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 June 30, 2023

☐ 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)

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 August 1, 2023, there were 53,486,810 Class A Ordinary Shares, $0.0001 par value (the "Class A Ordinary Shares"), and 8,959,195 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 JUNE 30, 2023

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Item 1. Financial Statements (Unaudited)

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in USD, except share data)

	June 30, 2023 (Unaudited)	December 31, 2022
Current assets		
Cash and cash equivalents	$ 501,786,997	$ 39,505,627
Short-term marketable debt securities	—	32,609,108
Other receivables	619,767	217,129
Prepaid expenses	3,960,383	4,179,468
Total current assets	**506,367,147**	**76,511,332**
Non-current assets		
Operating lease right-of-use assets	211,238	282,580
Property and equipment, net	42,810	49,389
Total non-current assets	**254,048**	**331,969**
Total assets	**$ 506,621,195**	**$ 76,843,301**
Current liabilities		
Trade and other payables	$ 4,359,923	$ 254,972
Short-term portion of operating lease liabilities	158,221	153,629
Accrued expenses and other current liabilities	2,616,482	7,256,845
Total current liabilities	**7,134,626**	**7,665,446**
Non-current liabilities		
Long-term portion of operating lease liabilities	53,017	128,951
Pension liability	323,597	282,206
Total non-current liabilities	**376,614**	**411,157**
Total liabilities	**7,511,240**	**8,076,603**
Commitments and contingencies (Note 15)		
Equity (deficit)		
Class A Ordinary Shares: $0.0001 par value; 500,000,000 shares authorized; 53,486,810 shares issued and outstanding as of June 30, 2023; 38,977,600 shares issued and outstanding as of December 31, 2022	5,349	3,898
Class C Ordinary Shares: $0.0001 par value; 100,000,000 shares authorized; 8,959,195 shares issued and outstanding as of June 30, 2023; 13,723,511 shares issued and outstanding as of December 31, 2022	896	1,373
Additional paid-in capital	589,549,979	129,192,291
Accumulated deficit	(99,794,347)	(80,650,212)
Accumulated other comprehensive income	35,124	350,946
Total shareholders' equity	**489,797,001**	**48,898,296**
Noncontrolling interests	9,312,954	19,868,402
Total equity	**499,109,955**	**68,766,698**
Total liabilities and equity	**$ 506,621,195**	**$ 76,843,301**

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

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Amounts in USD, except share and per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Operating expenses				
Research and development	(8,703,849)	(11,400,541)	$ (16,118,949)	$ (21,655,404)
General and administrative	(4,482,041)	(6,251,636)	(9,998,510)	(11,939,088)
Total operating expenses	**(13,185,890)**	**(17,652,177)**	**(26,117,459)**	**(33,594,492)**
Operating loss	**(13,185,890)**	**(17,652,177)**	**(26,117,459)**	**(33,594,492)**
Other income, net	842,652	245,130	1,566,242	314,635
Loss before income tax	**(12,343,238)**	**(17,407,047)**	**(24,551,217)**	**(33,279,857)**
Income tax expense	(10,149)	(9,282)	(21,157)	(16,614)
Net loss	**$ (12,353,387)**	**$ (17,416,329)**	**$ (24,572,374)**	**$ (33,296,471)**
Of which: net loss attributable to controlling interests shareholders	*(10,139,279)*	*(12,120,719)*	*(19,144,135)*	*(22,754,974)*
Of which: net loss attributable to noncontrolling interests shareholders	*(2,214,108)*	*(5,295,610)*	*(5,428,239)*	*(10,541,497)*
Net unrealized loss on marketable securities and short term investments	(415,225)	—	(390,753)	—
Actuarial gain (loss) on employee benefit plans	(16,336)	101,597	(58,481)	367,866
Other comprehensive income (loss)	(431,561)	101,597	(449,234)	367,866
Comprehensive loss	**$ (12,784,948)**	**$ (17,314,732)**	**$ (25,021,608)**	**$ (32,928,605)**
Comprehensive loss attributable to controlling interests shareholders	*(10,488,185)*	*(12,052,683)*	*(19,505,667)*	*(22,508,629)*
Comprehensive loss attributable to noncontrolling interests	*(2,296,763)*	*(5,262,049)*	*(5,515,941)*	*(10,419,976)*
Weighted-average number of Class A Ordinary Shares, basic and diluted	43,718,464	35,201,713	41,403,084	20,191,072
Basic and diluted net loss per share attributable to controlling interests shareholders	**$ (0.23)**	**$ (0.34)**	**$ (0.46)**	**$ (1.13)**

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

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(Amounts in USD, except share data)

(Unaudited)

	MoonLake AG Series A Preferred Shares		MoonLake AG Common Shares		MoonLake AG Common Shares Held In Treasury		Class A Ordinary Shares		Class C Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)	Noncontrolling Interests	Total Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount						
Balance at December 31, 2021 (As previously reported)	**680,196**	**$ 72,466**	**361,528**	**$ 38,537**	**(57,756)**	**$ (6,202)**	**—**	**$ —**	**—**	**$ —**	**$ 42,061,984**	**$ (53,643,615)**	**$ (168,177)**	**$ (11,645,007)**	**$ —**	**$ (11,645,007)**
Retroactive application of the recapitalization due to the Business Combination[1]	22,200,712	—	11,799,803	—	(1,885,081)	—	—	—	—	—	—	—	—	—	—	—
Balance at December 31, 2021	**22,880,908**	**72,466**	**12,161,331**	**38,537**	**(1,942,837)**	**(6,202)**	**—**	**—**	**—**	**—**	**42,061,984**	**(53,643,615)**	**(168,177)**	**(11,645,007)**	**—**	**(11,645,007)**
Share-based compensation granted under the equity incentive plan ESPP, and reverse vesting of Restricted Founder Shares	—	—	—	—	1,177,354	3,791	—	—	—	—	1,988,871	—	—	**1,992,662**	**—**	**1,992,662**
Net loss for the three months ended March 31, 2022	—	—	—	—	—	—	—	—	—	—	—	(15,880,142)	—	**(15,880,142)**	**—**	**(15,880,142)**
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	266,269	**266,269**	**—**	**266,269**
Balance at March 31, 2022	**22,880,908**	**$ 72,466**	**12,161,331**	**$ 38,537**	**(765,483)**	**$ (2,411)**	**—**	**$ —**	**—**	**$ —**	**$ 44,050,855**	**$ (69,523,757)**	**$ 98,092**	**$ (25,266,218)**	**$ —**	**$ (25,266,218)**
Noncontrolling interests recognized on historical net assets of MoonLake AG in connection with the Business Combination		$ (23,939)		$ (12,730)		$ 797					$ (14,551,870)	$ 22,966,652	$ (32,404)	**$ 8,346,506**	**$ (8,346,506)**	**$ —**
Conversion of MoonLake AG shares into Class A Ordinary Shares and issuance of Class C Ordinary shares following the Business Combination	(22,880,908)	$ (48,527)	(12,161,331)	$ (25,807)	765,483	$ 1,614	18,501,284	$ 1,850	15,775,472	$ 1,578	$ 70,870			**$ 1,578**	**$ —**	**$ 1,578**
Issuance of Class A Ordinary Shares upon Business Combination	—	$ —	—	$ —	—	$ —	18,424,355	$ 1,843	—	$ —	$ 90,782,089	$ —	$ —	**$ 90,783,932**	**$ 43,869,269**	**$ 134,653,201**
Share-based compensation granted under the equity incentive plan ESPP, ESOP, reverse vesting of Restricted Founder Shares and 2022 MoonLake Immunotherapeutics Equity Incentive Plan	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	$ 1,701,614	$ —	$ —	**$ 1,701,614**	**$ 782,609**	**$ 2,484,223**
Net loss for the three months ended June 30, 2022	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	$ —	$ (12,120,719)	$ —	**$ (12,120,719)**	**$ (5,295,610)**	**$ (17,416,329)**
Other comprehensive income	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	$ —	$ —	$ 68,035	**$ 68,035**	**$ 33,562**	**$ 101,597**
Balance at June 30, 2022	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**36,925,639**	**$ 3,693**	**15,775,472**	**$ 1,578**	**$ 122,053,558**	**$ (58,677,824)**	**$ 133,723**	**$ 63,514,728**	**$ 31,043,324**	**$ 94,558,052**

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

[1] As defined in Note 2 — *Business Combination Agreement with Helix and Recapitalization* included in MoonLake's audited financial statements and notes thereto for the year ended December 31, 2022 included in MoonLake's Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on March 20, 2023

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(Amounts in USD, except share data)

(Unaudited)

	Class A Ordinary Shares		Class C Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity (Deficit)	Noncontrolling Interests	Total Equity (Deficit)
	Shares	Amount	Shares	Amount						
Balance at December 31, 2022	**38,977,600**	**$ 3,898**	**13,723,511**	**$ 1,373**	**$ 129,192,291**	**$ (80,650,212)**	**$ 350,946**	**$ 48,898,296**	**$ 19,868,402**	**$ 68,766,698**
Share-based compensation under the equity incentive plan ESPP, ESOP, 2022 MoonLake Immunotherapeutics Equity Incentive Plan and reverse vesting of Restricted Founder Shares	—	—	—	—	1,875,992	—	—	**1,875,992**	**701,195**	**2,577,187**
Refund of stamp duty fees	—	—	—	—	3,517	—	—	**3,517**	**1,406**	**4,923**
Net loss for the three months ended March 31, 2023	—	—	—	—	—	(9,004,856)	—	**(9,004,856)**	**(3,214,131)**	**(12,218,987)**
Other comprehensive loss	—	—	—	—	—	—	(12,625)	**(12,625)**	**(5,047)**	**(17,672)**
Conversion of MoonLake Class C Ordinary Shares into Class A Ordinary Shares	176,603	18	(176,603)	(18)	237,049	—	1,787	**238,836**	**(238,836)**	**—**
Balance at March 31, 2023	**39,154,203**	**$ 3,916**	**13,546,908**	**$ 1,355**	**$ 131,308,849**	**$ (89,655,068)**	**$ 340,108**	**$ 41,999,160**	**$ 17,112,989**	**$ 59,112,149**
Share-based compensation under the equity incentive plan ESPP, ESOP, 2022 MoonLake Immunotherapeutics Equity Incentive Plan and reverse vesting of Restricted Founder Shares	—	$ —	—	$ —	$ 1,247,416	$ —	$ —	**$ 1,247,416**	**$ 250,245**	**$ 1,497,661**
Issuance of Class A Ordinary Shares, net of transaction costs (Note 11)	9,744,894	$ 974	—	$ —	$ 451,284,119	$ —	$ —	**$ 451,285,093**	**$ —**	**$ 451,285,093**
Net loss for the three months ended June 30, 2023	—	$ —	—	$ —	$ —	$ (10,139,279)	$ —	**$ (10,139,279)**	**$ (2,214,108)**	**$ (12,353,387)**
Other comprehensive loss	—	$ —	—	$ —	$ —	$ —	$ (348,906)	**$ (348,906)**	**$ (82,655)**	**$ (431,561)**
Conversion of MoonLake Class C Ordinary Shares into Class A Ordinary Shares	4,587,713	$ 459	(4,587,713)	$ (459)	$ 5,709,595	$ —	$ 43,922	**$ 5,753,517**	**$ (5,753,517)**	**$ —**
Balance at June 30, 2023	**53,486,810**	**$ 5,349**	**8,959,195**	**$ 896**	**$ 589,549,979**	**$ (99,794,347)**	**$ 35,124**	**$ 489,797,001**	**$ 9,312,954**	**$ 499,109,955**

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

MOONLAKE IMMUNOTHERAPEUTICS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in USD)

(Unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash flow from operating activities		
Net loss	$ (24,572,374)	$ (33,296,471)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6,579	5,776
Share-based payment	4,074,848	4,473,094
Net periodic pension benefit (gain) cost for the qualified pension plan	(26,776)	151,380
Other non-cash items	25,524	20,913
Changes in operating assets and liabilities:		
Other receivables	(402,638)	(408,274)
Prepaid expenses	219,085	(3,663,606)
Trade and other payables	4,104,951	(778,229)
Accrued expenses and other current liabilities, excl. capital tax	(4,612,454)	(1,450,930)
Net cash flow used in operating activities	**(21,183,255)**	**(34,946,347)**
Cash flow from investing activities		
Proceeds from maturities of short-term marketable debt securities	32,324,585	—
Purchase of property and equipment	—	(16,008)
Net cash flow provided by (used in) investing activities	**32,324,585**	**(16,008)**
Cash flow from financing activities		
Issuance of Class A Ordinary Shares, net of transaction costs (Note 11)	451,285,093	—
Proceeds from Business Combination	—	134,646,009
Contribution for Par Value of Class V Shares	—	42,935
Repayment of loan liability	—	(15,000,000)
Net cash flow provided by financing activities	**451,285,093**	**119,688,944**
Effect of movements in exchange rates on cash held	(145,053)	(57,502)
Net change in cash and cash equivalents	**462,281,370**	**84,669,087**
Cash and cash equivalents, beginning of period	39,505,627	8,038,845
Cash and cash equivalents, end of period	**$ 501,786,997**	**$ 92,707,932**

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 engaged in leveraging Nanobody® technology to develop next-level medicines for immunologic diseases, including inflammatory skin and joint diseases. MoonLake Immunotherapeutics focuses on developing its novel tri-specific Nanobody® Sonelokimab ("SLK"), an IL-17A and IL-17F inhibitor, in multiple inflammatory diseases in dermatology and rheumatology where the pathophysiology is known to be driven by IL-17A and IL-17F.

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 financial statements and notes thereto for the year ended December 31, 2022 included in MoonLake's Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the Securities and Exchange Commission ("SEC") on March 20, 2023 (the "Annual Report")) consummated on April 5, 2022 (the "Closing Date"), 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") and MoonLake Immunotherapeutics Ltd., a private limited company incorporated in the United Kingdom, after elimination of all intercompany accounts and transactions. The accompanying unaudited condensed consolidated financial statements and notes hereto have been prepared in conformity with the rules and regulations of the SEC for interim financial reporting and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as set forth by the Financial Accounting Standards Board ("FASB"). 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 six months ended June 30, 2023 and 2022 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 six months ended June 30, 2023 and 2022 have been prepared on the same basis as and should be read in conjunction with MoonLake's audited financial statements and notes thereto for the year ended December 31, 2022 included in the Annual Report.

All amounts are presented in U.S. Dollar ("$"), 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 "€" refers to euros.

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 the in-process research and development expenditure ("IPR&D") has an alternative future use;

- determining assumptions used in determining 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 operation may be affected.

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. As of June 30, 2023 and 2022, the Company did not have any cash equivalents.

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 will assess 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 "Interest and dividend income". 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 (loss)" component of shareholders' equity (deficit) 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.

A decline in the fair value of any security below cost that is deemed other than temporary results in a charge to earnings and the corresponding establishment of a new cost basis for the security. Dividend and interest income are recognized when earned. Realized gains and losses are included in earnings 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.

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 100,000 deposit protection limit in Switzerland, the $250,000 Federal Deposit Insurance Corporation deposit insurance coverage limit in the United States, or the GBP 85,000 Financial Services Compensation Scheme deposit protection limit in the United Kingdom. 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

The Company follows the guidance included in ASC 820, *Fair Value Measurement*. 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.

Segment Information

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

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 June 30, 2023, property and equipment, net relates to information technology and office equipment.

Research and Development Contract Costs and Accruals

Research and development expenses include employee payroll, consulting, contract research and contract manufacturing costs attributable to research and development activities and 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.

Share-Based Transaction

Goods or services received in a share-based payment transaction are measured using a fair value-based measure.

Stock-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 judgements 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 has historically been estimated by management with reference to the market-based transaction with the other Series A Preferred Shares 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. Revenue and expenses are translated at the daily exchange rate on the respective accounting date.

Gains or losses from foreign currency translation are included in the consolidated statement of operations in "other income, net". The Company recognized foreign currency transaction gain of $108,844 and $280,652 for the three and six months ended June 30, 2023 ("the period ended June 30, 2023"), respectively. For the three and six months ended June 30, 2022, the Company recognized a foreign currency transaction gain of $268,292 and $340,553, 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 Benefits

The Company accounts for pension assets and liabilities in accordance with ASC 715, *Compensation – Retirement Benefits*, which requires the recognition of the funded status of pension plans in the Company's consolidated balance sheet. 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 June 30, 2023 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 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 consolidated statement of operations 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 (loss).

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases Topic 842* ("*ASU 2016-02*"). The guidance in ASU 2016-02 supersedes the lease recognition requirements in ASC 840, Leases. ASU 2016-02 requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases, along with additional qualitative and quantitative disclosures. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted.

In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, which allows entities to elect a modified retrospective transition method where entities may continue to apply the existing lease guidance during the comparative periods and apply the new lease requirements through a cumulative effect adjustment in the period of adoptions rather than in the earliest period presented.

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. The Company has one operating lease related to the office space located in Dorfstrasse 29, 6300, Zug, Switzerland. The operating lease is 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 ("RoU") 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.

Recently Issued Accounting Pronouncements not yet Adopted

The Company is an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012. As such the Company is eligible for exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including reduced reporting and extended transition periods to comply with new or revised accounting standards for public business entities. The Company has elected to avail itself of this exemption and, therefore, will not be subject to the timeline for adopting new or revised accounting standards for public business entities that are not emerging growth companies, and will follow the transition guidance applicable to private companies.

Based on the aggregate market value of the Company's Class A Ordinary Shares held by non-affiliates as of June 30, 2023, the Company believes it will become a "large accelerated filer" and no longer qualify as an emerging growth company or smaller reporting company as of December 31, 2023. Because the Company believes its emerging growth company and non-accelerated filer status will expire on December 31, 2023, the Company may be required, pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, to include in its Annual Report on Form 10-K for the year ending December 31, 2023 an attestation report as to the effectiveness of the Company's internal control over financial reporting that is issued by its independent registered public accounting firm. In addition, beginning with the Company's

Quarterly Report on Form 10-Q for the quarter ending March 31, 2024, it expects to no longer be permitted to take advantage of the reduced reporting requirements applicable to smaller reporting companies.

Recently issued accounting pronouncements not yet adopted, that the Company plans to adopt, are not expected to have a material impact on the Company's consolidated financial position, operating results, cash flows, or disclosures.

Note 3 – Risks and Liquidity

Going Concern, Liquidity and Capital Resources

The Company incurred a loss of $24.6 million for the six months ended June 30, 2023. As of June 30, 2023, the Company's current assets exceeded its current liabilities by $499.2 million.

As of June 30, 2023, the Company had $501.8 million of cash and cash equivalents. Based on the Company's current operating plan, management believes that the Company has sufficient capital to fund its operations and capital expenditures until 2026.

Note 4 – 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:

	June 30, 2023		December 31, 2022	
	Level 2	**Total**	**Level 2**	**Total**
Eurocommercial Papers	$ —	$ —	$ 42,552,608	$ 42,552,608
Certificates of Deposit	—	—	9,937,899	9,937,899
Total	**$ —**	**$ —**	**$ 52,490,507**	**$ 52,490,507**
Of which classified within cash and cash equivalents	—	—	19,881,399	19,881,399
Of which classified within short-term marketable debt securities	—	—	32,609,108	32,609,108

Cash, accounts payable and accrued liabilities approximate their fair values as of June 30, 2023 and December 31, 2022, due to their short-term nature. Pension plan assets fair value is determined based on Level 2 inputs.

Note 5 – Investments

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 accumulated other comprehensive income:

Beginning balance, January 1, 2023	**$ 390,753**
Other comprehensive income before reclassifications	947,313
Amounts reclassified from accumulated other comprehensive income	(1,338,066)
Net current-period other comprehensive income (loss)	**(390,753)**
Ending balance, June 30, 2023	**$ —**

As of June 30, 2023, the Company does not have any investments in marketable debt securities outstanding.

Note 6 — Prepaid Expenses

	June 30, 2023	December 31, 2022
Insurances	$ 2,078,431	$ 1,416,597
Non-clinical research and clinical development services	1,508,962	2,443,863
Other prepayments	372,990	319,008
Total	**$ 3,960,383**	**$ 4,179,468**

Prepaid expenses as of June 30, 2023 primarily relate to services expected to be received within the next 12 months.

Note 7 — Trade and Other Payables

	June 30, 2023	December 31, 2022
Research and development services and license fees	$ 3,704,709	$ 31,687
Supply and manufacturing fees payable	270,754	65,979
Other consulting and advisory services	107,953	51,658
Legal and intellectual property (“IP”) advisory fees payable	50,536	40,532
Other payables	225,971	65,116
Total	**$ 4,359,923**	**$ 254,972**

Note 8 — Accrued Expenses and Other Current Liabilities

	June 30, 2023	December 31, 2022
Research and development services and license fees	$ 1,135,176	$ 5,803,432
Bonuses and related employees compensation expenses	904,080	1,109,734
Consultant, tax and other fees	298,556	327,847
Legal fees	278,670	15,832
Total	**$ 2,616,482**	**$ 7,256,845**

Research and development expenses accrued for the six months ended June 30, 2023 primarily relate to the accrual of milestone payments in connection with Phase 2 clinical trials in the amount of $0.8 million.

Note 9 — Leases

In August 2021, the Company entered into an open-ended office lease agreement to lease approximately 2,300 square feet of space on the last two floors of the building located at Dorfstrasse 29, 6300 Zug, Switzerland (the “Office Lease") which was effective November 1, 2021. The Company estimated the effective duration of the Office Lease at inception and determined a period of 3 years, with expected expiration in November 2024.

Payments under the Office Lease are fixed. The annual discount rate applied is 0.8%.

The future minimum annual lease payments under these operating leases as of June 30, 2023 are as follows:

Three months ended June 30, 2023		**Amount**
2023 (remaining 6 months)	$	79,657
2024		132,761
Total lease payments		**212,418**
Less imputed interest		(1,180)
Total lease liability		**211,238**
Less current portion of operating lease liability		(158,221)
Long-term portion operating lease liability	**$**	**53,017**

The Company recorded lease expense related to its operating lease right of use asset of $78,270 for the period ended June 30, 2023.

Note 10 — 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 June 30, 2023 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

	Three months ended June 30, 2023	**Three months ended June 30, 2022**	**Six Months Ended June 30, 2023**	**Six Months Ended June 30, 2022**
Service cost	$ 30,663	$ 109,607	$ 60,477	$ 225,965
Interest cost	7,657	1,229	15,102	2,533
Expected return on plan assets	(9,127)	(3,771)	(18,002)	(7,775)
Amortization of unrecognized loss	—	442	—	910
Total Net Periodic Benefit Cost	**$ 29,193**	**$ 107,507**	**$ 57,577**	**$ 221,633**

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

Employer Contributions under the Plan

For the six months ended June 30, 2023, $86,473 (CHF 76,810) of contributions were made to the Plan. The Company presently anticipates contributing an additional estimated amount of $86,473 (CHF 76,810) to fund the Plan in 2023 for a total of $172,945 (CHF 153,620).

Note 11 — Shareholders' Equity (Deficit)

	Class A Ordinary Shares[1]		Class C Ordinary Shares[1]		Total Number of Ordinary Shares	
	Authorized	Issued	Authorized	Issued	Authorized	Issued and Outstanding
Balance - January 1, 2023	**500,000,000**	**38,977,600**	**100,000,000**	**13,723,511**	**600,000,000**	**52,701,111**
Conversion of Class C Ordinary Shares into Class A Ordinary Shares	—	176,603	—	(176,603)	—	—
Balance - March 31, 2023	**500,000,000**	**39,154,203**	**100,000,000**	**13,546,908**	**600,000,000**	**52,701,111**
Conversion of Class C Ordinary Shares into Class A Ordinary Shares	—	4,587,713	—	(4,587,713)	—	—
Issuance of Class A Ordinary Shares	—	9,744,894	—	—	—	**9,744,894**
Balance - June 30, 2023	**500,000,000**	**53,486,810**	**100,000,000**	**8,959,195**	**600,000,000**	**62,446,005**

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

As of June 30, 2023, the Company had the following classes of shares:

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 June 30, 2023, there were 53,486,810 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 June 30, 2023, there were 8,959,195 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 (the "Closing"), MoonLake, MoonLake AG and each ML Party 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 (as defined in Note 2 — *Business Combination Agreement with Helix and Recapitalization* included in MoonLake's audited financial statements and notes thereto for the year ended December 31, 2022 included in the Annual Report), (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 (as defined in Note 3 — *Basis of Presentation* included in MoonLake's audited financial statements and notes thereto for the year ended December 31, 2022 included in the Annual Report). On April 3 and 5, 2023, and on June 2, 2023, pursuant to the A&R Shareholders' Agreement, certain ML Parties, which include certain executive officers of the Company, submitted exchange notices to the Company, pursuant to which such ML Parties effected, in the aggregate, the conversion of 136,382 MoonLake AG Common Shares and 4,587,713 Class C Ordinary Shares into 4,587,713 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 with SVB Securities LLC (the "Sales Agreement"), through which the Company may issue and sell up to $200,000,000 of its Class A Ordinary Shares ("the ATM Shares"), through SVB Securities LLC as its sales agent. The ATM Shares to be sold under the 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 may be issued and sold under the Sales Agreement to $0 and no longer intends to sell the Class A Ordinary Shares under the Sales Agreement unless the Company files a further prospectus supplement indicating an amount of shares proposed to be sold. As of June 30, 2023, 544,894 Class A Ordinary Shares have been sold under the Sales Agreement, for aggregate net proceeds of approximately $14.6 million, after deducting sales agent's commissions and transaction costs in the amount of $0.6 million.

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.

Note 12 — Net Loss per Share

As a result of the Business Combination, the Company has retroactively restated the weighted average number of outstanding shares prior to April 5, 2022 to give effect to the Exchange Ratio.

The following table sets forth the loss per share calculations for the three and six months ended June 30, 2023 compared to the three and six months ended June 30, 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Numerator				
Net loss attributable to controlling interests shareholders	$ (10,139,279)	$ (12,120,719)	$ (19,144,135)	$ (22,754,974)
Denominator				
Total weighted average number of outstanding shares	43,718,464	35,201,713	41,403,084	20,191,072
Net loss per share – basic and diluted	**$ (0.23)**	**$ (0.34)**	**$ (0.46)**	**$ (1.13)**

The weighted average number of shares used to calculate the net loss per share – basic for the three and six months ended June 30, 2023 excludes 8,959,195 Class C Ordinary Shares as they do not carry economic rights.

In the event that ML Parties (other than Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., and Biotechnology Value Trading Fund OS, L.P.) elected to convert their 266,336 MoonLake AG Common Shares into 8,959,195 Class A Ordinary Shares, the weighted average number of shares outstanding would have been 52,915,167 and 52,808,731 for the three and six months ended June 30, 2023, resulting in a net loss per share of $(0.23) and $(0.47), respectively. Upon conversion, 8,959,195 Class C Ordinary Shares would be forfeited and there would no longer be any noncontrolling interests.

Upon conversion, the Company's number of Class A Ordinary Shares outstanding would be 62,446,005 as of August 10, 2023, the date the unaudited condensed consolidated financial statements were issued.

Note 13 — Share-based Compensation

As at June 30, 2023 the Company had the following share-based compensation arrangements:

a. Restricted Founder Shares (as defined below) – created in April 2021 by MoonLake AG;
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;
d. MoonLake Immunotherapeutics 2022 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.

As a result of the Business Combination, the Company has adjusted the share numbers related to the Restricted Founder Shares and Common Shares (under the ESPP and ESOP) prior to the Business Combination by the Exchange Ratio. The assumptions used in the valuation of the awards granted prior to the Closing have not been adjusted. The reference to “Common Shares” refers to shares in MoonLake AG.

MoonLake AG's compensation plans are settled with Common Shares, and with a number of Class C Ordinary Shares 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 11 — *Shareholders’ Equity (Deficit) - Class C Ordinary Shares*).

For the three and six months ended June 30, 2023, the Company has recognized an increase in equity in the condensed consolidated balance sheet, and share-based compensation expense in the condensed consolidated statement of operations of $1.5 million and $4.1 million, respectively. The share-based compensation expense was driven by the following share-based compensation plans and programs:

Compensation Plan	Three months ended June 30, 2023	Three months ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
MoonLake AG Restricted Founder Shares	$ 364,218	$ 1,197,953	$ 1,574,300	$ 2,408,035
ESPP	771,313	1,056,516	1,828,267	1,749,194
ESOP	171,058	114,615	359,297	200,726
MoonLake Immunotherapeutics 2022 Equity Incentive Plan	191,072	115,139	312,984	115,139
Total share-based compensation expense	**$ 1,497,661**	**$ 2,484,223**	**$ 4,074,848**	**$ 4,473,094**
Of which: included in research and development expense	*301,104*	*138,037*	*888,098*	*218,930*
Of which: included in general and administrative expense	*1,196,557*	*2,346,186*	*3,186,750*	*4,254,164*

As of June 30, 2023, 22,756 treasury shares (the equivalent of 765,482 Class C Ordinary Shares) and 13,408 Common Shares (the equivalent of 451,028 Class C Ordinary Shares) issuable from the authorized conditional capital shares remain available for future grants under the ESPP and the ESOP by MoonLake AG.

MoonLake AG - Restricted Founder Shares

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. If, before the end of the vesting period, the contractual relationship of the relevant co-founders was terminated, MoonLake AG in first priority, or any third party designated by it, and the other shareholders in second priority pro rata to their shareholdings, would have had an option to purchase all or a pro rata portion of the shares of the leaver that were unvested on the day the termination became effective at nominal value of CHF 0.10 (equivalent of $0.0001) per share.

The assumptions used in the valuation of the Restricted Founder Shares awarded are summarized below:

Grant date	4/28/2021
Estimated fair value per share of Restricted Founder Shares on the grant date ($) [(1)]	49
Estimated fair value of Restricted Founder Shares on the resignation date of one of the co-founders of MoonLake AG ($) [(2)]	336.39
Purchase price (CHF)	0.10

[(1)] MoonLake AG estimated the fair value of the Restricted Founder Shares with reference to the market-based transaction with the other Series A Preferred Shares Investors (refer to Note 9 of MoonLake AG's audited consolidated financial statements for the year ended December 31, 2021, as filed by Helix Acquisition Corp. together with its revised definitive proxy soliciting materials with the SEC on March 4, 2022.

[(2)] MoonLake AG estimated the fair value of the Restricted Founder Shares at co-founder's resignation date by dividing the Company Enterprise Value ($360,000,000) as defined by the Business Combination Agreement by the Company's fully diluted shares (1,070,196).

Grants awarded

Program	Restricted Founder Shares
Awards unvested at January 1, 2022	**4,440,308**
Awards vested for the six months ended June 30, 2022	(1,665,116)
Awards unvested at June 30, 2022	**2,775,192**
Awards unvested at January 1, 2023	**1,110,078**
Awards vested for the six months ended June 30, 2023	(1,110,078)
Awards unvested at June 30, 2023	**—**

Employee Share Participation Plan (ESPP) 2021-2025 - 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. For awards made after September 30, 2021, the Closing between MoonLake AG and Helix Acquisition Corp. ("Helix") does not qualify as a Change of Control.

ESPP 2021	
Assumptions for the awards issued during the six months ended June 30, 2022	
Grant dates	01/18/2022
Estimated fair value per share of Common Shares on the grant date ($) [(1)]	336.39
Purchase price (CHF)	0.10

[(1)] MoonLake AG estimated the fair value of the Common Shares by dividing the Company Enterprise Value ($360,000,000) as defined by the Business Combination Agreement by the Company's fully diluted shares (1,070,196).

Grants awarded

Program	ESPP
Awards issued as of January 1, 2022	**1,060,561**
Additional awards granted for the six months ended June 30, 2022	1,177,354
Awards issued as of June 30, 2022	**2,237,915**
Of which vested at June 30, 2022	—
Awards issued as of January 1. 2023	**2,237,915**
Additional awards granted for the six months ended June 30, 2023	—
Awards issued as of June 30, 2023	**2,237,915**
Of which vested at June 30, 2023	**1,452,115**

As of June 30, 2023, MoonLake AG had $7.7 million of total unrecognized compensation expense related to the ESPP that will be recognized over the weighted average period of 2.55 years.

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

The ESOP 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, options 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. For awards made after September 30, 2021, the Closing between MoonLake AG and Helix does not qualify as a Change of Control.

ESOP 2021	
Weighted average assumptions for the awards issued during the six months ended June 30, 2022	
Grant dates	**05/01/2022, 06/22/2022**
Estimated fair value of the option on the grant date using Black-Scholes model ($)	4.21
Exercise price (USD)	3.64
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]	3%
Expected dividend rate	0%

[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 six months ended June 30, 2023	
Grant dates	**01/01/2023, 04/24/2023**
Estimated fair value of the option on the grant date using Black-Scholes model ($)	8.48
Exercise price (USD)	12.51
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]	3%
Expected dividend rate	0%

[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.

Grants awarded

Program	**ESOP**
Awards issued as of January 1, 2022	**224,033**
Additional awards granted for the six months ended June 30, 2022	242,737
Awards issued as of June 30, 2022	**466,770**
Of which exercisable at June 30, 2022	**—**
Awards issued as of January 1, 2023	**466,770**
Additional awards granted for the six months ended June 30, 2023	55,100
Awards issued as of June 30, 2023	**521,870**
Of which exercisable at June 30, 2023	**186,593**

As of June 30, 2023, MoonLake AG had $1.9 million of total unrecognized compensation expense related to the ESOP that will be recognized over the weighted average period of 2.74 years.

MoonLake Immunotherapeutics 2022 Equity Incentive Plan

On April 5, 2022 (the "Effective Date") the Company created the "MoonLake Immunotherapeutics 2022 Equity Incentive Plan" (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.

Weighted average assumptions for the awards issued during the six months ended June 30, 2022

Grant dates	**04/06/2022**
Estimated fair value of the option on the grant date using Black-Scholes model ($)	8.25
Exercise price (CHF)	12.25
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)]	3%
Expected dividend rate	-

[(2)] The expected term represents the period that share-based awards are expected to be outstanding.
[(3)] The expected volatility was derived from the historical stock volatilities of comparable peer public companies within the Company's industry.
[(4)] 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 six months ended June 30, 2023

Grant dates	**06/08/23**
Estimated fair value of the option on the grant date using Black-Scholes model ($)	19.92
Exercise price (CHF)	29.18
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%
Expected dividend rate	0

[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.

Grants awarded	
Program	**MoonLake Immunotherapeutics 2022 Equity Incentive Plan**
Awards issued as of January 1, 2022	**—**
Additional awards granted for the three months ended June 30, 2022	180,000
Awards issued as of June 30, 2022	**180,000**
Of which exercisable at June 30, 2022	**—**
Awards issued as of January 1, 2023	**180,000**
Additional awards granted for the six months ended June 30, 2023	56,485
Awards issued as of June 30, 2023	**236,485**
Of which exercisable at June 30, 2023	**60,000**

As of June 30, 2023, the Company had $1.9 million of total unrecognized compensation expense related to the Equity Incentive Plan that will be recognized over the weighted average period of 1.57 years.

Note 14 — Income Taxes

The Company's effective tax rate ("ETR") was 0.1% and 0.1% for the three and six months ended June 30, 2023, respectively, and 0.0% and 0.0% for the three and six months ended June 30, 2022, 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.

Note 15 — Commitments and Contingencies

Commitments

The Company has entered into agreements as of June 30, 2023 primarily in regard to clinical and non-clinical research program expenses for SLK.

As of June 30, 2023, the total committed amount under these agreements not yet recognized amounted to $20.1 million.

The Company's In-License Agreement 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 ($325.1 million using a June 30, 2023 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.

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 in the consolidated statement of operations when net sales are recognized.

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 six months ended June 30, 2023, appearing elsewhere in this quarterly report ("Quarterly Report") on Form 10-Q, and with MoonLake's audited financial statements and notes thereto for the year ended December 31, 2022 included in our Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on March 20, 2023 (our "Annual Report"). Our unaudited condensed consolidated financial statements as of and for the three and six months ended June 30, 2023 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 Regarding 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, and the plans and objectives of management for future operations and capital expenditures, and other information referred to in the sections title "Business" and "Risk Factors" in our Annual Report and "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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. Our actual results and the timing of events could differ materially from those anticipated in the forward-looking statements. Factors that could cause or contribute to these differences include but are not limited to those discussed below and elsewhere in this Quarterly Report, and in the section titled "Risk Factors" included in our Annual Report. These forward-looking statements are subject to a number of important risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, including but not limited to:

- 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, also known as M1095/ALX 0761, which we license from Merck Healthcare KGaA, Darmstadt, Germany, an affiliate of Merck KGaA, Darmstadt, Germany;
    - 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, increasing interest rates, and changes in monetary policy, banking institution instability and the prospect of a shutdown of the U.S. federal government;
- while we have initiated clinical trials, we have not completed any clinical trials, and 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" 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. Our novel tri-specific Nanobody®, Sonelokimab ("SLK"), is an IL-17A and IL-17F inhibitor that has the potential, based on high response levels in clinical trials, to drive disease modification in dermatology and rheumatology patients.

The terms "Nanobody" and "Nanobodies" used herewith are registered trademarks of Ablynx, a Sanofi company ("Ablynx"). SLK is a proprietary Nanobody exclusively licensed from Merck Healthcare KGaA, Darmstadt, Germany, an affiliate of Merck KGaA, Darmstadt, Germany ("MHKDG"). Nanobodies are able to bind selectively to a specific antigen with high affinity. Nanobodies have the same or higher affinity and specificity compared to traditional

antibodies, yet have a fraction of the molecular weight. They offer a number of potential advantages including an easier manufacturing process, a higher thermostability, and the potential to create multivalent molecules with enhanced ability to penetrate inflamed tissue, especially when containing an additional albumin binding domain such as SLK. We are developing a portfolio of therapeutic indications for SLK, and are focused on demonstrating its efficacy, safety and dosing convenience, initially in hidradenitis suppurativa ("HS") and psoriatic arthritis ("PsA"). We believe that SLK has a differentiated mechanism of action and potential to penetrate into deep skin and joint tissue. We envision SLK as a key therapeutic alternative in our initial target indications, and potentially in multiple other IL-17 driven inflammatory conditions. Building on the robust clinical data generated to date, we intend to further pursue the clinical development of SLK.

SLK was discovered by Ablynx, and was previously studied by MHKDG and Avillion LLP under a 2017 co-development agreement with MHKDG in a Phase 2b clinical trial in over 300 moderate-to-severe psoriasis ("PsO") patients. In addition, Phase 1 single ascending and multiple ascending dosing trials were previously completed, bringing the total number of patients in SLK-related trials to more than 400. In the Phase 2b study, SLK showed a significant improvement in the primary end point as compared with placebo and numerically outperformed the control group treated with the current standard of care, secukinumab (also known as Cosentyx). In the highest dosage group, 57% of patients achieved total skin clearance (Psoriasis Area Severity Index, or PASI 100 response) after 24 weeks. SLK was generally well tolerated, with a safety profile similar to the active control, secukinumab, and an overall Candida infection rate of 2.9% from week 0 to week 12 and 6.4% in the period from week 12 to week 52 across all doses. This study highlights SLK's promise as a treatment for inflammatory diseases and underscores the importance of the cytokines IL-17A and IL-17F by showing differentiated clinical outcomes between treatment with SLK (an inhibitor of IL17-A and IL-17F) and secukinumab (an inhibitor of IL-17A). We believe this study demonstrates how critical both IL17-A and IL-17F are in optimizing the balance between inflammatory response and infection defense.

We 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 initial target diseases (HS and PsA) among several other inflammatory conditions (including axial spondyloarthritis and moderate-to-severe PsO). Our initial target diseases affect millions of people worldwide, and we believe there is a need for improved treatment options. SLK's purposefully designed molecular characteristics, including its albumin binding site, are intended to facilitate deep tissue penetration in the skin and joints. In May 2022, we initiated our Phase 2 trial of SLK in patients with moderate-to-severe HS (the MIRA trial (M1095-HS-201)), and in December 2022, we initiated our Phase 2 trial in patients with active PsA (the ARGO trial (M1095-PSA-201)). In June 2023, we announced positive top-line results from our MIRA trial, which met its primary endpoint of Hidradenitis Suppurativa Clinical Response (HiSCR) 75. Top-line 24-week data is expected in mid-October 2023. The ARGO trial has received U.S. Food and Drug Administration ("FDA") clearance and U.S. central Institutional Review Board approval. In July 2023, we announced that we successfully completed patient randomization ahead of schedule. We expect a primary endpoint readout in the first half of November of this year. There are several additional indications that we could choose to explore, if warranted. Currently, we do not plan to initiate Phase 3 clinical trials in PsO, but we will continue to evaluate this option in the future.

On April 5, 2022, we completed the Business Combination (as defined below) which raised $134.7 million net of transaction related expenses. During the three months ended June 30, 2023, we completed two equity offerings which raised an additional $14.6 million and $436.7 million. As of June 30, 2023, we had $501.8 million of cash and cash equivalents. Based on our current operating plans, we believe that our existing cash and cash equivalents, together amounting to $501.8 million, will be sufficient to fund our operating expenses and capital expenditure requirements until 2026.

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 four 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.

Equity Offerings

At-the-Market Offering

On May 11, 2023, we entered into a Sales Agreement with SVB Securities LLC (the "Sales Agreement"), through which we may issue and sell up to $200,000,000 of our Class A Ordinary Shares ("the ATM Shares"), through SVB Securities LLC as sales agent. The ATM Shares to be sold under the 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, in connection with the Offering (as defined below), we reduced the maximum aggregate offering amount of our Class A Ordinary Shares that may be issued and sold under the Sales Agreement to $0 and no longer intend to sell the Class A Ordinary Shares under the Sales Agreement unless we file a further prospectus supplement indicating an amount of shares proposed to be sold.

As of June 30, 2023, 544,894 Class A Ordinary Shares have been sold under the Sales Agreement for aggregate net proceeds of approximately $14.6 million, after deducting sales agent's commissions and transaction cost in the amount of $0.6 million.

Public Offering of Class A Ordinary Shares

On June 27, 2023, we 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, 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.

Business Combination

On April 5, 2022, we consummated the previously announced business combination pursuant to that certain Business Combination Agreement, dated October 4, 2021 (the "Business Combination Agreement"), by and among Helix Acquisition Corp. ("Helix"), 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"), the existing equity holders of MoonLake AG set forth on the signature pages to the Business Combination Agreement and the equityholders of MoonLake AG that executed joinders to the Business Combination Agreement (collectively, the "ML Parties"), Helix Holdings LLC, a Cayman Islands limited liability company and the sponsor of Helix, and the representative of the ML Parties (such transactions contemplated by the Business Combination Agreement, collectively, the "Business Combination"). Pursuant to the Business Combination Agreement, MoonLake AG merged with and into Helix, with MoonLake AG as the surviving company in the Business Combination and, after giving effect to such Business Combination, MoonLake AG became our subsidiary. In connection with the consummation of the Business Combination, we changed our name from Helix Acquisition Corp. to MoonLake Immunotherapeutics.

The Business Combination was accounted for as a reverse recapitalization. Under this method of accounting, Helix was treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination was treated as the equivalent of MoonLake AG issuing shares for the net assets of Helix, accompanied by a recapitalization, whereby no goodwill or other intangible assets was recorded. Operations prior to the Business Combination are those of MoonLake AG.

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 and clinical studies;
- 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. Our clinical development costs are expected to increase significantly when we progress into Phase 3 clinical trials.

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 European Medicine Agency, 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:

- *Building the leading efficacy and safety profile of SLK for patients* — We expect to incur significant research and development expenses, and G&A expenses as we: (i) conduct and initiate further clinical trials for SLK; (ii) seek regulatory approvals for SLK; (iii) 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); (iv) establish a sales, marketing and distribution infrastructure to commercialize SLK; (v) attract, hire and retain additional clinical, scientific, quality control, and administrative personnel; and (vi) 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.
- *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 Phase 3 and 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.
- *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.
- *Licensing/broadening our portfolio* — 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 AG's Employee Stock Option Plan, MoonLake AG's Employee Share Participation Plan ("ESPP"), and MoonLake Immunotherapeutics 2022 Equity Incentive Plan. Further, we expect to continue to incur share-based compensation charges in connection with the above-mentioned plans.

We also expect to incur additional legal, accounting, investor relations and other expenses associated with operating as a public company and 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 Phase III clinical studies in Hidradenitis Suppurativa, and to submit a Biologics License Application ("BLA") 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 do not have any committed external source of funds. We expect to finance future cash needs through public or private equity or debt offerings 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. Revenue and expenses are translated at the daily exchange rate on the respective transaction date.

Gain or losses from foreign currency translation are included in "other income, net" in the unaudited condensed consolidated statement of operations. We recognized foreign currency transaction gain of $108,844 and $280,652 for the three and six months ended June 30, 2023, respectively. For the three and six months ended June 30, 2022, MoonLake AG recognized and a foreign currency transaction gain of $268,292 and $340,553, respectively.

Results of Operations

Comparison of the three months ended June 30, 2023 and 2022

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Change	Change %
Operating expenses				
Research and development	$ (8,703,849)	$ (11,400,541)	$ 2,696,692	(23.7) %
General and administrative	(4,482,041)	(6,251,636)	1,769,595	(28.3) %
Total operating expenses	**(13,185,890)**	**(17,652,177)**	**4,466,287**	**(25.3)%**
Operating loss	**(13,185,890)**	**(17,652,177)**	**4,466,287**	**(25.3)%**
Other income, net	842,652	245,130	597,522	243.8 %
Loss before income tax	**(12,343,238)**	**(17,407,047)**	**5,063,809**	**(29.1)%**
Income tax expense	(10,149)	(9,282)	(867)	9.3 %
Net loss	**(12,353,387)**	**(17,416,329)**	**5,062,942**	**(29.1)%**
Net unrealized loss on marketable securities and short term investments	(415,225)	—	(415,225)	—
Actuarial gain (loss) on employee benefit plans	(16,336)	101,597	(117,933)	(116.1) %
Other comprehensive income (loss)	**(431,561)**	**101,597**	**(533,158)**	**(524.8)%**
Comprehensive loss	**$ (12,784,948)**	**$ (17,314,732)**	**$ 4,529,784**	**(26.2)%**

Research and Development

Research and development expenses were $8.7 million for the three months ended June 30, 2023, compared to $11.4 million for the three months ended June 30, 2022. The decrease of $2.7 million was due to a decrease of $6.1 million related to research and development services and milestones expenses incurred under the In-License Agreement and a decrease of $1.9 million in relation to supply and logistic services for clinical development trials. The decreases were partially offset by an increase of $4.0 million in the expenses related to the conduct of clinical development trials with CROs, an increase of $0.3 million in personnel-related costs to support the research and development effort, an increase of $0.2 million related to contracted non-clinical research expenses, an increase of $0.2 million related to share-based compensation, and an increase of $0.6 million related to other research and development expenses.

General and Administrative

General and administrative expenses were $4.5 million for the three months ended June 30, 2023, compared to $6.3 million for the three months ended June 30, 2022. The decrease of $1.8 million was due to a decrease of $1.1 million in share-based compensation, a decrease of $1.0 million in professional and other fees sustained in anticipation of the Business Combination in connection with operating as a public company, a decrease of $0.2 million of insurance expenses, and a decrease of $0.1 million of marketing expenses. The decreases were partially offset by an increase of $0.3 million in personnel-related costs to support organizational growth, and $0.3 million related to other general and administrative expenses.

Other Income, Net

For the three months ended June 30, 2023, we recognized $0.8 million in other income, compared to an income of $0.2 million for the three months ended June 30, 2022. The increase of $0.6 million is primarily due to realized interest on cash investments in short-term marketable debt securities in the amount of $0.8 million.

Income Tax Expense

For the three months ended June 30, 2023 and June 30, 2022, we recognized an income tax expense of $10,149 and $9,282, respectively, which was related to corporate income tax of the U.K. subsidiary.

Other Comprehensive Income (Loss)

For the three months ended June 30, 2023, we recognized $0.4 million in other comprehensive loss, compared to an other comprehensive income of $0.1 million for the three months ended June 30, 2022. The decrease of $0.5 million is due to a change in the actuarial gain (loss) on employee benefit plans following a decrease in the discount rates used to measure the present value of the liabilities, which has increased the net liability position as of June 30, 2023, and to a reclassification of unrealized gains of our matured cash investments in short-term marketable debt securities from accumulated other comprehensive to "other income, net" in the consolidated statement of operations.

Comparison of the six months ended June 30, 2023 and 2022

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Change	Change %
Operating expenses				
Research and development	$ (16,118,949)	$ (21,655,404)	$ 5,536,455	(25.6) %
General and administrative	(9,998,510)	(11,939,088)	1,940,578	(16.3) %
Total operating expenses	**(26,117,459)**	**(33,594,492)**	**7,477,033**	**(22.3)%**
Operating loss	**(26,117,459)**	**(33,594,492)**	**7,477,033**	**(22.3)%**
Other income, net	1,566,242	314,635	1,251,607	397.8 %
Loss before income tax	**(24,551,217)**	**(33,279,857)**	**8,728,640**	**(26.2)%**
Income tax expense	(21,157)	(16,614)	(4,543)	27.3 %
Net loss	**(24,572,374)**	**(33,296,471)**	**8,724,097**	**(26.2)%**
Net unrealized loss on marketable securities and short term investments	(390,753)	—	(390,753)	-
Actuarial gain (loss) on employee benefit plans	(58,481)	367,866	(426,347)	(115.9) %
Other comprehensive income (loss)	**(449,234)**	**367,866**	**(817,100)**	**(222.1)%**
Comprehensive loss	**$ (25,021,608)**	**$ (32,928,605)**	**$ 7,906,997**	**(24.0)%**

Research and Development

Research and development expenses were $16.1 million for the six months ended June 30, 2023, compared to $21.7 million for the six months ended June 30, 2022. The decrease of $5.5 million was due to a decrease of $6.9 million related to research and development services and milestones expenses incurred under the In-License Agreement and a decrease of $1.2 million in relation to supply and logistic services for clinical development trials. The decreases were partially offset by an increase of $0.7 million related to share-based compensation, an increase of $0.4 million in the expenses related to the conduct of clinical development trials with CROs, an increase of $0.4 million in personnel-related costs to support the research and development effort, an increase of $0.3 million related to contracted non-clinical research expenses, and an increase of $0.8 million related to other research and development expenses.

General and Administrative

General and administrative expenses were $10.0 million for the six months ended June 30, 2023, compared to $11.9 million for the six months ended June 30, 2022. The decrease of $1.9 million was due to a decrease of $1.8 million in professional and other fees sustained in anticipation of the Business Combination in connection with operating as a public company, a decrease of $1.1 million in the share-based compensation, and a decrease of $0.1 million of marketing expenses. The decreases were partially offset by an increase of $0.4 million of insurance expenses, an increase of $0.2 million in personnel-related costs to support organizational growth, and an increase of $0.5 million related to other general and administrative expenses.

Other Income, Net

For the six months ended June 30, 2023, we recognized $1.6 million in other income, compared to an income of $0.3 million for the six months ended June 30, 2022. The increase of $1.3 million is due to realized interest on cash investments in short-term marketable debt securities.

Income Tax Expense

For the six months ended June 30, 2023 and June 30, 2022, we recognized an income tax expense of $21,157 and $16,614, respectively, which was related to corporate income tax of the U.K. subsidiary.

Other Comprehensive Income (Loss)

For the six months ended June 30, 2023, we recognized $0.4 million in other comprehensive loss, compared to an other comprehensive income of $0.4 million for the six months ended June 30, 2022. The decrease of $0.8 million is due to a change in the actuarial gain (loss) on employee benefit plans following a decrease in the discount rates used to measure the present value of the liabilities, which has increased the net liability position as of June 30, 2023, and to a reclassification of unrealized gains of our matured cash investments in short-term marketable debt securities from accumulated other comprehensive to "other income, net" in the consolidated statement of operations.

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 to support clinical trials related to SLK;
- conduct our research and development activities related to 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.

We anticipate a significant future increase in our expenses and capital requirements when proceeding to Phase 3 clinical trials and the build-up of our commercialization capabilities.

For the six months ended June 30, 2023, we incurred a loss of $24.6 million, which includes non-cash items such as share-based compensation expense, and a cash outflow from operations of $21.2 million. As of June 30, 2023, we had a total of $501.8 million in cash and cash equivalents. Based on our current operating plans, we believe our available cash and cash equivalents will be sufficient to fund our operating expenses and capital expenditure requirements until 2026.

We expect to incur significant expenses and operating losses for at least the next four 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 and efforts to achieve regulatory approval. We will require substantial additional funding to develop our product candidate and support our continuing operations. 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 will 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.

Cash Flows

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

	For the six months ended	
	June 30, 2023	**June 30, 2022**
Net cash used in operating activities	$ (21,183,255)	$ (34,946,347)
Net cash provided by (used in) investing activities	32,324,585	(16,008)
Net cash provided by financing activities	451,285,093	119,688,944
Effect of movements in exchange rates on cash held	(145,053)	(57,502)
Net increase in cash and cash equivalents	**$ 462,281,370**	**$ 84,669,087**

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 and infrastructure efforts.

Net cash used in operating activities was $21.2 million and $34.9 million for the six months ended June 30, 2023 and June 30, 2022, respectively, and was primarily related to clinical development research, compensation and personnel-related expenses, legal, and consulting expenses.

Cash Flows from Investing Activities

During the six months ended June 30, 2023, $32.3 million of net cash provided by investing activities related to the maturities of the principal of short-term marketable debt securities with original maturities longer than three months. During the six months ended June 30, 2022, net cash used in investing activities of $16,008 related to purchases of office equipment.

Cash Flows from Financing Activities

During the six months ended June 30, 2023, net cash provided by financing activities was $451.3 million consisting primarily of the net proceeds from the shares sold under the Sales Agreement and in the Offering.

During the six months ended June 30, 2022, net cash provided by financing activities was $119.7 million consisting primarily of $134.7 million net proceeds from the Business Combination offset by the $15.0 million loan repayment to Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., and Biotechnology Value Trading Fund OS, L.P..

Contractual Obligations and Commitments

The following summarizes our significant contractual obligations and other obligations as of June 30, 2023:

	Total	Less than 1 year	1 to 5 Years	More than 5 years
Purchase obligations[1]	$ 20,059,730	$ 14,599,704	$ 5,460,026	—
Lease commitments[2]	211,238	158,429	52,809	—
Total contractual obligations	**$ 20,270,968**	**$ 14,758,133**	**$ 5,512,835**	**—**

(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 relate to contractual commitments towards contract manufacturing and contract research organizations.

(2) We have committed ourselves to a lease contract, with a term that commenced on November 1, 2021. We have accounted for the office lease arrangement as an operating lease through the unaudited condensed consolidated statement of operations for the three months ended June 30, 2023. The future lease commitments relate to office contract for our headquarters in Zug, Switzerland and reflects minimum payments due.

Critical Accounting Policies and Estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires us to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and related disclosures. We continually evaluate these judgments, estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in estimates.

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such an estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our financial condition, results of operations and cash flows.

Acquisitions

We evaluate 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. The In-License Agreement for the SLK program has been accounted for as an asset purchase on the basis that there were no tangible assets acquired or liabilities assumed by us under the In-License Agreement and substantially all of the fair value of the gross assets acquired related to the in-process research and development expenditure ("IPR&D") of SLK.

IPR&D represents incomplete technologies we acquire, which at the time of acquisition, are still under development and have no alternative future use. Our management’s judgement was required to determine whether the IPR&D had any alternative future use. Our management determined that at the time of acquisition, and without significant additional

research, there was no alternative future use other than the development of SLK for the treatment of immunological diseases. Therefore, in accordance with our policy, the aggregate consideration for the IPR&D was recorded as research and development expenses during the year ended December 31, 2021.

Share-based Transaction

We measure all share-based awards granted to employees, directors and non-employees based on the fair value on the date of grant and recognize compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. Forfeitures are accounted for as they occur. We grant share options and restricted share awards that are subject to either service or performance-based vesting conditions.

We classify share-based compensation expense in our consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

Determination of Fair Value – Common Shares and Class A Ordinary Shares

Prior to the completion of the Business Combination, given that there had been no public market for MoonLake AG's common shares, the estimated fair value of MoonLake AG's common shares was determined by reference to separate market-based transactions involving the sale of its shares to two third-party investors that were not considered related parties to us or MHKDG.

All of our share-based compensation arrangements contain service and performance conditions that, depending on the relevant equity plan, are settled with shares of MoonLake or MoonLake AG, as applicable and meet the definition of a share-based compensation arrangements. All awards granted under our various share-based compensation plans were classified as equity-settled share-based arrangements.

Subsequent to the closing of the Business Combination, the fair value of each MoonLake AG Common Share granted is determined based on the closing price of MoonLake's Class A Ordinary Shares as reported by Nasdaq on the date of grant and multiplied by the Exchange Ratio.

Determination of Fair Value – Share Option Awards

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model, which requires inputs based on certain subjective assumptions, including the expected share price volatility, the expected term of the award, the risk-free interest rate and expected dividends.

We estimate our expected share price volatility based on the historical volatility of publicly traded peer companies and expect to continue to do so until such time as we have adequate historical data regarding the volatility of our own traded share price. The expected term of options granted has been determined based on the expected term used by other publicly traded peer companies. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that we have never paid cash dividends on Common Shares and do not expect to pay any cash dividends in the foreseeable future.

Recoverability of Deferred Tax Assets

In assessing the recoverability of our deferred tax assets, we considered whether it was more likely than not that some or all of our deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. We considered the scheduled reversal of deferred tax liabilities, the seven-year expiry of tax losses carried forward under Swiss tax legislation, projected future taxable income (including the risks associated with the completion of the development and obtaining regulatory approvals to commercialize the product), and tax planning strategies in making this assessment. Based on the weight of all evidence, we determined that it is not more likely than not that the net deferred tax assets will be realized. A valuation allowance has been recorded against the full amount of the deferred tax assets.

Accrued Research and Development Expenses

As part of the process of preparing our financial statements, we are required to estimate our accrued research and development expenses. This process involves reviewing open contracts and purchase orders, communicating with our applicable personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the service when we have not yet been invoiced or otherwise notified of actual costs. The majority of our service providers invoice us in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; however, some require advance payments. We make estimates of our accrued expenses as of each balance sheet date in the financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of the estimates with the service providers and make adjustments if necessary. Examples of estimated accrued research and development expenses include fees paid to:

- vendors, including research laboratories, in connection with preclinical development activities;
- CROs and investigative sites in connection with preclinical studies and clinical trials; and
- CMOs in connection with drug substance and drug product formulation of preclinical studies and clinical trial materials.

We base our expenses related to preclinical studies and clinical trials on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple research institutions and CROs that supply, conduct and manage preclinical studies and clinical trials on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the expense. Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from the estimate, we adjust the accrual or the prepaid expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period.

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 of their potential impact, to the extent it has made one, on our financial condition and our results of operations and cash flows.

Emerging Growth Company Status

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to use this extended transition period under the JOBS Act until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make comparison of our financials to those of other public companies more difficult. In addition, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until the date we are no longer an emerging growth company and reach accelerated filer status. Further, even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company", which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

Based on the aggregate market value of our Class A Ordinary Shares held by non-affiliates as of June 30, 2023, we believe we will become a "large accelerated filer" and no longer qualify as an emerging growth company or smaller reporting company as of December 31, 2023. Because we believe our emerging growth company and non-accelerated filer status will expire on December 31, 2023, we may be required, pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, to include in our Annual Report on Form 10-K for the year ending December 31, 2023 an attestation report as to the effectiveness of our internal control over financial reporting that is issued by our independent registered public accounting firm. In addition, beginning with our Quarterly Report on Form 10-Q for the quarter ending March 31, 2024, we expect to no longer be permitted to take advantage of the reduced reporting requirements applicable to smaller reporting companies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company, as defined by Rule 12b-2 under the Exchange Act and in Item 10(f)(1) of Regulation S-K, and are not required to provide the information under this item.

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.

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2023. Based on management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2023.

Limitations on Effectiveness of Controls and Procedures

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.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three month period ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings.

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. 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

None.

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)
10.1	Sales Agreement, dated May 11, 2023, between MoonLake Immunotherapeutics and SVB Securities LLC (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2023)
10.2*	Novation, Amended and Restatement of License Agreement, dated June 1, 2023, between MoonLake Immunotherapeutics AG, Research Corporation Technologies, Inc. and Merck KGaA.
10.3*+	Amended and Restated Employee Stock Option Plan of MoonLake Immunotherapeutics AG, dated June 15, 2023
10.4*+	Amended and Restated Employee Share Participation Plan of MoonLake Immunotherapeutics AG, dated June 15, 2023
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.
+ Indicates a management contract or compensatory plan.

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:	August 10, 2023	Name:	Dr. Jorge Santos da Silva
		Title:	Chief Executive Officer
			(Principal Executive Officer)
			/s/ Matthias Bodenstedt
Date:	August 10, 2023	Name:	Matthias Bodenstedt
		Title:	Chief Financial Officer
			(Principal Financial and Accounting Officer)

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

NOVATION, AMENDMENT, AND
RESTATEMENT OF LICENSE AGREEMENT

Effective June 1, 2023 (the "***Effective Date***"), Research Corporation Technologies, Inc., a Delaware nonprofit corporation with offices at 6440 North Swan Road, Suite 200, Tucson, Arizona 85718 U.S.A. ("***RCT***"), Merck KGaA, a German registered limited partnership, with its registered office at Frankfurter Strasse 250, 64293 Darmstadt, Germany ("***MKDG***"), and MoonLake Immunotherapeutics AG, a corporation organized under the laws of Switzerland, having a place of business at Dorfstrasse 29, 6300 Zug, Switzerland ("***Licensee***"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, enter into this Novation, Amendment, and Restatement of License Agreement (this "***A&R Agreement***"):

RECITALS

A. RCT granted Ablynx N.V., a Belgian corporation ("***Ablynx***"), a license made effective May 20, 2010 to use RCT's *Pichia pastoris* technology as provided therein.

B. MKDG and Ablynx entered into that certain agreement made effective October 8, 2010 for joint discovery and development, under which MKDG and Ablynx jointly discovered and developed the NANOBODY PRODUCT, and, in furtherance of the joint development of the NANOBODY PRODUCT, Ablynx and MKDG also entered into that certain Sublicense Agreement made effective August 8, 2017 (the "***Superseded Sublicense Agreement***").

C. MKDG and RCT entered into that certain License Agreement dated April 15, 2021 (the "***Original License Agreement***"), which is attached hereto as **EXHIBIT A** and superseded and replaced the Superseded Sublicense Agreement, pursuant to which RCT granted MKDG a license to use RCT's *Pichia pastoris* technology as provided therein.

D. In exercise of its license under the Original License Agreement, MKDG developed or possessed certain EXPRESSION SYSTEMS directed to the production of a NANOBODY PRODUCT, [***].

E. MKDG no longer desires to continue as the licensee under the Original License Agreement, or be subject to the obligations and liabilities under the Original License Agreement (except for those obligations and liabilities thereunder that arose prior to the Effective Date or that, by the terms of the Original License Agreement, survive).

F. Licensee desires to succeed, and be substituted for, MKDG as the licensee under the Original License Agreement, and assume MKDG's rights and obligations thereunder.

G. Accordingly, the parties: (a) hereby amend and restate the Original License Agreement in its entirety as provided in this A&R Agreement; and (b) desire to novate the Original License Agreement (as amended and restated hereby) upon the full execution and delivery of this A&R Agreement and subject to the terms and conditions set forth herein, such that Licensee is substituted for MKDG under the Original License Agreement (as amended and restated hereby) for all purposes, and MKDG concurrently relinquishes and disclaims all licenses and rights granted to it under the Original License Agreement.

1. DEFINITIONS

1.1. "***HOST STRAINS***" means the strains of *Pichia pastoris* listed in **Schedule 1**, and any strains DERIVED in any manner from the strains listed in **Schedule 1** or DERIVED using materials, samples or information provided to Licensee by, or on behalf of, [***].

1.2. "***EXPRESSION VECTORS***" means the vectors listed in **Schedule 2**, and any vectors DERIVED in any manner from the vectors listed in **Schedule 2** or DERIVED using materials, samples or information provided to Licensee by, or on behalf of, [***].

1.3. "***EXPRESSION SYSTEM***" means each of the following: (a) a HOST STRAIN; (b) an EXPRESSION VECTOR; (c) each combination of the materials described in clauses (a) and (b) immediately preceding; (d)

DERIVATIVES of the materials described in clauses (a), (b), or (c) immediately preceding; and (e) any of the materials described in clauses (a), (b), (c) or (d) immediately preceding which are provided to Licensee by, or on behalf of, [***]. **Schedule 3** describes the EXPRESSION SYSTEMS provided to Licensee by [***].

1.4 "***DERIVATIVE***" is given its broadest possible meaning within the biological arts and includes, as appropriate, progeny, clones, transformations, transcriptions, modifications (chemical, biological and structural), substitutions, deletions, additions, combinations, extractions and any biological materials made with the benefit or use of a pre-existing material.

1.5 "***NANOBODY PRODUCT***" means [***]. A NANOBODY PRODUCT containing the same NANOBODY active ingredient(s) as another NANOBODY PRODUCT is a separate and distinct NANOBODY PRODUCT from such other NANOBODY PRODUCT for purposes of determining royalties and royalty terms under this A&R Agreement if the first form of NANOBODY PRODUCT is labeled for use or sale via a route of administration (e.g. intravenous, subcutaneous, intrathecal, intravitreal, inhalation, intranasal, oral (p.o.), topical ophthalmic, topical otic, topical dermal, etc.) that is different from that of the second form of NANOBODY PRODUCT. Wherever possible, in determining the active ingredient of a NANOBODY PRODUCT, reference must be made to the active ingredient mentioned in the marketing authorization granted by a competent regulatory authority authorizing the marketing and sale of the relevant NANOBODY PRODUCT on the market in the relevant country or countries.

1.6. "***RCT EXPRESSION TECHNOLOGY***" means, collectively, HOST STRAINS, EXPRESSION VECTORS, and EXPRESSION SYSTEMS, and the technology and know-how owned or controlled by RCT that relate to the construction of HOST STRAINS, EXPRESSION VECTORS, and EXPRESSION SYSTEMS, and their use in the production of NANOBODY PRODUCT.

1.7. "***LICENSEE PRODUCT TECHNOLOGY***" means:

1. to the extent the following are obtained wholly apart from, and not DERIVED in any way from, a HOST STRAIN, EXPRESSION VECTOR, or EXPRESSION SYSTEM: (i) proprietary genes or genetic elements encoding the NANOBODY PRODUCT and the protein, substance or material encoded thereby which protein, substance or material is owned by or licensed to Licensee or its AFFILIATES; (ii) genetic elements useful in enhancing the production of the NANOBODY PRODUCT in an EXPRESSION SYSTEM; and (iii) genetic elements useful in the construction, transformation, or selection of an EXPRESSION SYSTEM;

2. the NANOBODY PRODUCT (whether in BULK PRODUCT FORM or in FINAL PRODUCT FORM) produced by or on behalf of Licensee or its AFFILIATES under or in connection with this A&R Agreement; and

3. all information and other process know-how of Licensee or its AFFILIATE wholly apart from, and not based on or developed in reference to, RCT EXPRESSION TECHNOLOGY that Licensee employs in the production of the NANOBODY PRODUCT, or in the induction, fermentation, design, preparation, or scale-up/out of an EXPRESSION SYSTEM.

1.8. "***LICENSEE PATENT RIGHTS***" means: (a) all patent applications, including any continuation (in whole or in part) or divisional applications, filed by Licensee or its AFFILIATES, and owned or controlled by Licensee or its AFFILIATES exclusively claiming LICENSEE PRODUCT TECHNOLOGY; and (b) all patents issued or that may issue on such patent applications, and any and all reissues, reexaminations, and extensions thereof.

1.9. "***NET SALES***" means the gross amounts invoiced by or on behalf of Licensee, its AFFILIATES or its Sublicensees (as defined below) for sales [***]. The sale or transfer of a NANOBODY PRODUCT by Licensee, its AFFILIATES, or its Sublicensees to another of those entities for resale are not, and are not deemed, a sale for purposes of this definition of "NET SALES" and such sales or transfers do not, and will not constitute, a first sale of that NANOBODY PRODUCT under this A&R Agreement. Transfers or dispositions of a NANOBODY PRODUCT at fully allocated production costs or less with no profit: (a) [***]; (b) [***]; (c) [***]; or (d) [***]; [***].

1.10. "***PERMITTED DEDUCTIONS***" means:

(a) [***];

(b) [***];

(c) [***];

(d) [***];

(e) [***];

(f) [***]; and

(g) [***].

[***]

1.11. "***CALENDAR QUARTER***" means any period of 3 consecutive months beginning on each of January 1, April 1, July 1, and October 1 of each calendar year.

1.12. "***AFFILIATE***" means, with respect to any entity, any other entity which directly or indirectly controls, is controlled by, or is under common control with, such entity. For purposes of this definition, "control" means the right to cast, or the right to direct the casting of, at least 50% of the votes at a meeting of such entity's owners.

1.13. "***MANUFACTURING PROCESS***" means a [***].

2. TRANSFER OF RCT EXPRESSION TECHNOLOGY. RCT hereby authorizes [***], and in accordance with, this A&R Agreement. Licensee confirms that it will accept from [***] only as licensed under this A&R Agreement. RCT has no obligation under this A&R Agreement to provide any other biological materials or information.

3. GRANT OF LICENSES TO LICENSEE; LIMITED RIGHT TO GRANT SUBLICENSES.

3.1. RCT hereby grants to Licensee a nonexclusive, nontransferable (except as provided in Article 12) worldwide license:

(a) to use the EXPRESSION SYSTEM and RCT EXPRESSION TECHNOLOGY to develop, scale-up, and otherwise optimize from time to time a MANUFACTURING PROCESS;

(b) to use the EXPRESSION SYSTEM and the RCT EXPRESSION TECHNOLOGY in a MANUFACTURING PROCESS to produce NANOBODY PRODUCTS and only NANOBODY PRODUCTS, but not to have NANOBODY PRODUCTS produced or made by any third party except as provided in Paragraphs 3.4 and 3.5; and

(c) to use, sell, offer to sell, and import the thus-produced NANOBODY PRODUCT,

subject to the limitations identified below (the "***License***"). The License includes neither a license to provide contract research to any third party nor a license to do contract manufacturing for any third party that has not been granted a license to use the EXPRESSION SYSTEM. Licensee covenants not to provide contract research to any third party nor
do contract manufacturing for any third party that has not been granted a license to use the EXPRESSION SYSTEM. "Contract research" is the performing of services for a third party in which Licensee uses any HOST STRAIN, EXPRESSION VECTOR, or EXPRESSION SYSTEM to produce any substance for administration to, or

testing in, humans. "Contract manufacturing" is the manufacture of any substance under a contract for a third party other than a Sublicensee for sale by that third party or any other third party.

3.2. As between RCT and Licensee, RCT owns all right, title and interest in and to the RCT EXPRESSION TECHNOLOGY, including all RCT EXPRESSION TECHNOLOGY comprising, integrated with, or embodied in MANUFACTURING PROCESS. As between RCT and Licensee, Licensee [***], without further obligation to RCT under this A&R Agreement, but subject to RCT's license and rights under Paragraph 3.3. Licensee has no obligation to disclose or transfer any LICENSEE PRODUCT TECHNOLOGY to RCT. Licensee may, in its sole discretion and expense, file LICENSEE PATENT RIGHTS.

3.3. Licensee [***], but recognizes that RCT has a legitimate business interest in ensuring that any LICENSEE PATENT RIGHTS [***]. For this reason, Licensee herewith grants to RCT [***]. RCT accepts the foregoing license with the understanding that Licensee has no obligation [***]. RCT will provide to Licensee written notice of [***]. Neither RCT nor any RCT sublicensee has any right to enforce or assert the LICENSEE PATENT RIGHTS without [***]. For the avoidance of doubt, it is agreed between the Parties that nothing in this A&R Agreement encumbers Licensee's right to grant to any third party exclusive rights and licenses under Licensee's patents only to make, have made, research, develop and commercialize a NANOBODY PRODUCT.

3.4. Subject to RCT's prior written consent to the extent required below, Licensee has the right to grant to third parties (each, a "***Sublicensee***") a non-assignable sublicense under the License no greater in scope than that expressly provided under the License (each, a "***Sublicense***"). Each Sublicense must be consistent with the terms of this A&R Agreement and will require such Sublicensee to comply with all applicable terms of this A&R Agreement. Licensee's right and power to grant a Sublicense is only in effect while the License is in effect and while Licensee is not in material breach of this A&R Agreement. Except as otherwise provided below, each Sublicensee may grant [***]. The actions of each Sublicensee under a Sublicense, including [***], are deemed to be the actions of Licensee under this A&R Agreement, and Licensee is responsible and liable to RCT for complying with any obligations in this A&R Agreement based on activities of each Sublicensee under each Sublicense (including without limitation each [***]), including paying to [***]. If Licensee desires to grant a Sublicense to any third party other than its AFFILIATE, or [***], Licensee or the Sublicensee, as the case may be, must [***]. No Sublicense of any degree may be granted to any Sublicensee that is not in compliance with all applicable anti-corruption laws or is disbarred, or subject to any proceeding that may lead to disbarment, by the United States Food and Drug Administration (the "***FDA***") or the corresponding regulatory authority of any other country (with the FDA, a "***Regulatory Authority***").

3.5. [***].

4. PAYMENTS

4.1. Upon execution and delivery of this Agreement, Licensee must pay to RCT a license issue fee of $[***]. The license issue fee is non-refundable and non-creditable against any other amounts due under this Agreement.

4.2. Licensee must pay RCT an earned royalty equal to [***]% of the NET SALES of NANOBODY PRODUCTS made by or for Licensee, its AFFILIATES, or any Sublicensee during the Royalty Term. Earned royalty payments for Licensee's, its AFFILIATES', and each Sublicensee's sales in a given CALENDAR QUARTER must be paid on or before the date [***] after the end of that CALENDAR QUARTER. The "***Royalty Term***" will be determined on a NANOBODY PRODUCT-BY-NANOBODY PRODUCT and country-by-country basis and, for each country and each NANOBODY PRODUCT, will begin on the date of first sale of each NANOBODY PRODUCT in that country and continue for [***] thereafter.

4.3. Licensee must pay to RCT a [***] royalty of $[***] during the term of this A&R Agreement. The [***] royalty must be paid on [***] royalties for subsequent years will accrue and be payable on each and every successive [***] on which this A&R Agreement is in effect. Licensee may credit the [***] royalty payment made against the

amount of the earned royalties payable by Licensee to RCT in the same calendar year under this A&R Agreement. No earned royalties paid for any calendar year in excess of [***] royalties are creditable against any [***] royalty payment or earned royalties due in any other calendar year.

4.4. All payments due hereunder are expressed in and must be paid in United States of America currency by wire transfer, without deduction of exchange, collection or other charges to: RESEARCH CORPORATION TECHNOLOGIES, INC., [***]; or to the account of RCT at such other bank as RCT may from time to time designate to Licensee in writing. If the amount is less than [***], Licensee may elect to pay by company check, instead of wire transfer, to the address shown in Paragraph 16.

4.5. If Licensee fails to make any payment required under this A&R Agreement on or before the date [***] after Licensee's receipt of RCT's written notice of that failure, Licensee must pay interest on the unpaid amount at an annual rate equal to the prime rate, as quoted by Wells Fargo Bank, N.A., plus [***], which interest will accrue on the entire, unpaid amount from the date the payment not timely made became due until the date payment is made in full. [***]. If such rate exceeds the rate allowed by applicable law, then the highest rate allowed by law applies. Any payments received from Licensee by RCT must be applied first to any unpaid, accrued interest and then to the satisfaction of any unpaid principal.

4.6. [***].

4.7. [***]. Each party will satisfy all material and formal conditions required under applicable tax law to allow for a refund of indirect taxes paid hereunder to the extent a refund is available under applicable tax law.

5. REPORTS, RECORDS AND INSPECTION

5.1. On or before the date [***] after the end of the CALENDAR QUARTER in which the first sale of a NANOBODY PRODUCT occurs, and on or before each [***] of each calendar year thereafter during the term of this A&R Agreement, Licensee must provide to RCT a true and complete written report setting forth the following items as they pertain to the CALENDAR QUARTER just ended:

(a) [***];

(b) [***];

(c) [***];

(d) [***];

(e) [***]; and

(f) [***].

[***]. Licensee must require its AFFILIATES and each Sublicensee to make appropriate reports to Licensee to enable Licensee to comply with this Paragraph.

5.2. Licensee must keep and maintain complete and accurate books and records in accordance with generally accepted accounting principles sufficient to enable RCT to determine the monies payable to RCT by Licensee under this A&R Agreement. Licensee must retain those records for [***] after the end of the reporting period to which they pertain. Not more than once per calendar year, upon [***] written notice from RCT to Licensee, Licensee must make such records available at the location where such records are customarily kept by Licensee for inspection and copying by an independent certified public accountant appointed by RCT and reasonably acceptable to Licensee, at any reasonable time during normal business hours, to the extent necessary for RCT to verify the records and payments due under this A&R Agreement. The books and records in respect of a given CALENDAR QUARTER may only be audited once, unless the sales and royalty reports in respect of which the audit is performed are found by the auditors not to be accurate and correct, in which case the records may be audited again until such time that the auditors find that the relevant sales and royalty reports (as amended based on the outcome of the audit) are accurate and correct. Apart from disclosure to RCT as permitted below, the auditors must retain all information, and all copies of documents, obtained in the course of the audit in the strictest confidence. The auditors may disclose to RCT in

reasonable detail the auditors' determination of the amounts properly reported under Paragraph 5.1, whether there is any discrepancy between those amounts and the amounts reported by Licensee, and the reasons for any discrepancy. RCT must bear the cost of the audit, unless the auditor finds that royalties for any CALENDAR QUARTER have been underpaid by more than [***] in which case Licensee must reimburse RCT for all reasonable costs incurred by RCT in connection with the audit within [***] after Licensee's receipt from RCT of the invoice for that audit. Licensee must require its AFFILIATES and each Sublicensee to keep such books and records to enable Licensee to comply with this Paragraph. Licensee must require its AFFILIATES and each Sublicensee to permit RCT's auditors to inspect the books and records of such AFFILIATES and each Sublicense as provided under this Paragraph.

5.3. For [***] after the date of the termination or expiration of this A&R Agreement, RCT must maintain the confidentiality of Licensee's information received or obtained from Licensee under this A&R Agreement through the Paragraph 5.1 report or through RCT's audit under Paragraph 5.2. RCT's obligations under this Paragraph do not apply to Licensee's information that, as evidenced by contemporaneous written records:

(a) at the time of disclosure is or thereafter becomes available to the public through no fault of RCT;

(b) was known to, or was otherwise in the possession of, RCT or its AFFILIATE before the receipt of that information from Licensee;

(c) is obtained by RCT or its AFFILIATE from a source other than Licensee, and other than one who would be breaching a commitment of confidentiality to Licensee by disclosing it; or

(d) is developed by RCT or its AFFILIATE independently of any disclosure made under this A&R Agreement.

6. SECRECY.

6.1. Except as expressly provided below, Licensee:

(a) must treat all samples and materials comprising RCT EXPRESSION TECHNOLOGY, including the HOST STRAINS, EXPRESSION VECTORS, and EXPRESSION SYSTEMS, and provided to it by, or on behalf of, RCT, its AFFILIATE, [***], or any other licensee of RCT, (collectively, the "***Materials***") as strictly confidential and may not divulge, distribute or provide any of the Materials to any third party, except as provided below; and

(b) may not use, and hereby covenants not to use, any of the Materials except as expressly authorized under this A&R Agreement.

Licensee may transfer HOST STRAINS, EXPRESSION VECTORS, and EXPRESSION SYSTEMS to a Sublicensee and an approved CMO under the applicable Sublicense, subject to obligations of confidentiality and limited use at least as restrictive as those set forth herein, including in Paragraph 6.1(a) and (b) above. [***]. [***]. No permitted transferee under this Paragraph may further transfer the Materials [***].

6.2. Each party hereto must maintain the confidentiality of any written or electronic information (including the terms and conditions of this A&R Agreement) disclosed to it by another party hereto and not disclose it to any third party, except such party's agents and employees on a need-to-know basis, each of which are bound by confidentiality obligations at least as restrictive as in this Paragraph. The foregoing confidentiality obligation does not apply to information that: (a) at the time of the disclosing party's disclosure, is available to the public through no fault of the receiving party; (b) as shown by written records, was lawfully known to, or was otherwise lawfully in the possession of, the receiving party before the receiving party received that information from the disclosing party or its agent; (c) is obtained by the receiving party from a source other than the disclosing party or its agent, without breaching any obligation of confidentiality to the disclosing party; or (d) is developed by the receiving party independently of any disclosure made under this A&R Agreement. Upon termination of this A&R Agreement under Paragraph 10.2 or 10.3, the receiving party must destroy, or return to the disclosing party, all copies of information in written or electronic form, except for one copy that the receiving party may retain in its legal department to ensure its continued compliance with this Paragraph. Notwithstanding the above obligations of confidentiality and non-use,

a receiving party may disclose confidential information of the disclosing party to the extent that such disclosure is reasonably necessary in connection with:

1. complying with applicable laws (including securities law and the rules of any securities exchange or market on which a party's securities are or may in the future be listed or traded) or court order, if in the reasonable opinion of such receiving party's counsel, such disclosure is necessary for such compliance. Except where prohibited by law, such receiving party must give the disclosing party reasonable advance written notice of such required disclosure and provide a copy of any applicable subpoena or order. on a sufficiently timely basis so as to afford such disclosing party a reasonable opportunity to oppose, limit, or secure confidential treatment for such required disclosure. In making any such required disclosure: (i) such receiving party may disclose only that portion of the confidential information of such disclosing party that such receiving party is legally required to disclose;, (ii) such confidential information may only be used for the purposes for which the order was issued or such disclosure was required by applicable law; and (iii) such receiving party must endeavor to obtain confidential treatment of economic, trade secret information, and such other information as may be requested by the disclosing party. Such receiving party must provide the disclosing party with the proposed confidential treatment request under clause (iii) immediately preceding with reasonable time for such disclosing party to provide comments, and must include in such confidential treatment request all reasonable comments of the disclosing party;

2. disclosure, in connection with the performance of this A&R Agreement and solely on a "need to know basis", to the receiving party's AFFILIATES, existing or potential collaborators (including existing or potential co-marketing and co-promotion contractors), research collaborators, employees, consultants, or agents, each of whom prior to disclosure must be bound by written obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Paragraph 6.2, which agreement must exclude any permitted disclosures under Paragraph 6.2(c). In connection with any such permitted disclosure, such receiving party is principally responsible for any failure by any person receiving confidential information pursuant to this Paragraph 6.2(b) to treat such confidential information as required under this Paragraph 6.2; and

3. disclosure made by such receiving party to existing or potential acquirers, merger candidates, Sublicensees, investment bankers, public and private sources of funding, existing or potential investors, venture capital firms or other financial institutions or investors for purposes of obtaining financing or in connection with an acquisition, merger, Sublicense or similar transaction, provided that such receiving party has secured an agreement from any such third party to be bound by obligations of confidentiality and restrictions on use of confidential information that are no less restrictive than the obligations set forth in this Paragraph 6.2.

7. LIMITATION OF LIABILITY; INDEMNITY.

7.1. Except for RCT's or its employees' gross negligence or willful misconduct, RCT is not liable to Licensee or any of its AFFILIATES for damages, whether direct, indirect, consequential, or otherwise, arising out of Licensee's, or its AFFILIATES' use of RCT EXPRESSION TECHNOLOGY or any of the Materials licensed or supplied hereunder, or of any NANOBODY PRODUCT made with the use or benefit of the RCT EXPRESSION TECHNOLOGY. RCT is not liable, and Licensee hereby waives any claim, for lost or prospective profits or special or consequential damages, whether or not RCT has been advised of the possibility of such damages, nor for any claim based on a claim by a third party against any of Licensee or its AFFILIATES.

7.2. Recognizing that RCT will have no control of the activities of Licensee or its AFFILIATES under this A&R Agreement, Licensee agrees, for the term of this A&R Agreement and for [***] thereafter, to indemnify and hold harmless RCT and all its AFFILIATES and their respective directors, officers and employees (collectively, the "***Indemnitees***"), from and against any and all third-party claims, demands, and actions, and resulting liabilities, judgments, costs and expenses of whatever kind, whether based on contract, negligence, strict liability, or statutory liability, including reasonable attorneys' fees and cost of defense arising out of or related in any way to the production or sale of NANOBODY PRODUCT under this A&R Agreement. RCT must promptly notify Licensee of any such claims in which it intends to invoke Licensee's foregoing obligations, although failure to promptly notify Licensee will not excuse any of Licensee's obligation hereunder to the extent Licensee is not materially prejudiced in the defense thereof by any such delay. RCT will, and will cause its employees to, cooperate fully with Licensee and its legal representatives in the investigation and defense of any action, claim or liability covered by this

indemnification. The foregoing indemnity does not apply to the extent any liability is attributable solely to the negligence or willful misconduct of RCT in connection with the production or sale of such NANOBODY PRODUCT.

7.3. During the term of this A&R Agreement, and for [***] thereafter, Licensee must obtain and maintain in force, at its sole cost and expense, insurance (including any self-insured arrangements, which will be permissible so long as Licensee has net assets in excess of [***]) in types and amounts, that are reasonable and customary in the United States pharmaceutical and biotechnology industry for companies engaged in comparable activities. Upon written request, Licensee must furnish RCT with a certificates of insurance evidencing coverage. The requirements of this Paragraph survive termination of this A&R Agreement.

8. REPRESENTATIONS AND WARRANTIES.

8.1. Nothing contained in this A&R Agreement may be construed as a representation or warranty that any the HOST STRAINS, EXPRESSION VECTORS, EXPRESSION SYSTEMS, or RCT EXPRESSION TECHNOLOGY or their use does not infringe any third-party patent. RCT warrants that it is the owner of the RCT EXPRESSION TECHNOLOGY licensed hereunder and that it has the right to grant the License. RCT makes no other warranties, express or implied, all of which are hereby expressly disclaimed.

8.2. Licensee represents and warrants that, as of the Effective Date, to the best of its knowledge, it is in compliance with applicable anti-corruption laws and is not disbarred, or subject to any proceeding that may lead to disbarment, by the FDA or any other Regulatory Authority.

8.3. MKDG hereby represents and warrants that it has not: (a) granted any Sublicense under the Original License Agreement to any AFFILIATE of MKDG, [***], and its AFFILIATES), or any other third party, except for the HOST STRAINS, EXPRESSION VECTORS, EXPRESSION SYSTEMS, DERIVATIVES thereof, and RCT EXPRESSION TECHNOLOGY transferred to Licensee under Paragraph 2 above, transferred or otherwise provided any HOST STRAINS, EXPRESSION VECTORS, EXPRESSION SYSTEMS, DERIVATIVES thereof, or EXPRESSION TECHNOLOGY to any third party; (b) sold any NANOBODY PRODUCT under the Original License Agreement; or (c) filed any LICENSEE PATENT RIGHTS, nor does it have plans to do so as of the Effective Date of this A&R Agreement. MKDG covenants that it will transfer and provide to Licensee the HOST STRAINS, EXPRESSION VECTORS, EXPRESSION SYSTEMS, DERIVATIVES thereof, and RCT EXPRESSION TECHNOLOGY, within the contemplation of Paragraph 2 above and, promptly after that transfer, it will destroy all HOST STRAINS, EXPRESSION VECTORS, and EXPRESSION SYSTEMS (as those terms are defined in the Original License Agreement) received by MKDG under the Original License Agreement and not so transferred, such that, after compliance with its covenants hereunder, MKDG will no longer possess any of the same, except for [***] of HOST STRAINS, EXPRESSION VECTORS, and EXPRESSION SYSTEMS which MKDG will hold subject to its continuing obligations of Secrecy under the Original License Agreement, and for the sole benefit of LICENSEE solely for purposes of mitigating the risk of loss of the foregoing in the course of manufacturing the NANOBODY PRODUCT.

8.4. Each party (the "***R&W Party***") represents and warrants to the other parties that: (a) it has the full power and authority to enter into, deliver, and perform its obligations under, and carry out, this A&R Agreement; (b) the person executing this A&R Agreement on behalf of the R&W Party has been duly authorized to do so, and such person has duly signed and delivered this A&R Agreement; (c) this A&R Agreement constitutes a legal, valid, and binding agreement of the R&W Party enforceable in accordance with its terms; (d) all action required of the R&W Party to be taken to authorize, execute, deliver and perform under this A&R Agreement has been taken and no further approval of any governing person or body of the R&W Party is necessary to consummate this A&R Agreement; and (e) it will comply with all applicable laws, and exercise its good faith, in performing under this A&R Agreement.

9. FORCE MAJEURE. No failure or omission by any party in the performance under this A&R Agreement, other than payment of amounts due hereunder, constitutes a breach of this A&R Agreement or creates any liability if: (a) the failure or omission arises from a cause beyond the control of the party in question; and (b) steps that could be taken to mitigate or eliminate the cause of the failure or omission were not reasonably foreseeable or were not reasonably available or commercially practicable, and is not caused or exacerbated by the negligence of the non-performing party. Causes falling within clause (a) above include: acts of God; acts or omissions of any government or any agency thereof; compliance with any governmental authority or any officer, department, agency or

instrumentality thereof; fire; storm; flood; earthquake; accident; acts of the public enemy; war, declared or undeclared; rebellion; insurrection; riot; sabotage; invasion; quarantine restrictions; strike; lockout; disputes or differences with workmen; transportation embargoes or delays in transportation. In that event, the non-performing party must give the other party prompt written notice upon discovery and use all reasonable efforts to continue to so perform or cure.

10. TERM AND TERMINATION

10.1. Unless earlier terminated as hereinafter provided, this A&R Agreement becomes effective on the Effective Date and expires [***], in which event Licensee may retain and use all LICENSEE PRODUCT TECHNOLOGY (including [***]) for the sole purpose of exercising its rights under the License. For the avoidance of doubt, the term of this A&R Agreement and the License do not expire, and Licensee's obligations to make any payments under Article 4 continue: (a) in each country in which the given NANOBODY PRODUCT has not been sold for at least 10 years from the date of first sale in such country; and (b) in each country for all other NANOBODY PRODUCTS that have not been sold for at least 10 years from the date of first sale in such country.

10.2. Licensee may terminate this A&R Agreement at any time by giving RCT [***] written notice of Licensee's election to terminate this A&R Agreement, subject to Paragraph 10.4 below.

10.3. If a party breaches this A&R Agreement, the other party may provide written notice to the breaching party of that breach, in which case the breaching party will have [***] after the date of that written notice to correct or cure the noticed breach. If the breach is not timely corrected or cured, the other party may, at its option and by written notice given to the breaching party, cancel and terminate this entire A&R Agreement and the licenses granted hereunder, including the licenses extended to Licensee's AFFILIATES and the Sublicense, in addition to any available remedies at law or equity.

10.4. Upon termination or expiration of this A&R Agreement under either Paragraph 10.2 or 10.3, Licensee must promptly (and in any event, in less than [***]) destroy all HOST STRAINS, EXPRESSION VECTORS, and EXPRESSION SYSTEMS [***]. The foregoing does not oblige Licensee to destroy, transfer, or provide to RCT any LICENSEE PRODUCT TECHNOLOGY [***].

10.5. Termination of this A&R Agreement does not constitute a termination or a waiver of any rights of either party against the other party accruing at or before the time of termination, nor terminate or waive either party's continuing obligations hereunder. Licensee's obligations to pay any amount payable to RCT under this A&R Agreement, to report and pay royalties to RCT as to any NANOBODY PRODUCT made before expiration or earlier termination of this A&R Agreement (even if sold or imported after the expiration or earlier termination of this A&R Agreement), survives termination or expiration. In addition to any provision of this A&R Agreement that expressly provides for acts or obligations to continue beyond expiration or earlier termination of this A&R Agreement, Articles 6 ("Secrecy"), 8 ("Representations and Warranties"), 11 ("Complete Agreement"); 12 ("Waivers and Modifications"), 14 ("Law"), 15 ("Validity; Severability"), 16 ("Notice Addresses; Computation of Time"), 17 ("Independent Contractors"), 18 ("Use of Name"), 19 ("No Further License"), 20 ("Dispute Resolution"), 21 ("Rules of Interpretation"), 23 ("No Third-Party Beneficiaries") and 24 ("Novation and Substitution"), and Paragraphs 3.2, 7.1, 10.4, and 10.5 survive the expiration or earlier termination of this A&R Agreement in perpetuity, and Article 5 ("Reports, Records and Inspection") and Paragraphs 7.2 and 7.3 survive for the pertinent time periods provided therein that run after expiration or earlier termination of this A&R Agreement. The surviving provisions of the Original License Agreement continue to survive with respect to MKDG, and MKDG will continue to be subject to, and must abide by, the surviving provisions of the Original License Agreement as stated therein before the amendment and novation effected by this A&R Agreement.

11. COMPLETE AGREEMENT. This A&R Agreement, including its Recitals, and the Schedules attached hereto represent and constitute the entire agreement among RCT, Licensee and MKDG as to the subject matter hereof. All prior and contemporaneous oral and written negotiations, representations, warranties, agreements, statements, promises, and understandings with respect to that subject matter are merged into this A&R Agreement, and extinguished and superseded completely as expressed thereby. No party is bound by or charged with any prior or contemporaneous written or oral agreements, representations, warranties, statements, promises, or understandings not specifically set forth herein. No supplement, modification or amendment of any provision of this A&R Agreement will be binding unless executed in writing by the parties agreeing to be bound by those provisions

hereunder. This A&R Agreement may be executed in one or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A facsimile or a portable document format (PDF) copy of this A&R Agreement, including the signature pages with signatures (in form of handwritten, non-certified electronic or certified electronic signatures), will be deemed an original.

12. WAIVERS AND MODIFICATIONS. A party's express or implied waiver of or consent to any provision of this A&R Agreement or the other party's breach of its obligations hereunder may not be deemed to be, or construed as, a consent to, or waiver of, any other provisions or other breach of the same or any other obligations of the other party. A party's failure, no matter how long, to: (a) complain of any act, or failure to act, by the other party; (b) declare the other party in default, irrespective of how long the default continues; (c) insist upon the strict performance of any obligation or condition of this A&R Agreement; or (d) exercise any right or remedy consequent upon a breach thereof; does not constitute a waiver by that party of its rights, the breach, or any other obligation or condition. A party's consent in any one instance does not limit or waive the necessity to obtain that party's consent in any future instance. No single or partial exercise of any right, power or privilege by a party hereunder precludes any other or further exercise thereof or the exercise of any other right, power or privilege by such party. In any event, no consent, waiver or amendment is effective for any purpose hereunder unless that consent, waiver or amendment is in a writing allowed for the purposes of giving notice under this A&R Agreement, and that writing is signed by, or is otherwise confirmed as coming from, the party granting that consent or waiver, or entering into the amendment.

13. ASSIGNMENT. This A&R Agreement and any amendments and modifications thereto will be binding upon and inure to the benefit of, and be enforceable by, a party, and its successors and permitted assigns. Licensee may not assign this A&R Agreement, the Sublicense, nor any of its licenses, rights, obligations or duties granted under either this A&R Agreement or the Sublicense, without RCT's prior written consent, except to: (a) an AFFILIATE of Licensee; or (b) a successor to substantially all of the business of Licensee to which this A&R Agreement relates pursuant to any merger, sale of stock, sale of assets or other similar transaction, or (c) MKDG in the event that the license agreement between Licensee and MKGD dated April 29, 2021 terminates. Licensee must require any permitted assignee or successor business entity to sign and deliver a written agreement, in form and substance satisfactory to RCT, expressly assuming and agreeing to perform this A&R Agreement, to abide by its terms, and assume the obligations of Licensee in the same manner and to the same extent that Licensee would be required to perform if no assignment had taken place.

14. LAW. This A&R Agreement is governed by and construed according to the laws of the state of Delaware, United States of America, without regard to the laws of the state of Delaware concerning the conflict of laws.

15. VALIDITY; SEVERABILITY. Nothing in this A&R Agreement is intended, or may be construed, to require the commission of any act contrary to any applicable law. If any provision of this A&R Agreement (which is to be applied in the narrowest sense as meaning the particular provision within a single Article, Paragraph, subparagraph, sentence or clause) conflicts with any statute, law, ordinance, policy or treaty such that it is held or adjudged to be invalid, illegal, void or otherwise unenforceable under the law governing this A&R Agreement, then the affected provision must be curtailed and limited only to the extent necessary to bring it within the applicable legal requirements and the validity, legality, and enforceability of the remaining provisions of this A&R Agreement will not in any way be affected or impaired thereby and will remain enforceable to the fullest extent permitted by law. In that event, to the fullest extent possible, the remaining provisions of this A&R Agreement will be modified and construed to the extent necessary to resolve the conflict and to give effect to the intent manifested by the provision held invalid, illegal, void or unenforceable.

16. NOTICE ADDRESSES; COMPUTATION OF TIME. All notices, requests, reports and other communications provided in this A&R Agreement must be in writing and will be deemed to have been made or given: (a) when delivered, if delivered by hand or sent by confirmed electronic email or the like; (b) on the date two days following deposit with a recognized international overnight courier; or (c) on the date 10 days following deposit with the postal service of the country of the party providing notice, certified or registered:

<u>If to RCT</u>: <u>If to Licensee</u>:
President Chief Financial Officer and Chief Technology Officer
Research Corporation Technologies, Inc. MoonLake Immunotherapeutics AG
6440 N. Swan Road, Suite 200 Dorfstrasse 29

Tucson, Arizona, 85718 USA 6300 Zug, Switzerland
Email: [***]
Fax: [***] Email: [***]

with a copy to :
Kellerhals Carrard Basel KlG
Nicolas Mosimann
Henric Petri-Strasse 35
P.O. Box 257
4010 Basel
[***]

The foregoing addresses may be altered by notice so given. In computing any period of time under this A&R Agreement, the day or date of the act, notice, event or default from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or a federal holiday in the United States, in which event the period runs until the end of the next day which is not a Saturday, Sunday or a federal holiday in the United States. All references to “days,” “months,” “quarters” or “years” are references to calendar days, calendar months, calendar quarters or calendar years, unless otherwise indicated. All references to “business days” or “working days” are references to days that are not a Saturday, Sunday or federal holiday in the United States.

17. INDEPENDENT CONTRACTORS. In its performance hereunder, each party is an independent contractor and neither party (nor its employees or agents) is an agent, partner or employee of the other party. Nothing in this A&R Agreement may be construed as authorization for any party to act as agent for the other party. This A&R Agreement does not constitute or create, nor may it be interpreted as, a joint venture, partnership, or formal business organization of any kind. Unless expressly provided otherwise herein, each party must bear its own expenses incurred in performing its obligations under this A&R Agreement.

18. USE OF NAME. Except as expressly provided otherwise herein, no party may use the name of the other party in any manner without the prior written consent of the other party. However, Licensee may, at its sole discretion, mention and disclose RCT as its licensor for the RCT EXPRESSION TECHNOLOGY.

19. NO FURTHER LICENSE. Other than expressly provided for in this A&R Agreement, nothing in this A&R Agreement grants or may be construed to grant to any party any right or license to any of the other party’s intellectual property rights, application therefor, property, or proprietary materials, nor to any confidential or proprietary information that a party hereto may receive from the other party hereto. Also, nothing in this A&R Agreement grants or may be construed to grant any claim or option to any right or license referred to in this Paragraph.

20. DISPUTE RESOLUTION. The parties must make all reasonable efforts to resolve any dispute concerning this A&R Agreement, its construction, or its actual or alleged breach, by face-to-face negotiations between senior executives. If that negotiation fails to resolve the matter, either party may bring judicial proceedings to resolve the matter in any state or federal court of competent jurisdiction sitting in the State of Delaware. By executing and delivering this A&R Agreement, each party, for itself and in respect of its property, irrevocably consents and submits to the exclusive jurisdiction and venue of those courts in any proceeding and otherwise waives any objection or defense, including any objection or defense based on *forum non conveniens* or improper venue, which it may now or hereafter have to the bringing of any proceedings in those courts. Service of process of notice in any such proceeding will be effective if in writing and sent in the manner provided in Paragraph 16 of this A&R Agreement, or in any other manner permitted by Delaware law.

21. RULES OF INTERPRETATION. The term “include” (and its conjugated verb or cognate noun forms) means “to include without limitation” and “to include but not limit to,” regardless of whether the words “without limitation” or “but not limited to” or their equivalent actually follow it. If a word or phrase is defined, its other grammatical forms, such as any conjugated verb form or cognate noun form, have a corresponding meaning. If a word or phrase is not capitalized, then the word or phrase must be interpreted in accordance with its commonly used meaning, although any words or phrases that have well-known technical or trade meanings must be interpreted in accordance with that meaning. Whenever used in this A&R Agreement, the singular includes the plural, and the

plural include the singular. Each party has reviewed this A&R Agreement and had the benefit of representation by counsel. Accordingly, any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply to the interpretation of this A&R Agreement. The headings of the various Articles and Paragraphs of this A&R Agreement are solely for the convenience of the parties, do not form a part of this A&R Agreement, and are not intended to affect its interpretation or meaning or to define, limit, extend or describe its scope or intent.

22. COUNTERPARTS. This A&R Agreement may be executed in 2 or more identical counterparts, by manual or electronic signature, each of which will be deemed to be an original, and all of which, taken together, will constitute one and the same instrument. Delivery of this A&R Agreement by electronic transmission will have the same force and effect as delivery of signatures on the original Agreement, and each party may use an electronic signature as evidence of the execution and delivery of the Agreement by all parties to the same extent that an original hardcopy signature could be used.

23. NO THIRD-PARTY BENEFICIARIES. None of the provisions of this A&R Agreement are for the benefit of, or enforceable by, any third-party. Except to the extent expressly provided herein with respect to AFFILIATES of a party, the agreements herein contained are made for the sole benefit of the parties hereto and no other person or entity is intended to or will have any rights or benefits hereunder, whether as a third-party beneficiary or otherwise.

24. NOVATION AND SUBSTITUTION. MKDG hereby novates and assigns the Original License Agreement (as amended and restated hereby) to Licensee, and Licensee hereby accepts and assumes the Original License Agreement (as amended and restated hereby), such that Licensee is substituted for MKDG under the Original License Agreement (as amended and restated hereby) for all purposes, and MKDG concurrently relinquishes and disclaims all licenses and rights granted to it under the Original License Agreement; *provided* that, notwithstanding the foregoing, nothing in this A&R Agreement: (a) requires Licensee to observe, perform or discharge any obligation created by or arising under the Original License Agreement prior to the Effective Date; or (b) makes Licensee liable for any act, neglect, default or omission in respect of the Original License Agreement committed by MKDG or any of its AFFILIATES or otherwise occurring prior to the Effective Date. By signing below, RCT consents to the foregoing assignment, novation, and substitution.

[SIGNATURES APPEAR ON IMMEDIATELY FOLLOWING PAGE.]
[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.]

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

IN WITNESS WHEREOF, each party to this A&R Agreement has caused a duly authorized officer or representative to sign this A&R Agreement to be effective as of the Effective Date.

Licensee
MoonLake Immunotherapeutics AG

By: /s/ Dr. Jorge Santos da Silva

Name & Title: Dr. Jorge Santos da Silva, CEO
E-mail: [***]

Date: May 12, 2023

RCT:
Research Corporation Technologies, Inc.

By: /s/ Shaun A. Kirkpatrick

Shaun A. Kirkpatrick, President
E-mail: [***]

Date: May 12, 2023

By: /s/ Matthias Bodenstedt
Name & Title: Matthias Bodenstedt, CFO
E-mail: [***]

Date: May 12, 202

As a party to, and agreeing to be bound by, only Articles 2 and 11 through 24, and Paragraphs 1.1, 1.2, 1.3, 8.3, 8.4, and 10.5

MKDG:
Merck KGaA

By: /s/ Jens Eckhardt

Name & Title: Jens Eckhardt, Head of Legal Business Development
E-mail: [***]

Date: May 11, 2023

By: /s/ Kristin Eibisc

Name & Title: Kristin Eibisch, Alliance Management
E-mail: [***]

Date: May 12, 2023

Employee Stock Option Plan

dated June 15, 2023

of

MoonLake Immunotherapeutics AG, Zug, Switzerland

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GENERAL TERMS

MoonLake Immunotherapeutics AG is a stock corporation duly organized according to art. 620 ss. of the Swiss Code of Obligations and domiciled in Zug, Switzerland.

With the present Participation Plan, the Company creates an instrument to enable eligible Employees, Members of the Board and Consultants to participate in the Company at favourable conditions.

The purpose of this Participation Plan 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 Participation Plan is intended to accomplish these goals by enabling the Company to grant Options to acquire Shares.

This Participation Plan sets forth the general rules and conditions of the grant and exercise of such Options, whereas the individual Allocation Agreements entered into by the Company and the Participants will contain the specifically agreed terms and conditions of an Option grant.

The terms of this Participation Plan apply upon the acquisition of Options by eligible Employees and Members of the Board as of the implementation by the Board until the Board decides in its own discretion to terminate this Participation Plan.

2 INTERPRETATIONS

The present Participation Plan is only applicable in its entirety. Neither the eligible person nor third parties might derive any rights from individual provisions that are not in connection with the Participation Plan in its entirety

3 DEFINITIONS

All person-related language in this Participation Plan refers to both males and females.

Administrator:	shall have the meaning ascribed to it in Section 4.
Allocation Agreement:	means the agreement between the Company and a Participant, substantially in the form of **Annex 1**.

Articles of Association: means the articles of association of the Company, as amended from time to time.

Bad Leaver: means a Participant whose Contractual Relationship is terminated:

a) by the Company or any of its subsidiaries for any reason which justified or would have justified the termination of the employment or director relationship for cause ("*aus wichtigem Grund*") within the meaning of article 337 of the Swiss Code of Obligations or article 337 of the Swiss Code of Obligations by analogy, or such foreign law as may be applicable for determining termination for cause, provided that any reason qualifying as "cause" within article 337 of the Swiss Code of Obligations shall constitute "cause" also for the purposes of any foreign applicable law;

b) by the Company or any of its subsidiaries for the reason that the Participant has violated material provisions of his/her Contractual Relationship; and

c) by the Company or any of its subsidiaries or the Participant where the Participant, at the time of termination, qualified as Good Leaver but where the Company or any of its subsidiaries, after the termination, have become aware of facts that (in the reasonable opinion of the Administrator) would have resulted in the Participant qualifying as Bad Leaver based on para a) or b) above.

provided in such cases, however, that even in the event of an amicable settlement agreement (*Aufhebungsvereinbarung*) being concluded in lieu of a termination, the Participant shall continue to be a Bad Leaver where the requirements for such qualification pursuant to this definition are met.

Board: means the board of directors of the Company.

Change of Control:	means any transfer of shares in one or a series of related transactions that results in the proposed acquirer (including a shareholder) holding directly, or indirectly through one or more intermediaries, more than 50% of the then issued share capital of the Company or MLTX, whichever occurs first.
Change of Control Notice:	shall have the meaning ascribed to it in Section 8.3.
Class C Ordinary Share(s)	means Class C ordinary shares (voting shares) of MLTX.
Common Share(s):	means registered common shares with restricted transferability of the Company with a nominal value of CHF 0.10 each.
Company:	means MoonLake Immunotherapeutics AG, Dorfstrasse 29, 6300 Zug, Switzerland, CHE-433.093.536.
Confidential Information	shall have the meaning ascribed to it in Section 17.
Consultant	means any individual or legal entity which is engaged as a consultant, advisor or service provider of the Company or any of its subsidiaries, excluding individuals which are in an employment relationship with the Company or any of its subsidiaries.
Contractual Relationship:	means the employment relationship, the director relationship or the consultancy relationship between a Participant and the Company or any of its subsidiaries, as the case may be, which was in effect at the Grant Date.

Disability:	means permanent and total disability (*Invalidität*) as defined under the Swiss federal law on the general part of the social security law (ATSG) (*Bundesgesetz über den Allgemeinen Teil des Sozialversicherungsrechts [ATSG]*) or such foreign law as may be applicable for determining disability.
Eligible Person	means all Employees, Members of the Board and Consultants of the Company and its current and future wholly owned subsidiaries who are eligible to acquire Options according to this Participation Plan and its annexes.
Employee:	means any person in an employment relationship with the Company or any of its subsidiaries, other than Members of the Board or Consultants.
Exercise Date:	means the date the Company receives the Exercise Notice of the Participant according to Section 9.1.
Exercise Notice:	shall have the meaning ascribed to it in Section 9.1.
Exercise Period:	shall have the meaning ascribed to it in Section 7.2, unless otherwise defined in the Allocation Agreement.
Exercise Price:	shall have the meaning ascribed to it in Section 7.2, unless otherwise defined in the Allocation Agreement.
Good Leaver:	means a Participant whose Contractual Relationship is terminated by the Company or its subsidiaries or by the Participant, in each case for whatever reason other than for reasons that would qualify the Participant as a Bad Leaver.
Grant Date:	means the date, determined by the Administrator in the Allocation Agreement, on which Options under this Participation Plan are granted to a Participant.

Member of the Board:	means any individual member of the Board of the Company or its subsidiaries.
MLTX	means MoonLake Immunotherapeutics, c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.
Option(s):	means the right of the Participant, on exercise thereof in accordance with the provisions of the Participation Plan and the Allocation Agreement, to subscribe or purchase at the Exercise Price (i) one (1) Common Share of the Company together with (ii) a number of Class C Ordinary Shares equal to the number of Class A Ordinary Shares (as defined in the Shareholders' Agreement) the Participant would be entitled to receive based on the Exchange Ratio (as defined the Shareholders' Agreement) as a result of an Exchange (as defined in the Shareholders' Agreement) at the Exercise Price.
Option Price:	shall have the meaning ascribed to it in Section 7.2, unless otherwise defined in the Allocation Agreement.
Option Term:	shall have the meaning ascribed to it in Section 7.2, unless otherwise defined in the Allocation Agreement.
Participant:	means an Eligible Person to whom Options are granted according to the Plan and the Allocation Agreement.
Participation Plan:	means the present employee stock option plan, as it may from time to time be amended, restated, supplemented or otherwise modified.
Physical Settlement:	shall have the meaning ascribed to it in Section 9.2.

Purchase Option	shall have the meaning ascribed to it in Section 11.2.3.
Purchase Option Exercise Notice	shall have the meaning ascribed to it in Section 11.2.3.
Section	means a section of this Participation Plan.
Share(s):	means Common Shares and Class C Ordinary Shares.
Shareholders' Agreement	means the Shareholders' Agreement dated April 5, 2022, between MLTX, the Investors (as defined in the Shareholders' Agreement), the Founders (as defined in the Shareholders' Agreement), the Employees (as defined in the Shareholders' Agreement) and the Company (as defined in the Shareholders' Agreement) in relation to the Company (as the same may from time to time be amended, restated, supplemented or otherwise modified). It being understood and agreed that such Shareholders' Agreement will contain, inter alia, transfer restrictions regarding the Common Shares and Class C Ordinary Shares (including but not limited to lock-up periods, rights of first refusals, purchase rights, drag-along rights) but that the transfer restrictions determined in this Participation Plan shall prevail.
Vesting Date:	means the date on which the Options granted under this Participation Plan vest with the Participant as a result of the operation of the Vesting Schedule, as determined by the Administrator in the Allocation Agreement with the Participant.

Vesting Period	shall have the meaning ascribed to it in Section 8.1
Vesting Schedule:	shall have the meaning ascribed to it in Section 8.1.

4 ADMINISTRATION OF THE PARTICIPATION PLAN

This Participation Plan shall be administered by the Board or any other corporate body, committee or individual appointed by the Board from time to time (the "**Administrator**").

The Administrator shall have full discretional power and authority, subject to the provisions of this Participation Plan, to:

a) select the Participants eligible for receiving Options under this Participation Plan;

b) grant Options, on such terms, consistent with the rules of this Participation Plan, as it shall determine in its sole discretion;

c) establish such rules and regulations as it may deem appropriate for the proper administration and operation of the Participation Plan;

d) make such determinations under, and such interpretations of, and to take such steps in connection with, the Participation Plan and the Options granted thereunder as it considers necessary or advisable; and

e) amend or terminate the Participation Plan in accordance with Section 13.

All decisions, determinations and interpretations of the Administrator regarding the Participation Plan shall be final and binding for the Eligible Persons and Participants.

5 SIZE AND FUNDING OF THE PARTICIPATION PLAN

The Participation Plan is based on article 4 of the Articles of Association, as amended from time to time. Article 4 currently provides for a conditional increase of the share capital of a maximum of CHF 2'847.20 by the issuance of a maximum of 28'472 Common Shares with a nominal value of CHF 0.10 each. The Participation Plan may furthermore be funded through treasury shares within the meaning of art. 659 of the Swiss Code of Obligations.

6 RIGHT TO PARTICIPATE

The Administrator shall select the Employees and the Members of the Board who are eligible to participate under this Participation Plan at its sole

discretion. It being understood that the Administrator might decide that no one shall be eligible in one or several relevant year(s).

The Administrator shall also determine at its sole discretion about:

a) the number of Options offered to each specific Eligible Person;
b) the Grant Date and the Exercise Date;
c) the Option Price and the Exercise Price (it being understood that the Options/Shares may also be granted free of charge or in lieu of salary payments);
d) as well as all other parameters of the offered Options;

all in accordance with the provisions of this Participation Plan.

The participation right of the Eligible Person is personal and non-transferable.

Neither the establishment of this Participation Plan, nor the eligibility to participate, nor the granting of Options hereunder, nor any (other) action of the Company or the Administrator in connection with this Participation Plan does create any right to any (further) participation or continued employment or mandate of the Company. The election as an Eligible Person as well as the granting of any rights or payments under this Participation Plan is on a voluntary basis, which does not create any right of future participation. Even repeated grants without the reservation of voluntariness shall not create any legal claim for the Eligible Persons and the Participants, neither in respect to their cause nor their amount nor for the past nor for the future.

7 GRANTING OF OPTIONS

7.1 Allocation Agreement

The grant of Options to a Participant under this Participation Plan and the respective terms and conditions thereof shall be evidenced by an Allocation Agreement, substantially in the form of **Annex 1** or such other form as the Administrator may determine from time to time, duly signed by the Company and the Participant.

The Administrator shall inform the Eligible Person about the number of offered Options and the Option Price and the Exercise Price per Common Share and the corresponding number of Class C Ordinary Shares by sending an Allocation Agreement to the Eligible Person. Simultaneously, the Administrator shall determine and inform the Eligible Person about the deadline until when the Eligible Person might accept the offer.

By returning, the duly completed and duly signed Allocation Agreement to the Company within the deadline set by the Administrator, the Eligible Person irrevocably accepts the grant of the offered Options (to the extent

indicated in the Allocation Agreement) according to the terms and conditions set out in the Allocation Agreement and this Participation Plan.

No Eligible Person shall have any right or claim under this Participation Plan, unless he/she has specifically been granted Options based on a counter-signed Allocation Agreement and has thus become a Participant. The promise to grant Options, or the attribution of Options in any document other than in an Allocation Agreement shall not be considered as a valid grant of Options until it is formalized in an Allocation Agreement pursuant to this Participation Plan.

7.2 General Terms of the Options

Unless otherwise agreed upon in the Allocation Agreement, the general terms of an Option shall be as follows:

Option Price: Options shall be granted free of charge to the Participants (the "**Option Price**").

Option Term: Options shall have a term of 10 years from the Grant Date and automatically lapse with the expiry of such term (the "**Option Term**").

Vesting Schedule: Options shall vest pursuant to the rules as set forth in Section 8.1.

Exercise Price: Options may be exercised based on an exercise price equal to the Exercise Price defined in the allocation agreement.

Exercise Period: Options that have vested in accordance with the provisions of this Participation Plan are exercisable as of the Vesting Date until the end of the Option Term (the "**Exercise Period**").

Exercise Cond.: The exercise of Options granted under this Participation Plan is subject to the conditions precedent set out in Section 9.3.

8 VESTING PROVISIONS

8.1 Vesting Schedule

Unless otherwise agreed upon in the Allocation Agreement and subject to the conditions precedent set out in Section 9.3, Options awarded to Participants under the terms of this Participation Plan shall vest in instalments over a period of 4 years (the «**Vesting Period**») as follows (the «**Vesting Schedule**»):

a) on the first anniversary of the Grant Date 25% of the Options shall vest; fractions of Options shall be rounded down to the next full number;

b) on the second anniversary of the Grant Date, 25% of the Options shall vest; fractions of Options shall be rounded down to the next full number;

c) on the third anniversary of the Grant Date, 25% of the Options shall vest; fractions of Options shall be rounded down to the next full number;

d) on the fourth and last anniversary of the Grant Date, all Options shall fully vest.

If a Participant, after the Grant Date, ceases to provide services to the Company due to sickness, accident, parental leave or any other voluntary or involuntary leave of absence, vesting of unvested Options shall be put on hold 90 calendar days after the beginning of such a leave of absence. The vesting shall continue when the Participant resumes his/her services to the Company.

If a Participant reduces his/her workload by more than 30% compared to the workload on the Grant Date, the Vesting Schedule for unvested Options shall be extended proportionately.

8.1 Vesting Conditions

As a condition precedent to the vesting of Options, at the Vesting Date, the Participant's Contractual Relationship with the Company or any of its subsidiaries must not have been terminated, otherwise the respective Options due to vest as well as all non-vested Options shall lapse immediately without compensation.

8.2 Accelerated Vesting

If a Change of Control occurs or is, in the reasonable opinion of the Administrator, expected to occur shortly, the Administrator shall notify the Participants that all Options, whether vested or not, can be exercised pursuant to this Participation Plan during a period as determined by the Administrator in such notice (the "**Change of Control Notice**") and the Purchase Option shall lapse. Any Options not exercised within the period determined in the Change of Control Notice shall, unless stated differently in the Change of Control Notice, automatically be deemed forfeited and the Company shall have no further obligation with respect to such Options.

9 EXERCISE AND SETTLEMENT OF OPTIONS

9.1 Exercise Notice

Vested Options become exercisable upon the conditions precedent pursuant to Section 9.3 being satisfied or waived by the Administrator.

All Options that are exercisable shall be exercised by the Participant delivering a written notice of exercise to the Company, substantially in the form of **Annex 2** or as further specified by the Administrator (the "**Exercise Notice**").

9.2 Settlement

Subject to Section 9.1, Options that are duly exercised under this Plan shall be settled by way of issuance or transfer of the relevant number of Shares against payment of the Exercise Price in cash or, to the extent legally possible, by way of offsetting claims of the Participant against the Company, provided, however, that the Company agrees with such offsetting (the "**Physical Settlement**").

The Participant shall within 10 calendar days of the date of the dispatch of the Exercise Notice wire the total Exercise Price for the Options exercised to the bank account designated by the Company or, in case the Company has agreed to offset the Exercise Price against claims of the Participant, to confirm the offsetting of claims in the relevant amount of the Exercise Price payable.

Upon and subject to the receipt of the payment or the confirmation of the offsetting, the Administrator shall ensure the proper issuance or transfer of the relevant number of Shares to the Participant without undue delay and, to the extent necessary, register the Participant as owner of the relevant Shares with voting rights in the share register of the Company and MLTX, as the case may be.

Should the Participant fail to make the relevant payment and/or deliver the confirmation regarding offsetting within such time, the exercise of the Options shall be deemed null and void and the Options shall be deemed forfeited unless otherwise determined by the Board at its absolute discretion.

9.3 Conditions Precedent to Exercise

Unless otherwise agreed upon in the Allocation Agreement, the exercise of Options is subject to the fulfilment of the following conditions precedent:

a) the Options have vested in accordance with the Plan and the Allocation Agreement;

b) the Options are exercised within the Exercise Period;

c) the Participant has signed the form of accession to the then current Shareholders' Agreement as Employee (as defined in the Shareholders' Agreement), substantially in the form of **Annex 3**.

10 TERMINATION OF CONTRACTUAL RELATIONSHIP

10.1 Termination of Contractual Relationship as a Good Leaver

If, before the end of the Vesting Period, the Contractual Relationship of the relevant Participant is terminated and the Participant qualifies as a Good Leaver, all Options vested at the effective date of termination of the Contractual Relationship will be exercisable in accordance with the provisions of this Participation Plan until their respective Exercise Period comes to an end.

All Options that are not vested at the effective date on which the Participant's Contractual Relationship is terminated shall be deemed forfeited as of that date and the Company shall have no further obligation with regard to such Options.

10.2 Termination of Contractual Relationship as a Bad Leaver

If, before the end of the Vesting Period, the Contractual Relationship of the relevant Participant is terminated and the Participant qualifies as a Bad Leaver, all Options held by the Participant, whether vested and exercisable or not, shall be deemed automatically forfeited.

11 TRANSFER RESTRICTIONS

11.1 Options

11.1.1 No Assignment / No Third Party Rights

Any Options acquired under this Participation Plan are subject to such transfer restrictions as set forth in this Participation Plan, the Articles of Association, the Shareholders' Agreement, the applicable securities law provisions and by the Board.

No Participant shall, except with the prior written consent of the Board, transfer any Option.

No Participant shall pledge, hypothecate, assign by way of security or otherwise create any lien, encumbrances, charges or third party right on any Option granted under this Participation Plan. The Options shall remain free and clear of any liens, encumbrances, charges or any other third party rights.

11.2 Shares

11.2.1 Shareholder Rights

No Participant shall have a right as a shareholder with respect to any Shares covered by such Option until such Options have been exercised and settled

by Physical Settlement, all in accordance with this Participation Plan and the respective Allocation Agreement.

11.2.2 General Transfer Restrictions

Any Shares acquired through the exercise of Options hereunder are subject to such transfer restrictions as set forth in this Participation Plan, the Articles of Association, in the Shareholders' Agreement, the applicable securities law provisions and by the Board.

The Shares acquired as a result of exercising Options granted under this Participation Plan will be delivered into a blocked custody account with the Company or a designated third party, unless the Administrator orders otherwise.

No Participant shall, except with the prior written consent of the Board and subject to the Helix Call Options (as defined in the Shareholders' Agreement), Drag-Along (as defined in the Shareholders' Agreement) and the Triggering Event Options (as defined in the Shareholders' Agreement), transfer Shares acquired as a result of exercising Options granted under this Participation Plan during the Vesting Period.

No Participant shall pledge, hypothecate, assign by way of security or otherwise create any lien, encumbrances, charges or third party right on any Shares or any right granted under this Participation Plan. The Shares shall remain free and clear of any liens, encumbrances, charges or any other third party rights.

11.2.3 Purchase Right

If, before the end of the Vesting Period, the Contractual Relationship of the relevant Participant is terminated and the Participant qualifies as a Bad Leaver, the Company, or any third party designated by it, shall have an option to purchase all or a pro rata portion of all Shares acquired as a result of exercising Options granted under this Participation Plan at nominal value (the "**Purchase Option**").

If the Company, or any third party designated by it, wishes to exercise the Purchase Option, the Company, or the third party designated by it, shall notify the Participant (or, as the case may be, their legal successor, receiver, insolvency judge or any other person with the right to act on behalf of the relevant Shareholder or their estate) within 30 calendar days of the effective date of the termination and state in such notice the number of Shares that the Company, or the third party designated by it, wishes to purchase and the purchase price for such Shares (the « **Purchase Option Exercise Notice**»).

The transfer of the relevant Shares against payment of the purchase price shall be consummated within 60 calendar days from the date of the Purchase Option Exercise Notice.

Each Participant hereby (i) assigns and transfers to the Company, and the Company hereby accepts such assignment and transfer, upon and with effect as of the occurrence of a termination of the Contractual Relationship, in each case, as required to effect a transfer of Shares by such Participant pursuant to this Section 11.2.3.

12 TAXATION AND SOCIAL SECURITY

Any social security and similar contributions legally due on the allocation and exercise of Options granted to Participants or on any other realization of income derived from the Options or the Shares are shared accordingly to the applicable laws and agreements between the Company and such Participants. To the extent the Company has paid the Participant's share of such contribution, the Participant shall upon demand reimburse the Company the amount so paid. The Company reserves the right to withhold parts of the Participant’s ordinary salary or other remuneration (including Shares issuable or transferable under this Participation Plan) to pay any employee’s contributions to social security, taxes or other duties, if financial means are not provided by the Participant otherwise.

The Company shall disclose any taxable income derived under this Participation Plan in the salary statement (*Lohnausweis*) as far as the Company is aware of such income, and shall deduct the relevant source tax, if any.

To enable the Company to fully disclose any taxable income derived under this Participation Plan, the Participant undertakes to immediately inform the Company about any realization of income derived from the Options or the Shares, which the Company might not be aware of. Such duty includes (among others) to inform the Company about any sale of Shares and about the terms and conditions thereof (including the purchase price).

It is the Participant’s responsibility to adhere to, declare and pay all income, wealth or other taxes incurring by reason of his/her participation in this Participation Plan, according to the tax laws of any state or country in which he/she has a tax obligation. The Company is not responsible for any consequences of incorrect tax declarations.

Any stamp duties and other costs directly related to the issuance and delivery of the Shares, if any, payable by the Company shall be borne by the Company.

13 EFFECTIVE DATE / AMENDMENT AND TERMINATION OF THE PLAN

The Participation Plan has been approved by the Board with retrospective effect as of July 23, 2021.

The Administrator may at any time make amendments and modifications to this Participation Plan as it deems advisable, in its sole discretion, including those amendments that may be necessary or desirable to comply with or conform to applicable tax laws. Furthermore, the Administrator is entitled to terminate this Participation Plan at any time.

The Administrator may issue other employee participation plans, in replacement of this Participation Plan or in parallel to this Participation Plan, at any time and in its sole discretion. It may offer Participants to transfer on a replacement plan even before expiry of this Participation Plan and under such conditions as deemed equitable by the Company.

By signing the Allocation Agreement, the Participant confers power of attorney to any individual member of the Administrator to sign, issue, execute, make and perform on behalf of the Participant such powers, documents, instruments, certificates or acts that seem useful to the proxy in connection with a possible going public of the Company on a recognized securities exchange.

Notwithstanding the foregoing, no such amendment shall impair any of the granted rights of any Participant with respect to any Options or Shares granted before.

14 COUNTRY-SPECIFIC AMENDMENTS

With respect to Participants who reside or work outside Switzerland, the Administrator may, in its sole discretion, amend the terms of the Participation Plan or Allocation Agreement with respect to such Participants in order to conform to such terms with the provisions of local law, and the Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or varied provisions.

15 DATA PRIVACY

The Participant acknowledges and agrees that the Company generates, keeps and processes personal data of the Participant for the purposes of administrating this Participation Plan. The Participant further agrees that the Company may disclose personal data to the Company and other group companies and to its advisors or authorities to the extent necessary for the proper administration of this Participation Plan or as permitted by applicable data protection laws.

16 DISCLAIMER

The Participants acknowledge and agree by signing the Allocation Agreement:

a) that the Options and Shares granted under this Participation Plan are granted without protection against future dilutive effects (e.g. issuance of new Shares of the Company);
b) that the Company does not provide any warranty or guarantee whatsoever on a positive outcome of the business and/or the value of the Company and its Shares;
c) that the investment is a venture capital investment and the risk of total loss of value regarding the Shares cannot be excluded.

17 MISCELLANEOUS

Any notices to be given to the Company shall be deemed given properly if sent to the Company's head office, and any notice to be given to the Participants shall be deemed given properly if sent to the Participant's personal domicile address or email address, which have been last notified by the Participant to the Company.

The Participant agrees to keep secret and confidential and not to use, disclose or divulge to any third party or to enable or cause any person to become aware of any of the terms and conditions of this Participation Plan or the Allocation Agreement (all such information collectively "**Confidential Information**").

The non-disclosure obligation shall not apply to any disclosure of Confidential Information required by law or regulations. In the event a disclosure of Confidential Information is required by law or regulations (including, without limitation, for tax, audit or regulatory purposes), the Participant shall use all reasonable efforts to arrange for the confidential treatment of the materials and information so disclosed.

Each Participant, by signing the Allocation Agreement, undertakes to comply strictly with all applicable laws and regulations, as well as with the Company's insider trading policies and other limitations determined by the Administrator, as in effect from time to time, where relevant.

This Participation Plan, where required, and the Allocation Agreement may be executed and amended in writing or in simple electronic form (e.g. through an electronic signature provider such as DocuSign or AdobeSign or through a scanned copy of the original signature) and be delivered by electronic mail or another transmission method; the counterpart so executed and delivered shall be deemed to have been duly executed and validly delivered and be valid and effective for all purposes.

If at any time any provision of this Participation Plan or any part of thereof is or becomes invalid or unenforceable, then neither the validity nor the enforceability of the remaining provisions or the remaining part of the provision shall in any way be affected or impaired thereby. The invalid or unenforceable provision or part thereof shall be replaced by a valid or enforceable provision, which shall best reflect the original intention and shall to the extent possible achieve the same economic result.

18 GOVERNING LAW AND JURISDICTION

This Participation Plan shall be subject to, and governed by Swiss law (under the exclusion of its private international law statute and international treaties).

Any dispute arising under or in connection with this Participation Plan shall be submitted, to the extent permitted by law, to the exclusive jurisdiction of the ordinary courts at the registered offices of the Company.

* * * * *

ANNEX 1 FORM OF ALLOCATION AGREEMENT

This agreement is made by and between

(i) **MoonLake Immunotherapeutics AG**
Dorfstrasse 29
6300 Zug
Switzerland
(hereinafter the "**Company**")

and

(ii) **[Name of Eligible Person]**
[address]
[plc] [place]
(hereinafter the "**Eligible Person**").

Preamble

In consideration of the mutual covenants and agreements herein contained, article 4 of the Articles of Association of the Company and pursuant to the Company's stock option plan dated June 15, 2023 which is attached hereto and made a part hereof (the "**Participation Plan**"), the Company and the Eligible Person agree as follows. Unless defined otherwise herein, terms defined in the Participation Plan shall have the same meanings when used herein.

1. OFFER

The Company hereby offers to the Eligible Person, subject to the terms and conditions contained in this Allocation Agreement and in the Participation Plan, Options as follows:

Number of Options:	[x]
Grant Date:	[date]
Option Price:	[option price]
Exercise Price:	[...]
Vesting:	[In accordance with Section 8.1 of the Participation Plan/In deviation to Section 8.1 of the Participation Plan, the Vesting Schedule shall be as follows:[...]]
Exercise Period:	In accordance with Section 7.2 of the Participation Plan.
Other Terms:	Pursuant to the provisions of the Participation Plan.
Validity Date of the Offer	[Date]

2. ACCEPTANCE

The Eligible Person accepts and exercises the right to acquire the following number of Options according to the terms and conditions contained in this Allocation Agreement and in the Participation Plan:

Number of Options to be acquired: _____

By signing this Allocation Agreement, the Eligible Person expresses complete acceptance and understanding of the terms set forth in the Participation Plan, in this Allocation Agreement, in the Articles of Association and in any other document related thereto.

In particular (including but not limited to), the Eligible Person recognizes the voluntary nature of the offer and the grant and accepts that the present offer and grant may be a one-time event and that no further grants may be made and that the Participation Plan may be amended or terminated by the Administrator at any time.

The Eligible Person acknowledges and is fully aware of Section 11.2.3 of the Participation Plan (i.e. the repurchase right of the Company) and the requirement to accede to the then current Shareholders' Agreement.

3. GOVERNING LAW AND JURISDICTION

Section 18 (*Governing Law, Jurisdiction*) of the Participation Plan is hereby incorporated *mutatis mutandis*

For MoonLake Immunotherapeutics AG

_____ _____

Place and Date Name:

_____ _____

Place and Date Name:

Understood and agreed by [**Name of Eligible Person**]

_____ _____

Place and Date: Name:

ANNEX 2 FORM OF EXERCISE NOTICE

Personal and Confidential
MoonLake Immunotherapeutics AG
Chairman of the Board of Directors
Dorfstrasse 29
6300 Zug
Switzerland

[Place, date]

Exercise Notice pursuant to the Stock Option Plan

Dear Madam or Sir:

Reference is made to that certain stock option plan of MoonLake Immunotherapeutics AG (the "**Company**") dated June 15, 2023 (the "**Participation Plan**") and to my allocation agreement entered into with the Company based upon the Participation Plan dated [...] (the "**Allocation Agreement**"). All capitalized terms used herein shall have the same meaning as ascribed to them in the Participation Plan and the Allocation Agreement unless otherwise defined in this letter.

[Reference is further made to article 4 of the Articles of Association and the conditional share capital regulated therein.]

Based on the foregoing, I hereby

a) exercise [number] Option(s) for the Exercise Price of [...] per Option;
b) subscribe the same number of Common Shares (i.e. common registered shares with restricted transferability of the Company with a nominal value of CHF 0.10 each) at an issue price of [X] per Common Share together with (ii) a number of Class C Ordinary Shares equal to the number of Class A Ordinary Shares (as defined in the Shareholders' Agreement) I would be entitled to receive based on the Exchange Ratio (as defined the Shareholders' Agreement) as a result of an Exchange (as defined in the Shareholders' Agreement) at nominal value;
c) unconditionally and irrevocably undertake to pay the Exercise Price by wire transfer to the account indicated by the Company [by offsetting claims against the Company in the amount of the Exercise Price]; and
d) unconditionally and irrevocably accede and declare to be bound by the Shareholders' Agreement now in place with regard to the Company;
e) apply for registration in the share register of the Company for the relevant number of Shares and do any further actions that might be necessary in connection with the Class C Ordinary Shares.

I further confirm that (i) all conditions to the exercise of the Options under the Participation Plan and the Allocation Agreement are satisfied and (ii) I am acting in my own name and on my own behalf.

Sincerely yours,

_____

[Name]

ANNEX 3 FORM OF ACCESSION

This form of accession (the «**Declaration**») is made by

[**Name of Eligible Person**]
[address]
[plc][place]
(hereinafter the «**New Shareholder**»)

Preamble

MoonLake Immunotherapeutics (formerly Helix), the Investors, the Founders, the Employees (as such terms are defined in the Shareholders' Agreement) and MoonLake Immunotherapeutics AG (hereinafter the «**Company**») have entered into a restated and amended shareholders' agreement on April 5, 2022 (hereinafter the «**Shareholders' Agreement**»).

Options (as such term is defined in the Employee Stock Option Plan) are about to be transferred or issued to the New Shareholder pursuant to and in accordance with the Company's Employee Stock Option Plan dated June 15, 2023 (hereinafter the «**Employee Stock Option Plan**»).

Therefore, the New Shareholder confirms and accepts as follows:

1. ACCESSION TO THE SHAREHOLDERS' AGREEMENT

The New Shareholder confirms that he/she has been supplied with, and has read a copy of, the Shareholders' Agreement and covenants with each of the Parties (as such term is defined in the Shareholders' Agreement) to observe, perform and be bound by all the terms of the Shareholders' Agreement (as the same may from time to time be amended, restated, supplemented or otherwise modified) as an Employee.

2. RESERVATION

The New Shareholder makes the reservation, that the purchase right of the Company according to the Employee Stock Option Plan shall prevail the rights of the shareholders according to the Shareholders' Agreement.

3. ADDRESS CONFIRMATION

The New Shareholder confirms that his address, for the purposes of section 12.5 of the Shareholders' Agreement shall be as follows: **[Name of Eligible Person]**, [address], [plc] , [place].

4. APPLICABLE LAW AND ARBITRATION

This Declaration and the transactions contemplated hereby shall in all respects be governed by and construed in accordance with the substantive laws of Switzerland, excluding the United Nations Convention on Contracts for the International Sales of Goods of 11 April 1980 (CISG).

Any dispute, controversy, or claim arising out of, or in relation to, this Declaration, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Arbitration Centre in force on the date on which the Notice of Arbitration is submitted in accordance with those Rules. The number of arbitrators shall be three. The seat of the arbitration shall be Zurich and the arbitration proceedings shall be conducted in English; provided that evidence may be submitted to the arbitration tribunal in German without translation into English.

Acknowledged and approved by **[Name of Eligible Person]**

_____ _____

Place and date Signature

Employee Share Participation Plan

dated June 15, 2023

of

MoonLake Immunotherapeutics AG, Zug, Switzerland

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1.

GENERAL TERMS

MoonLake Immunotherapeutics AG is a stock corporation duly organized according to art. 620 ss. of the Swiss Code of Obligation and domiciled in Zug, Switzerland.

With the present Participation Plan, the Company creates an instrument to enable eligible Employees, Consultants and Members of the Board to participate in the Company at favourable conditions.

The purpose of this Participation Plan 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 Participation Plan is intended to accomplish these goals by enabling the Company to grant Shares.

This Participation Plan sets forth the general rules and conditions of the grant of such Shares, whereas the individual Allocation Agreements entered into by the Company and the Participants will contain the specifically agreed terms and conditions of a Share grant.

The terms of this Participation Plan apply upon the acquisition of Shares by eligible Employees and Members of the Board as of the implementation by the Board until the Board decides in its own discretion to terminate this Participation Plan.

2. INTERPRETATIONS

The present Participation Plan is only applicable in its entirety. Neither the eligible person nor third parties might derive any rights from individual provisions that are not in connection with the Participation Plan in its entirety.

3. DEFINITIONS

All person-related language in this Participation Plan refers to both males and females.

Administrator:	shall have the meaning ascribed to it in Section 4.

Allocation Agreement: means the agreement between the Company and a Participant, substantially in the form of **Annex 1** .

Articles of Association: means the articles of association of the Company, as amended from time to time.

Bad Leaver: means a Participant whose Contractual Relationship is terminated:

a) by the Company or any of its subsidiaries for any reason which justified or would have justified the termination of the employment or director relationship for cause ("*aus wichtigem Grund*") within the meaning of article 337 of the Swiss Code of Obligations, or article 337 of the Swiss Code of Obligations by analogy, or such foreign law as may be applicable for determining termination for cause, provided that any reason qualifying as "cause" within article 337 of the Swiss Code of Obligations shall constitute "cause" also for the purposes of any foreign applicable law;

b) by the Company or any of its subsidiaries for the reason that the Participant has violated material provisions of his/her Contractual Relationship; and

c) by the Company or any of its subsidiaries or the Participant where the Participant, at the time of termination, qualified as Good Leaver but where the Company or any of its subsidiaries, after the termination, have become aware of facts that (in the reasonable opinion of the Administrator) would have resulted in the Participant qualifying as Bad Leaver based on para a) or b) above.

provided in such cases, however, that even in the event of an amicable settlement agreement (*Aufhebungsvereinbarung*) being concluded in lieu of a termination, the Participant shall continue to be a Bad Leaver where the requirements for such qualification pursuant to this definition are met.

Board:	means the board of directors of the Company.
Change of Control:	means any transfer of shares in one or a series of related transactions that results in the proposed acquirer (including a shareholder) holding directly, or indirectly through one or more intermediaries, more than 50% of the then issued share capital of the Company or MLTX, whichever occurs first.
Class C Ordinary Share(s)	means Class C ordinary shares (voting shares) of MLTX.
Common Share(s)	means registered common shares with restricted transferability of the Company with a nominal value of CHF 0.10 each.
Company:	means MoonLake Immunotherapeutics AG, Dorfstrasse 29, 6300 Zug, Switzerland, CHE-433.093.536.
Confidential Information:	shall have the meaning ascribed to it in Section 16.
Consultant	means any individual or legal entity which is engaged as a consultant, advisor or service provider of the Company or any of its subsidiaries, excluding individuals which are in an employment relationship with the Company or any of its subsidiaries.
Contractual Relationship:	means the employment relationship, the director relationship or the consultancy relationship between a Participant and the Company or any of its subsidiaries, as the case may be, which was in effect at the Grant Date.

Disability:	means permanent and total disability (*Invalidität*) as defined under the Swiss federal law on the general part of the social security law (ATSG) (*Bundesgesetz über den Allgemeinen Teil des Sozialversicherungsrechts [ATSG]*) or such foreign law as may be applicable for determining disability.
Eligible Persons:	means all Employees, Members of the Board and Consultants of the Company and its current and future wholly owned subsidiaries who are eligible to acquire Options according to this Participation Plan and its annexes.
Employee:	means any person in an employment relationship with the Company or any of its subsidiaries, other than Members of the Board or Consultants.
Good Leaver:	means a Participant whose Contractual Relationship is terminated by the Company or its subsidiaries or by the Participant, in each case for whatever reason other than for reasons that would qualify the Participant as a Bad Leaver.
Grant Date:	means the date, determined by the Administrator in the Allocation Agreement, on which Shares under this Participation Plan are granted to a Participant.
Leaver Call Options:	shall have the meaning ascribed to it in Section 9.1.
Leaver Call Options Exercise Notice:	shall have the meaning ascribed to it in Section 9.3.
Leaver Shares:	shall have the meaning ascribed to it in Section 9.1.

Member of the Board:	means any individual member of the Board of the Company or its subsidiaries.
MLTX	means MoonLake Immunotherapeutics, c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.
Participant:	means an Eligible Person who actually acquires Shares under the terms and conditions of this Participation Plan.
Participation Plan:	means the present share participation plan, as it may from time to time be amended, restated, supplemented or otherwise modified.
Section:	means a section of this Participation Plan.
Shares:	means Common Shares and Class C Ordinary Shares.
Shareholders' Agreement	means the Shareholders' Agreement dated April 5, 2022, between MLTX, the Investors (as such term is defined in the Shareholders' Agreement), the Founders (as such term is defined in the Shareholders' Agreement), the Employees (as such term is defined in the Shareholders' Agreement) and the Company (as such term is defined in the Shareholders' Agreement) in relation to the Company (as the same may from time to time be amended, restated, supplemented or otherwise modified). It being understood and agreed that such Shareholders' Agreement will contain, inter alia, transfer restrictions regarding the Shares (including but not limited to lock-up periods, rights of first refusals, purchase rights, drag-along rights) but that the transfer restrictions determined in this Participation Plan shall prevail.
Vesting Period:	shall have the meaning ascribed to it in Section 9.1.

Vesting Schedule:	shall have the meaning ascribed to it in Section 9.1.

4. ADMINISTRATION OF THE PARTICIPATION PLAN

This Participation Plan shall be administered by the Board or any other corporate body, committee or individual appointed by the Board from time to time (the "**Administrator**").

The Administrator shall have full discretional power and authority, subject to the provisions of this Participation Plan, to:

a) select the Participants eligible for receiving Shares under this Participation Plan;

b) grant Shares, on such terms, consistent with the rules of this Participation Plan, as it shall determine in its sole discretion;

c) establish such rules and regulations as it may deem appropriate for the proper administration and operation of the Participation Plan;

d) make such determinations under, and such interpretations of, and to take such steps in connection, with the Participation Plan and the Shares granted thereunder as it considers necessary or advisable; and

e) amend or terminate the Participation Plan in accordance with Section 12.

All decisions, determinations and interpretations of the Administrator regarding the Participation Plan shall be final and binding for the Eligible Persons and the Participants.

5. SIZE AND FUNDING OF THE PARTICIPATION PLAN

The Participation Plan is based on article 4 of the Articles of Association, as amended from time to time. Article 4 currently provides for a conditional increase of the share capital of a maximum of CHF 2'847.20 by the issuance of a maximum of 28'472 Common Shares with a nominal value of CHF 0.10 each. The Participation Plan may furthermore be funded through treasury shares within the meaning of art. 659 of the Swiss Code of Obligations.

6. RIGHT TO PARTICIPATE

The Administrator shall select the Employees, Consultants and Members of the Board who are eligible to participate under this Participation Plan at its

sole discretion. It being understood that the Administrator might decide that no one shall be eligible in one or several relevant year(s).

The Administrator shall also determine at its sole discretion about:

a) the number of Shares offered to each specific Eligible Person;
b) the Grant Date;
c) the offered purchase price of the Shares (it being understood that the Shares may also be granted free of charge or in lieu of salary payments);
d) as well as all other parameters of the offered Shares;

all in accordance with the provisions of this Participation Plan.

The participation right of the Eligible Person is personal and non-transferable.

Neither the establishment of this Participation Plan, nor the eligibility to participate, nor the granting of Shares hereunder, nor any (other) action of the Company or the Administrator in connection with this Participation Plan does create any right to any (further) participation or continued employment or mandate of the Company. The election as an Eligible Person as well as the granting of any rights or payments under this Participation Plan is on a voluntary basis, which does not create any right of future participation. Even repeated grants without the reservation of voluntariness shall not create any legal claim for the Eligible Persons and the Participants, neither in respect to their cause nor their amount nor for the past nor for the future.

7. GRANT AND ACQUISITION OF SHARES

The grant of Shares to a Participant under this Participation Plan and the respective terms and conditions thereof shall be evidenced by an Allocation Agreement, substantially in the form of **Annex 1** or such other form as the Administrator may determine from time to time, duly signed by the Company and the Participant.

The Administrator shall inform the Eligible Person about the number of offered Shares and the purchase price per Share by sending an Allocation Agreement to the Eligible Person. Simultaneously, the Administrator shall determine and inform the Eligible Person about the deadline until when the Eligible Person might accept the offer.

By returning, the duly completed and duly signed Allocation Agreement to the Company within the deadline set by the Administrator, the Eligible Person irrevocably accepts the grant of the offered Common Shares (to the

extent indicated in the Allocation Agreement) and the corresponding number of Class C Ordinary Shares according to the terms and conditions set out in the Allocation Agreement and this Participation Plan.

In particular, by returning the duly completed and duly signed Allocation Agreement the Participant undertakes to pay the purchase price and to acquire the indicated number of Shares at the Grant Date.

The transfer of title takes place at the Grant Date determined by the Administrator if the conditions precedent of grant set out in Section 8 are met.

By signing the Allocation Agreement, the Participant entitles the Company, to the extent necessary, to register the Participant as the owner of the acquired Shares into the shareholders' register of the Company and MLTX, as the case may be.

No Eligible Person shall have any right or claim under this Participation Plan, unless he/she has specifically been granted Shares based on a counter-signed Allocation Agreement and has thus become a Participant. The promise to grant Shares, or the attribution of Shares in any document other than in an Allocation Agreement shall not be considered as a valid grant of Shares until it is formalized in an Allocation Agreement pursuant to this Participation Plan.

As of the date of signing the Allocation Agreement by the Participant, the terms and provisions of this Participation Plan form an integral part of the employment or director relationship of the Participant with the Company.

8. CONDITIONS PRECEDENT REGARDING THE TRANSFER OF TITLE

Full legal title in the respective Shares (including voting and dividend rights, if any) shall transfer to the Participant at the Grant Date, subject to the fulfilment of the following conditions precedent and unless otherwise agreed upon in the Allocation Agreement or the Participation Plan:

a) the Participant's Contractual Relationship is not being terminated at the Grant Date; and
b) the Participant has signed the form of accession to the then current Shareholders' Agreement as Shareholder (as defined in the Shareholders' Agreement), substantially in the form of **Annex 2**, as amended from time to time.

9. REVERSE VESTING

9.1 Vesting Schedule

100% of the Shares granted to a Participant under this Participation Plan shall be considered unvested at the Grant Date and, therefore, be subject to a reverse vesting and respective call option (the «**Leaver Call Options**») as further set forth in this Section 9 (the «**Leaver Shares**»).

The Leaver Shares of each Participant shall (reverse) vest over a period of 4 years (the «**Vesting Period**») as follows (the «**Vesting Schedule**»):

a) on the first anniversary of the Grant Date, 25% of the Shares shall vest, whereas fractions of Shares shall be rounded down to the next full number;

b) on the second anniversary of the Grant Date, 25% of the Shares shall vest, whereas fractions of Shares shall be rounded down to the next full number;

c) on the third anniversary of the Grant Date, 25% of the Shares shall vest, whereas fractions of Shares shall be rounded down to the next full number;

d) on the fourth and last anniversary of the Grant Date, all Options shall fully vest.

If a Participant, after the Grant Date, ceases to provide services to the Company due to sickness, accident, parental leave or any other voluntary or involuntary leave of absence, vesting of unvested Shares shall be put on hold 90 calendar days after the beginning of such a leave of absence. The vesting shall continue when the Participant resumes his/her services to the Company.

If a Participant reduces his/her workload by more than 30% compared to the workload on the Grant Date, the Vesting Schedule for unvested Shares shall be extended proportionately.

Upon the occurrence of a Change of Control, all Shares which have not vested by virtue of the Vesting Schedule agreed upon in the Allocation Agreement, shall vest and the Leaver Call Options shall lapse.

9.2 Leaver Call Options

9.2.1 Termination of Contractual Relationship as a Good Leaver

If, before the end of the Vesting Period, the Contractual Relationship of the relevant Participant is terminated and the Participant qualifies as a Good Leaver, the Company, or any third party designated by it, shall have an option to purchase all or a pro rata portion of the Leaver Shares that are unvested on the day the termination becomes effective at the nominal value.

9.2.2 Termination of Contractual Relationship as a Bad Leaver

If, before the end of the Vesting Period, the Contractual Relationship of the relevant Participant is terminated and the Participant qualifies as a Bad Leaver, the Company, or any third party designated by it, shall have an option to purchase all or a pro rata portion of all Leaver Shares, irrespective of whether they have already vested or not, at nominal value.

9.3 Exercise of Leaver Call Options

In the event of a termination of the employment relationship, if the Company, or any third party designated by it, wishes to exercise the Leaver Call Options, the Company, or the third party designated by it, shall notify the relevant Participant (or, as the case may be, their legal successor, receiver, insolvency judge or any other person with the right to act on behalf of the relevant Shareholder or their estate) within 30 calendar days of the effective date of the termination and state in such notice the number of Leaver Shares that the Company, or the third party designated by it, wishes to purchase and the purchase price for such Shares as determined by the Administrator in accordance with Section 9.2 (the «**Leaver Call Options Exercise Notice**»).

The transfer of the relevant Leaver Shares against payment of the purchase price shall be consummated within 60 calendar days from the date of the Leaver Call Options Exercise Notice.

Each Participant hereby (i) assigns and transfers to the Company, and the Company hereby accepts such assignment and transfer, upon and with effect as of the occurrence of a termination of the Contractual Relationship, in each case, as required to effect a transfer of Shares by such Participant pursuant to this Section 9.

10. RESTRICTIONS OF TRANSFER

Any Shares acquired under this Participation Plan are subject to such transfer restrictions as set forth in this Participation Plan, the Articles of Association, the Shareholders' Agreement, the applicable securities law provisions and by the Board.

The Shares granted under this Participation Plan will be delivered into a blocked custody account with the Company or a designated third party, unless the Administrator orders otherwise.

No Participant shall, except with the prior written consent of the Board and subject to the Helix Call Options (as defined in the Shareholders' Agreement), Drag-Along (as defined in the Shareholders' Agreement) and the Triggering Event Options (as defined in the Shareholders' Agreement), transfer Leaver Shares during the Vesting Period.

No Participant shall pledge, hypothecate, assign by way of security or otherwise create any lien, encumbrances, charges or third party right on any Shares or any right granted under this Participation Plan. The Shares shall remain free and clear of any liens, encumbrances, charges or any other third party rights.

11. TAXATION AND SOCIAL SECURITY

Any social security and similar contributions legally due on the allocation of Shares granted hereunder or on any other realization of income derived from the Shares are shared accordingly to the applicable laws and agreements between the Company and such Participants. To the extent the Company has paid the Participant's share of such contribution, the Participant shall upon demand reimburse the Company the amount so paid. The Company reserves the right to withhold parts of the Participant's ordinary salary or other remuneration (including Shares issuable or transferable under this Participation Plan) to pay any employee's contributions to social security, taxes or other duties, if financial means are not provided by the Participant otherwise.

The Company shall disclose any taxable income derived under this Participation Plan in the salary statement (*Lohnausweis*) as far as the Company is aware of such income, and shall deduct the relevant source tax, if any.

To enable the Company to fully disclose any taxable income derived under this Participation Plan, the Participant undertakes to immediately inform the Company about any realization of income derived from the Options or the Shares, which the Company might not be aware of. Such duty includes (among others) to inform the Company about any sale of Shares and about the terms and conditions thereof (including the purchase price).

It is the Participant's responsibility to adhere to, declare and pay all income, wealth or other taxes incurring by reason of his/her participation in this Participation Plan, according to the tax laws of any state or country in which he/she has a tax obligation. The Company is not responsible for any consequences of incorrect tax declarations.

Any stamp duties and other costs directly related to the issuance and delivery of the Shares, if any, payable by the Company shall be borne by the Company.

12. EFFECTIVE DATE / AMENDMENT AND TERMINATION OF THE PLAN

The Participation Plan has been approved by the Board with retrospective effect as of July 23, 2021.

The Administrator may at any time make amendments and modifications to this Participation Plan as it deems advisable, in its sole discretion, including those amendments that may be necessary or desirable to comply with or conform to applicable tax laws. Furthermore, the Administrator is entitled to terminate this Plan at any time.

The Administrator may issue other employee participation plans, in replacement of this Participation Plan or in parallel to this Participation Plan, at any time and in its sole discretion. It may offer Participants to transfer on a replacement plan even before expiry of this Participation Plan and under such conditions as deemed equitable by the Company.

By signing the Allocation Agreement, the Participant confers power of attorney to any individual member of the Administrator to sign, issue, execute, make and perform on behalf of the Participant such powers, documents, instruments, certificates or acts that seem useful to the proxy in connection with a possible going public of the Company on a recognized securities exchange.

Notwithstanding the foregoing, no such amendment shall impair any of the granted rights of any Participant with respect to any Shares granted before.

13. COUNTRY-SPECIFIC AMENDMENTS

With respect to Participants who reside or work outside Switzerland, the Administrator may, in its sole discretion, amend the terms of the Participation Plan or Allocation Agreement with respect to such Participants in order to conform to such terms with the provisions of local law, and the Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or varied provisions.

14. DATA PRIVACY

The Participant acknowledges and agrees that the Company generates, keeps and processes personal data of the Participant for the purposes of administrating this Participation Plan. The Participant further agrees that the Company may disclose personal data to the Company and other group companies and to its advisors or authorities to the extent necessary for the proper administration of this Participation Plan or as permitted by applicable data protection laws.

15. DISCLAIMER

The Participants acknowledge and agree by signing the Allocation Agreement:

a) that the Shares granted under this Participation Plan are granted without protection against future dilutive effects (e.g. issuance of new Shares of the Company);
b) that since the Shares are currently not listed on any stock exchange or traded on any regular market the Shares are illiquid in nature and the Participant may not be able to sell his Shares;
c) that the Company does not provide any warranty or guarantee whatsoever on a positive outcome of the business and/or the value of the Company and its Shares;
d) that the investment is a venture capital investment and the risk of total loss of value regarding the Shares cannot be excluded.

16. MISCELLANEOUS

Any notices to be given to the Company shall be deemed given properly if sent to the Company's head office, and any notice to be given to the Participants shall be deemed given properly if sent to the Participant's personal domicile address or email address, which have been last notified by the Participant to the Company.

The Participant agrees to keep secret and confidential and not to use, disclose or divulge to any third party or to enable or cause any person to become aware of any of the terms and conditions of this Participation Plan or the Allocation Agreement (all such information collectively "**Confidential Information**").

The non-disclosure obligation shall not apply to any disclosure of Confidential Information required by law or regulations. In the event a disclosure of Confidential Information is required by law or regulations (including, without limitation, for tax, audit or regulatory purposes), the Participant shall use all reasonable efforts to arrange for the confidential treatment of the materials and information so disclosed.

Each Participant, by signing the Allocation Agreement, undertakes to comply strictly with all applicable laws and regulations, as well as with the Company's insider trading policies and other limitations determined by the Administrator, as in effect from time to time, where relevant.

This Participation Plan, where required, and the Allocation Agreement may be executed and amended in writing or in simple electronic form (e.g. through an electronic signature provider such as DocuSign or AdobeSign or through a scanned copy of the original signature) and be delivered by electronic mail or another transmission method; the counterpart so executed and delivered shall be deemed to have been duly executed and validly delivered and be valid and effective for all purposes.

If at any time any provision of this Participation Plan or any part of thereof is or becomes invalid or unenforceable, then neither the validity nor the enforceability of the remaining provisions or the remaining part of the provision shall in any way be affected or impaired thereby. The invalid or unenforceable provision or part thereof shall be replaced by a valid or enforceable provision, which shall best reflect the original intention and shall to the extent possible achieve the same economic result.

17. GOVERNING LAW AND JURISDICTION

This Participation Plan shall be subject to, and governed by Swiss law (under the exclusion of its private international law statute and international treaties).

Any dispute arising under or in connection with this Participation Plan shall be submitted, to the extent permitted by law, to the exclusive jurisdiction of the ordinary courts at the registered offices of the Company.

ANNEX 1 FORM OF ALLOCATION AGREEMENT

This agreement is made by and between

MoonLake Immunotherapeutics AG
Dorfstrasse 29
6300 Zug
Switzerland
(hereinafter the "**Company**")

and

[**Name of Eligible Person**]
[address]
[plc] [place]
(hereinafter the "**Eligible Person**")

Preamble
In consideration of the mutual covenants and agreements herein contained, article 4 of the Articles of Association of the Company and pursuant to the Company's share participation plan dated June 15, 2023 which is attached hereto and made a part hereof (the "**Participation Plan**"), the Company and the Eligible Person agree as follows. Unless defined otherwise herein, terms defined in the Participation Plan shall have the same meanings when used herein.

1. OFFER

The Company hereby offers to the Eligible Person, subject to the terms and conditions contained in this Allocation Agreement and in the Participation Plan, to acquire:

Award:	max. [number] Common Shares together with (ii) a number of Class C Ordinary Shares equal to the number of Class A Ordinary Shares (as defined in the Shareholders' Agreement) the Eligible Person would be entitled to receive based on the Exchange Ratio (as defined the Shareholders' Agreement) as a result of an Exchange (as defined in the Shareholders' Agreement)
Purchase Price:	CHF [price] per Common Share
Grant Date:	[Grant Date]
Vesting:	[In accordance with Section 9.1 of the Participation Plan/In deviation to Section 9.1 of the Participation Plan, the Vesting Schedule shall be as follows: [...]].
Other Terms:	Pursuant to the provisions of the Participation Plan.
Validity Date of the Offer:	[Date]

2. ACCEPTANCE

The Eligible Person accepts and exercises the right to acquire the following number of Common Shares (i.e. registered common shares with restricted transferability of the Company with a nominal value of CHF 0.10 each) and the following number of Class C Ordinary Shares according to the terms and conditions contained in this Allocation Agreement and in the Participation Plan:

Number of Common Shares to be acquired:	_____
Number of Class C Ordinary Shares to be acquired:	_____

Furthermore, the Eligible Person accepts to pay the following price for these Shares within [10] calendar days after signing this Allocation Agreement:

Price to be paid for such number of Shares

CHF _____

By signing this Allocation Agreement, the Eligible Person expresses complete acceptance and understanding of the terms set forth in the Participation Plan, in this Allocation Agreement, in the Articles of Association and in any other document related thereto.

The Eligible Person acknowledges that such Common Shares will be issued from [conditional capital according to Section 4 of the Articles of Association of the Company] [treasury shares within the meaning of art. 659 of the Swiss Code of Obligations].

In particular (including but not limited to), the Eligible Person recognizes the voluntary nature of the offer and the grant and accepts that the present offer and grant may be a one-time event and that no further grants may be made and that the Participation Plan may be amended or terminated by the Administrator at any time. Furthermore, the Eligible Person is aware that the purchase of Shares is optional.

The Eligible Person acknowledges and is fully aware of Section 9.2 of the Participation Plan (i.e. the leaver call options and the right of first refusal of the Company) and the requirement to accede to the current Shareholders' Agreement.

3. GOVERNING LAW AND JURISDICTION

Section 17 (*Governing Law and Jurisdiction*) of the Participation Plan is hereby incorporated *mutatis mutandis*

For MoonLake Immunotherapeutics AG

_____ _____

Place and Date Name:

_____ _____

Place and Date Name:

Understood and agreed by **[Name of Eligible Person]**

_____ _____

Place and date Name:

ANNEX 2 FORM OF ACCESSION

This form of accession (the "**Declaration**") is made by

[Name of Eligible Person]
[address]
[plc] [place]
(hereinafter the "**New Shareholder**")

Preamble

MoonLake Immunotherapeutics (formerly Helix), the Investors, the Founders, the Employees (as such terms are defined in the Shareholders' Agreement) and MoonLake Immunotherapeutics AG (hereinafter the «**Company**») have entered into a shareholders' agreement on April 5, 2022 (hereinafter the "**Shareholders' Agreement**").

Common Shares and Class C Ordinary Shares (as such term is defined in the Shareholders' Agreement) are about to be transferred or issued to the New Shareholder pursuant to and in accordance with the Company's Participation Plan dated June 15, 2023 (hereinafter the "**Participation Plan**").

Therefore, the New Shareholder confirms and accepts as follows:

1. ACCESSION TO THE SHAREHOLDERS' AGREEMENT

The New Shareholder confirms that he/she has been supplied with, and has read a copy of, the Shareholders' Agreement and covenants with each of the Parties (as such term is defined in the Shareholders' Agreement) to observe, perform and be bound by all the terms of the Shareholders' Agreement (as the same may from time to time be amended, restated, supplemented or otherwise modified) as an Employee.

2. RESERVATION

The New Shareholder makes the reservation, that the leaver call options of the Company according to the Participation Plan shall prevail the rights of the shareholders according to the Shareholders' Agreement.

Furthermore, the New Shareholder clarifies, that the Company might exercise its prevailing right of first refusal for its own account as well as fiduciary for a third party or a subsidiary.

3. ADDRESS CONFIRMATION

The New Shareholder confirms that his address, for the purposes of section 17.5 of the Shareholders' Agreement shall be as follows: **[Name of Eligible Person]**, [address], [plc] , [place] .

4. APPLICABLE LAW AND ARBITRATION

This Declaration and the transactions contemplated hereby shall in all respects be governed by and construed in accordance with the substantive laws of Switzerland, excluding the United Nations Convention on Contracts for the International Sales of Goods of 11 April 1980 (CISG).

Any dispute, controversy, or claim arising out of, or in relation to, this Declaration, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Arbitration Centre in force on the date on which the Notice of Arbitration is submitted in accordance with those Rules. The number of arbitrators shall be three. The seat of the arbitration shall be Zurich and the arbitration proceedings shall be conducted in English; provided that evidence may be submitted to the arbitration tribunal in German without translation into English.

Acknowledged and approved by **[Name of Eligible Person]**

_____ _____

Place and date Signature

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: August 10, 2023

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: August 10, 2023

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 June 30, 2023 (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: August 10, 2023

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 June 30, 2023 (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: August 10, 2023

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.