%
Actuarial gain (loss) on employee benefit plans	8	(116)	124	(106.9)%
Other comprehensive loss	**(247)**	**(442)**	**195**	**(44.1)%**
Comprehensive loss	**$ (70,941)**	**$ (36,556)**	**$ (34,385)**	**94.1 %**

Research and Development

Research and development expenses were $60.6 million for the three months ended September 30, 2025, compared to $35.7 million for the three months ended September 30, 2024. The increase of $24.9 million, or 69.7%, is primarily related to an increase of $18.0 million in expenses pertaining to clinical development trials with CROs, including the Phase 3 VELA program in HS and the Phase 3 IZAR program in PsA, as well as the additional trials in adolescent HS (the VELA-TEEN trial), PPP (the LEDA trial), axSpA (the S-OLARIS trial) and PsA (the P-OLARIS trial), an increase of $4.0 million in manufacturing, supply and logistics expenses through CMOs, of which $2.9 million is related to the production of stockpiled pre-launch inventory, and an increase of $1.8 million in personnel-related costs to support research and development efforts.

General and Administrative

General and administrative expenses were $10.8 million for the three months ended September 30, 2025, compared to $7.4 million for the three months ended September 30, 2024. The increase of $3.4 million, or 46.4%, is primarily related to an increase of $2.4 million in personnel-related costs and an increase of $0.7 million in advisory and legal expenses,

both to support organizational growth, and an increase of $0.5 million in marketing and communications expenses related to pre-commercial customer engagement.

Interest Expense

Interest expense was $3.2 million for the three months ended September 30, 2025, compared to $nil for the three months ended September 30, 2024. The interest expense during the current period is related to recognized interest on the Loan and Security Agreement.

Other Income, Net

Other income, net was $4.1 million for the three months ended September 30, 2025, compared to $7.1 million for the three months ended September 30, 2024. The decrease in income of $3.0 million, or (42.8)%, primarily related to a decrease of $2.8 million in realized interest on cash held in bank and cash investments in short-term marketable debt securities and an increase of $0.5 million in net unrealized currency losses, partially offset by an increase of $0.3 million in net realized currency gains.

Income Tax Expense

Income tax expense was $0.1 million for the three months ended September 30, 2025 and 2024. The expense is related to corporate income tax of our subsidiaries in the U.K. and Portugal.

Other Comprehensive Loss

Other comprehensive loss was $0.2 million for the three months ended September 30, 2025, compared to $0.4 million for the three months ended September 30, 2024. The decrease in other comprehensive loss of $0.2 million, or (44.1)%, is primarily related to a decrease in net unrealized loss in short-term marketable debt securities.

Comparison of the nine months ended September 30, 2025 and 2024

(in thousands, except percentages)	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	Change	Change %
Operating expenses				
Research and development	$ (146,856)	$ (72,412)	$ (74,444)	102.8 %
General and administrative	(32,760)	(21,099)	(11,661)	55.3 %
Total operating expenses	**(179,616)**	**(93,511)**	**(86,105)**	**92.1 %**
Operating loss	**(179,616)**	**(93,511)**	**(86,105)**	**92.1 %**
Interest expense	(5,254)	—	(5,254)	100.0 %
Other income, net	17,930	18,903	(973)	(5.1) %
Loss before income tax	**(166,940)**	**(74,608)**	**(92,332)**	**123.8 %**
				-
Income tax expense	(363)	(241)	(122)	50.6 %
Net loss	**(167,303)**	**(74,849)**	**(92,454)**	**123.5 %**
Net unrealized gain (loss) on marketable securities and short-term investments	(4,920)	509	(5,429)	(1066.6) %
Actuarial gain (loss) on employee benefit plans	116	(111)	227	(204.5) %
Other comprehensive income (loss)	**(4,804)**	**398**	**(5,202)**	**(1,307.0)%**
Comprehensive loss	**$ (172,107)**	**$ (74,451)**	**$ (97,656)**	**131.2 %**

Research and Development

Research and development expenses were $146.9 million for the nine months ended September 30, 2025, compared to $72.4 million for the nine months ended September 30, 2024. The increase of $74.4 million, or 102.8%, is primarily related to an increase of $49.7 million in expenses pertaining to clinical development trials with CROs, including the Phase 3 VELA program in HS and the Phase 3 IZAR program in PsA, as well as the VELA-TEEN trial, the LEDA trial, the S-OLARIS trial and the P-OLARIS trial, an increase of $13.4 million in manufacturing, supply, and logistics expenses through CMOs, of which $2.9 million is related to the production of stockpiled pre-launch inventory, and increases of $4.3 million and $3.7 million in personnel-related costs and consulting expenses, respectively, to support research and development efforts.

General and Administrative

General and administrative expenses were $32.8 million for the nine months ended September 30, 2025, compared to $21.1 million for the nine months ended September 30, 2024. The increase of $11.7 million, or 55.3%, is primarily related to an increase of $6.8 million in personnel-related costs and an increase of $2.8 million in expenses for advisory and professional services, both to support organizational growth, an increase of $1.4 million in legal expenses to support the Loan and Security Agreement, and an increase of $1.0 million for marketing and communication expenses related to pre-commercial customer engagement.

Interest Expense

Interest expense was $5.3 million for the nine months ended September 30, 2025, compared to $nil for the nine months ended September 30, 2024. The interest expense during the current period is related to recognized interest on the Loan and Security Agreement.

Other Income, Net

Other income, net was $17.9 million for the nine months ended September 30, 2025, compared to $18.9 million for the nine months ended September 30, 2024. The decrease in other income of $1.0 million, or (5.1)%, is primarily related to a decrease of $1.1 million in realized interest on cash held in bank and cash investments in short-term marketable debt securities and an increase of $1.4 million in net unrealized currency losses, both of which are partially offset by an increase of $1.6 million in net realized currency gains.

Income Tax Expense

Income tax expense was $0.4 million for the nine months ended September 30, 2025, compared to $0.2 million for the nine months ended September 30, 2024. The expense for each period is related to corporate income tax of our subsidiaries in the U.K. and Portugal.

Other Comprehensive Income (Loss)

Other comprehensive loss was $4.8 million for the nine months ended September 30, 2025, compared to other comprehensive income of $0.4 million for the nine months ended September 30, 2024. The decrease in other comprehensive income of $5.2 million, or (1,307.0)%, is primarily related to the net unrealized gain position in short-term marketable debt securities shifting to a net unrealized loss in the current period.

Liquidity and Capital Resources

We have no products approved for commercial sale, have not generated any revenue from product sales, and cannot guarantee when or if we will generate any revenue from product sales.

We expect our expenses and capital requirements to remain consistent with our current spending levels as we continue to:

- contract with third parties, including CROs and CMOs, to support the clinical trials of SLK, including trials in HS, PsA, adolescent HS, PPP and axSpA, and to produce pre-launch inventory;
- conduct other research and development activities related to SLK;
- prepare for regulatory filing and commercialization of SLK;
- attract, hire and retain additional management, scientific and administrative personnel;
- maintain, protect and expand our intellectual property portfolio, including patents, trade secrets and know how;
- implement operational, financial and management information systems; and
- operate as a public company.

For the nine months ended September 30, 2025, we incurred a loss of $167.3 million, which includes non-cash items such as share-based compensation expense of $9.3 million, and cash outflow from operations of $137.2 million. As of September 30, 2025, we had a total of $380.5 million in cash, cash equivalents and short-term marketable securities. Based on our current operating plans and the Loan and Security Agreement, we believe our available cash, cash equivalents and short-term marketable securities will be sufficient to fund our operating expenses and capital expenditure requirements into the second half of 2027.

We expect to incur significant expenses and operating losses for at least the next two years, assuming we continue the clinical development of, and seek regulatory approval for, our product candidate under an in-licensing agreement. It is expected that operating losses will fluctuate significantly from year to year due to the timing of clinical development programs, efforts to achieve regulatory approval, and sales and marketing efforts. We may require additional funding to bring our product candidate to market and support our continuing operations. In addition, with a change in the presidential administration in 2025, there has been an economic policy shift towards increasing tariffs, which in turn has led and could lead to further retaliatory tariffs. These may have the potential to impact expenses as well as our ability to, if ever, generate revenue or maintain profitability. Until such time that we can generate significant revenue from product sales or other sources, if ever, we expect to finance our operations through the sale of equity, debt financings, or other capital sources, which may include income from collaborations, strategic partnerships, or marketing, distribution, licensing or other strategic arrangements with third parties, or from grants. If we are unable to acquire additional capital or resources, we may be required to modify our operational plans to fund our operating expense requirements. Refer to "*Risk Factors — Risks Related to Our Limited Operating History, Business, Financial Condition, and Results of Operations*" in our Annual Report for further details related to the risk of raising additional capital to fund our operations.

Term Loan Facility

In March 2025, we entered into a loan and security agreement (the "Loan and Security Agreement") with Hercules Capital, Inc. ("Hercules") and certain of its affiliates (collectively with Hercules, the "Lenders") for an aggregate principal amount of $500.0 million, of which $300.0 million was fully committed subject to achievement of milestones (the "Credit Facility"). An initial tranche of $75.0 million (the "Tranche 1 Loan") was funded under the Loan and Security Agreement on March 31, 2025 (the "Closing Date"). In addition to the Tranche 1 Loan, the Credit Facility provides for additional tranches as follows:

a. Subject to our announcement that the VELA-1 and VELA-2 Phase 3 studies of SLK in adult patients with moderate to severe hidradenitis suppurativa each achieved their protocol-specified primary endpoint with SLK having demonstrated an acceptable safety profile (the "Tranche 2 Milestone"), a second tranche with additional term loans in an aggregate principal amount of up to $125.0 million, available on the Tranche 2 Milestone achievement date through the earlier of (i) 30 days following such date and (ii) December 31, 2025,

b. Subject to our announcement that the IZAR-1 and IZAR-2 Phase 3 studies of SLK in patients with active psoriatic arthritis each achieved their protocol-specified primary endpoint with SLK having demonstrated an acceptable safety profile (the "Tranche 3 Milestone"), a third tranche with additional term loans in an aggregate principal amount of up to $50.0 million, available on the Tranche 3 Milestone achievement date through the earlier of (i) 60 days following such date and (ii) September 15, 2026,

c. Subject to our achievement of the Tranche 2 Milestone and Tranche 3 Milestone and the FDA's acceptance of the Company's submission of a BLA for SLK (collectively, the "Tranche 4 Milestone"), a fourth tranche with additional term loans in an aggregate principal amount of up to $50.0 million, available on the Tranche 4 Milestone achievement date through the earlier of (i) 60 days following such date and (ii) March 15, 2027, and

d. Subject to approval by the Lenders' in their discretion, a fifth tranche of additional term loans in an aggregate principal amount of up to $200.0 million.

On September 28, 2025, we announced the primary endpoint results of the VELA-1 and VELA-2 Phase 3 studies. While VELA-1 met the primary endpoint, a higher-than-expected placebo response at week 16 precluded VELA-2 from meeting the pre-specified primary endpoint and, as a result, we did not achieve the Tranche 2 and Tranche 4 Milestones, reducing the committed amount under the Loan and Security agreement by $175.0 million.

The Credit Facility matures on April 1, 2030 (the "Maturity Date") and bears interest at an annual rate equal to the greater of (i) prime rate as reported in The Wall Street Journal plus 1.45% and (ii) 8.45% with the initial interest rate equal to 8.95%. As of September 30, 2025, the Credit Facility bears interest at 8.70%. This rate is subject to a 0.25%

reduction upon achievement of the U.S. Food and Drug Administration's approval of a BLA for SLK. Certain additional commitment and undrawn amount fees are also payable in connection with the Credit Facility.

The Credit Facility does not provide for scheduled amortization payments during the term. All principal will be due on the Maturity Date. We may, at our option at any time, prepay all loans under the Credit Facility by paying the principal balance, plus accrued and unpaid interest, subject to (i) a prepayment premium equal to a range of 2.0% to 0.0% and (ii) an end of term charge equal to a range of 6.95% to 4.25%, each based on when the prepayment occurs. If the Credit Facility is repaid in full as a result of a change of control of the Company, the prepayment premium shall be waived.

The Loan and Security Agreement allows for us to satisfy a portion of the cash interest payments by capitalizing such interest payments as payment-in-kind ("PIK"). No PIK interest relating to the term loan has been recorded and included in the condensed consolidated balance sheets as of September 30, 2025.

All obligations under the Loan and Security Agreement will be secured on a first-priority basis, subject to certain exceptions, by security interests in substantially all of our assets and our material subsidiaries, including our intellectual property, and will be guaranteed by our material subsidiaries, including foreign subsidiaries, subject to certain exceptions.

The Loan and Security Agreement contains customary covenants, such as financial covenants and certain events of default after which loans under the Credit Facility may be due and payable immediately. We were in compliance with all covenants as of September 30, 2025.

We are permitted to use the proceeds of the Credit Facility for working capital and general corporate purposes of the Company and our subsidiaries.

Cash Flows

The following table summarizes our cash flows for the periods indicated.

	Nine Months Ended	
(in thousands)	**September 30, 2025**	**September 30, 2024**
Net cash used in operating activities	$ (137,213)	$ (68,114)
Net cash provided by (used in) investing activities	232,903	(58,265)
Net cash provided by financing activities	73,602	51,161
Effect of movements in exchange rates on cash held	1,018	(296)
Net increase (decrease) in cash and cash equivalents	**$ 170,310**	**$ (75,514)**

Cash Flows from Operating Activities

We did not generate any cash inflows from our operating activities. Our cash flows from operating activities are significantly influenced by our use of cash for operating expenses and working capital requirements, and we have historically experienced negative cash flows from operating activities as we invested in clinical research and related development.

Net cash used in operating activities was $137.2 million and $68.1 million for the nine months ended September 30, 2025 and September 30, 2024, respectively. The increase of net cash used in operating activities of $69.1 million was primarily driven by the increase in net loss of $92.5 million and an increase in cash paid for changes in other non-

current assets of $0.6 million. The increase in cash outflows was partially offset by a decrease in cash paid for changes in accrued expenses and other current liabilities of $8.5 million, an increase in cash inflows from changes in trade and other payables of $7.4 million, and a decrease in cash paid for changes in prepaid expenses of $4.2 million.

Cash Flows from Investing Activities

During the nine months ended September 30, 2025, net cash provided by investing activities was $232.9 million, consisting predominantly of $439.1 million in proceeds received from maturities of short-term marketable debt securities with original maturities longer than three months, partially offset by $206.2 million related to the purchase of short-term marketable debt securities. During the nine months ended September 30, 2024, net cash used in investing activities was $58.3 million, consisting predominantly of $203.3 million related to the purchase of short-term marketable debt securities, partially offset by $145.4 million in proceeds received from maturities of short-term marketable debt securities with original maturities longer than three months.

Cash Flows from Financing Activities

During the nine months ended September 30, 2025, net cash provided by financing activities was $73.6 million consisting primarily of $73.0 million in net proceeds from the Loan and Security Agreement. During the nine months ended September 30, 2024, net cash provided by financing activities was $51.2 million consisting primarily of $52.5 million in net proceeds from the shares sold under the August 2023 Sales Agreement.

Contractual Obligations and Commitments

The following summarizes our significant contractual obligations and other obligations as of September 30, 2025, which we generally expect to satisfy with cash on hand:

(in thousands)	Total	Less than 1 year	1 to 5 Years	More than 5 years
Purchase obligations[1]	$ 191,014	$ 126,456	$ 64,558	$ —
Lease commitments[2]	2,064	1,552	512	—
Long-term debt obligations[3]	110,538	6,618	103,920	—
Total contractual obligations	**$ 303,616**	**$ 134,626**	**$ 168,990**	**$ —**

(1) Purchase obligations refer to an agreement to purchase goods or services that is enforceable and legally binding on the Company that specifies all significant terms. The figures presented primarily relate to contractual commitments towards contract manufacturing and contract research organizations.

(2) We have committed ourselves to five leases, with terms that commenced on November 1, 2021, October 9, 2023, October 13, 2023, January 15, 2024, and September 8, 2024. These future lease commitments relate to the office leases for our headquarters in Zug, Switzerland, Cambridge, United Kingdom, and Porto, Portugal, and reflect minimum payments due.

(3) We have committed ourselves to a long-term debt obligation, with a term that commenced on March 31, 2025. This debt obligation relates to the Loan and Security Agreement and reflects the expected payments due, including principal repayment, interest payments, and end of loan term charge.

Critical Accounting Policies and Estimates

A summary of our critical accounting policies and estimates is presented in Part II, Item 7 of our Annual Report. There were no material changes to our critical accounting estimates during the nine months ended September 30, 2025.

Recently Issued Accounting Pronouncements

Refer to Note 2 — *Basis of Presentation and Significant Accounting Policies* to the unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent it has been made, of their potential impact on our financial condition and our results of operations and cash flows.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of September 30, 2025, we have cash and cash equivalents and short-term marketable securities of $380.5 million, which consist primarily of bank deposits, commercial papers and certificates of deposits. The investments in these financial instruments are made in accordance with an investment policy which specifies the categories, allocations and ratings of securities permissible for investment. The primary objective of the investment activities is non-trading related and instead to preserve principal as well as maximizing income received without significantly increasing risk.

To minimize any inherent market risk, we maintain a diverse and highly liquid portfolio which includes cash, cash equivalents and short-term investment securities available-for-sale in a variety of securities including certificates of deposits and commercial papers, all with various maturity dates. The fair value of the cash, cash equivalents, and short-term investments would not be significantly affected by either an increase or decrease in interest rates due to the short-term maturities of these instruments. Since they are classified as “available-for-sale”, no gains or losses are recognized in the condensed consolidated statements of operations and comprehensive loss due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are due to credit losses. We have the ability to hold all such investments until maturity. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material effect on our financial results or financial condition as of September 30, 2025.

As of September 30, 2025, we had $73.7 million in variable rate debt outstanding. The Tranche 1 Loan, which had a principal balance of $75.0 million, matures in April 2030, with interest-only monthly payments. The Tranche 1 Loan bears interest at a floating rate equal to 8.70% as of September 30, 2025, calculated as the greater of: (i) the prime rate as reported in the Wall Street Journal plus 1.45% and (ii) 8.25%. A hypothetical 100 basis point change in interest rate during any of the periods presented would not have had a material effect on our financial results or financial condition as of September 30, 2025.

We do not hold or issue derivatives, derivative commodity instruments or other financial instruments for speculative trading purposes.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed by us in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management,

including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

As of September 30, 2025, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act) prior to the filing of this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2025, the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act) during the three months ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent limitations on Effectiveness of Controls and Procedures

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. Lastly, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On October 15, 2025, a lawsuit captioned *Bridgewood v. MoonLake Immunotherapeutics, et al.*, Case No. 1:25-cv-8500 (the "Bridgewood Action") was filed in the United States District Court for the Southern District of New York, naming the Company, its Chief Executive Officer, and its Chief Financial Officer as defendants. The Bridgewood Action was purportedly brought on behalf of a class of all investors who purchased or otherwise acquired the Company's common stock between March 10, 2024, through September 29, 2025. The complaint alleged claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), based on allegedly false or misleading statements related to the clinical benefits and prospects of sonelokimab. The lawsuit sought unspecified damages and other relief. On October 22, 2025, the plaintiff voluntarily dismissed without prejudice the Bridgewood Action.

On October 17, 2025, a second putative class action captioned *Peters v. MoonLake Immunotherapeutics, et al.*, Case No. 1:25-cv-8612 (the "Peters Action" and, together with the Bridgewood Action, the "Class Actions") was filed in the United States District Court for the Southern District of New York. The Peters Action names the same defendants, contains identical allegations of alleged violations of the Exchange Act, and seeks the same relief as the Bridgewood Action.

The defendants deny the allegations of wrongdoing in the Class Actions and intend to vigorously defend against the claims. The Company is unable to predict the ultimate outcome of the Peters Action and therefore cannot estimate the reasonably possible loss or range of loss, if any, that may result from the lawsuit.

Item 1A. Risk Factors

Any of the risks described in our Annual Report are factors that could cause our actual results to differ materially from those in this Quarterly Report. Any of these factors could result in a significant or material adverse effect upon our business, results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business, results of operations or financial condition. There have been no material changes to the risk factors that we included in our Annual Report and Quarterly Report on Form 10-Q for the quarters ending March 31, 2025 and June 30, 2025, which were filed with the SEC on May 12, 2025 and August 5, 2025, respectively. We may make changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Trading Arrangements

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the three months ended September 30, 2025, as such terms are defined under Item 408(a) of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

No.	Description of Exhibit
3.1	Memorandum and Articles of Association of MoonLake Immunotherapeutics (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 11, 2022)
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial and Accounting Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial and Accounting Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MOONLAKE IMMUNOTHERAPEUTICS

			/s/ Dr. Jorge Santos da Silva
Date:	November 5, 2025	Name:	Dr. Jorge Santos da Silva
		Title:	Chief Executive Officer
			(Principal Executive Officer)
			/s/ Matthias Bodenstedt
Date:	November 5, 2025	Name:	Matthias Bodenstedt
		Title:	Chief Financial Officer
			(Principal Financial and Accounting Officer)

Exhibit 31.1

Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jorge Santos Da Silva, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MoonLake Immunotherapeutics;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 5, 2025

By: /s/ Jorge Santos Da Silva
Name: Jorge Santos Da Silva
Title: Chief Executive Officer
(*principal executive officer*)

Exhibit 31.2

Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthias Bodenstedt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MoonLake Immunotherapeutics;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 5, 2025

By: /s/ Matthias Bodenstedt
Name: Matthias Bodenstedt
Title: Chief Financial Officer
(*principal financial and accounting officer)*

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Jorge Santos Da Silva, to the best of my knowledge certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of MoonLake Immunotherapeutics (the "Company") for the period ended September 30, 2025 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2025

By: /s/ Jorge Santos Da Silva
Name: Jorge Santos Da Silva
Title: Chief Executive Officer
(*principal executive officer*)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Note: A signed original of this written statement required by Section 906 has been provided to MoonLake Immunotherapeutics and will be retained by MoonLake Immunotherapeutics and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Matthias Bodenstedt, to the best of my knowledge certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of MoonLake Immunotherapeutics (the "Company") for the period ended September 30, 2025 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2025

By: /s/ Matthias Bodenstedt
Name: Matthias Bodenstedt
Title: Chief Financial Officer
(*principal financial and accounting officer*)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Note: A signed original of this written statement required by Section 906 has been provided to MoonLake Immunotherapeutics and will be retained by MoonLake Immunotherapeutics and furnished to the Securities and Exchange Commission or its staff upon request.