Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 2021

OR

☐ 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 001-37809

NeuroBo Pharmaceuticals, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**47-2389984**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
200 Berkeley Street, Office 19th Floor **Boston, Massachusetts**	**02116**
(Address of principal executive offices)	(Zip Code)

(857) 702-9600
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange On Which Registered**
Common stock, $0.001 par value	NRBO	The Nasdaq Stock Market LLC

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 the 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 ☒

The number of outstanding shares of the registrant's common stock, $0.001 par value, as of November 11, 2021 was 26,593,185.

NeuroBo Pharmaceuticals, Inc.
FORM 10-Q
INDEX

PART I – FINANCIAL INFORMATION
ITEM 1 – FINANCIAL STATEMENTS

NeuroBo Pharmaceuticals, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share amounts and par value)

	September 30, 2021 (unaudited)	December 31, 2020
Assets		
Current assets:		
Cash	$ 6,984	$ 10,089
Prepaid expenses	812	546
Other assets	48	48
Total current assets	7,844	10,683
Right-of-use assets and other	111	130
Property and equipment, net	122	155
Total assets	$ 8,077	$ 10,968
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 953	$ 2,575
Accrued liabilities	922	1,096
Lease liability, short-term	26	24
Total current liabilities	1,901	3,695
Lease liability, long-term	51	70
Total liabilities	1,952	3,765
Commitments and contingencies (Notes 4, 5, 6 and 11)		
Stockholders' equity		
Preferred stock, $0.001 par value; 10,000,000 shares authorized as of September 30, 2021 and December 31, 2020; no shares issued or outstanding as of September 30, 2021 and December 31, 2020.	—	—
Common stock, $0.001 par value per share, 100,000,000 shares authorized as of September 30, 2021 and December 31, 2020; 22,285,492 and 19,671,182 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively.	22	20
Additional paid–in capital	83,349	73,713
Accumulated other comprehensive income	4	14
Accumulated deficit	(77,250)	(66,544)
Total stockholders' equity	6,125	7,203
Total liabilities and stockholders' equity	$ 8,077	$ 10,968

See accompanying notes to condensed consolidated financial statements.

NeuroBo Pharmaceuticals, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating expenses:				
Research and development	$ 1,394	$ 1,265	$ 4,549	$ 4,091
General and administrative	2,070	1,795	6,171	6,110
Total operating expenses	3,464	3,060	10,720	10,201
Loss from operations	(3,464)	(3,060)	(10,720)	(10,201)
Interest income	3	6	14	34
Other expense, net	—	—	—	(1)
Loss before income taxes	(3,461)	(3,054)	(10,706)	(10,168)
Provision for income taxes	—	—	—	—
Net loss	(3,461)	(3,054)	(10,706)	(10,168)
Other comprehensive (loss) income, net of tax	1	13	(10)	(15)
Comprehensive loss	$ (3,460)	$ (3,041)	$ (10,716)	$ (10,183)
Loss per share:				
Net loss per share, basic and diluted	$ (0.16)	$ (0.19)	$ (0.49)	$ (0.63)
Weighted average common shares outstanding:				
Basic and diluted	22,285,492	16,427,307	22,036,184	16,135,000

See accompanying notes to condensed consolidated financial statements.

NeuroBo Pharmaceuticals, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	Common Stock		Additional Paid–In Capital	Accumulated Comprehensive Income (Loss)	Accumulated Deficit	Total Equity
	Shares	Amount				
Balance at December 31, 2019	15,592,718	$ 16	$ 49,130	$ 12	$ (36,866)	$ 12,292
Exercise of stock options	84,589	—	53	—	—	53
Stock–based compensation	—	—	159	—	—	159
Foreign currency translation adjustment	—	—	—	(34)	—	(34)
Net loss	—	—	—	—	(4,730)	(4,730)
Balance at March 31, 2020	15,677,307	16	49,342	(22)	(41,596)	7,740
Issuance of common stock in connection with equity financing	750,000	1	7,499	—	—	7,500
Transaction costs in connection with equity financing	—	—	(984)	—	—	(984)
Stock–based compensation	—	—	171	—	—	171
Issuance of broker warrants in connection with equity financing	—	—	289	—	—	289
Foreign currency translation adjustment	—	—	—	6	—	6
Net loss	—	—	—	—	(2,384)	(2,384)
Balance at June 30, 2020	16,427,307	17	56,317	(16)	(43,980)	12,338
Stock–based compensation	—	—	209	—	—	209
Foreign currency translation adjustment	—	—	—	13	—	13
Net loss	—	—	—	—	(3,054)	(3,054)
Balance at September 30, 2020	16,427,307	$ 17	$ 56,526	$ (3)	$ (47,034)	$ 9,506
Balance at December 31, 2020	19,671,182	$ 20	$ 73,713	$ 14	$ (66,544)	$ 7,203
Issuance of common stock and warrants in connection with equity financing	2,500,000	2	9,998	—	—	10,000
Transaction costs in connection with equity financing	—	—	(908)	—	—	(908)
Stock–based compensation	—	—	187	—	—	187
Foreign currency translation adjustment	—	—	—	(7)	—	(7)
Net loss	—	—	—	—	(3,324)	(3,324)
Balance at March 31, 2021	22,171,182	22	82,990	$ 7	(69,868)	13,151
Stock–based compensation	—	—	180	—	—	180
Exercise of stock options	114,310	—	72	—	—	72
Foreign currency translation adjustment	—	—	—	(4)	—	(4)
Net loss	—	—	—	—	(3,921)	(3,921)
Balance at June 30, 2021	22,285,492	22	83,242	3	(73,789)	9,478
Stock–based compensation	—	—	107	—	—	107
Foreign currency translation adjustment	—	—	—	1	—	1
Net loss	—	—	—	—	(3,461)	(3,461)
Balance at September 30, 2021	22,285,492	$ 22	$ 83,349	$ 4	$ (77,250)	$ 6,125

See accompanying notes to condensed consolidated financial statements.

NeuroBo Pharmaceuticals, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	For the Nine Months Ended September 30,	
	2021	**2020**
Operating activities		
Net loss	$ (10,706)	$ (10,168)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	474	539
Non-cash lease expense	18	16
Depreciation	36	34
Change in assets and liabilities		
Prepaid expenses and other assets	(219)	(351)
Accounts payable	(1,646)	460
Accrued and other liabilities	(192)	1,054
Net cash used in operating activities	(12,235)	(8,416)
Investing activities		
Purchases of property and equipment	(3)	(2)
Net cash used in investing activities	(3)	(2)
Financing activities		
Proceeds from equity offering	10,000	7,500
Issuance costs	(932)	(695)
Exercise of stock options	72	53
Net cash provided by financing activities	9,140	6,858
Net decrease in cash	(3,098)	(1,560)
Net foreign exchange difference	(7)	(10)
Cash at beginning of period	10,089	13,923
Cash at end of period	$ 6,984	$ 12,353
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ —	$ —
Cash paid for interest	$ —	$ —
Supplemental non-cash investing and financing transactions:		
Unpaid deferred issuance costs	$ 25	$ —
Placement warrants issued in connection with equity financing	$ —	$ 289
Unpaid fixed asset purchases	$ —	$ 2

See accompanying notes to condensed consolidated financial statements.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

1. The Company and Basis of Presentation

NeuroBo Pharmaceuticals, Inc. (together with its subsidiaries, the "Company" or "NeuroBo"), is a clinical-stage biotechnology company with four therapeutics programs designed to impact a range of indications in viral, neurodegenerative and cardiometabolic disease:

- *ANA001*, which is focused on the development for coronavirus indications, is currently in Phase 2/3 clinical trials as a treatment for COVID-19;
- *NB-01*, which is primarily focused on the development of a treatment for painful diabetic neuropathy, but which the Company believes could also treat a range of neuropathic conditions, including chemotherapy-induced peripheral neuropathy and post-traumatic peripheral neuropathy;
- *NB-02*, which has the potential to treat the symptoms of cognitive impairment and modify the progression of neurodegenerative diseases associated with the malfunction of a protein called tau, and with amyloid beta plaque deposition; and
- *Gemcabene*, which is currently being assessed as an acute indication for COVID-19. Gemcabene was previously focused on developing and commercializing therapies for the treatment of dyslipidemia, a serious medical condition that increases the risk of life-threatening cardiovascular disease, focused on orphan indications such as homozygous familial hypercholesterolemia, as well as nonalcoholic fatty liver disease/nonalcoholic steatohepatitis.

The Company was originally incorporated as Gemphire Therapeutics Inc. ("Gemphire"). In connection with the closing of the 2019 Merger (as defined below), the Company changed its name to NeuroBo Pharmaceuticals, Inc. The Company's operations have consisted principally of performing research and development activities, clinical development and raising capital. The Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding before sustainable revenues and profit from operations are achieved.

COVID-19

The Company is subject to risks and uncertainties as a result of the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on the Company's business is highly uncertain and difficult to predict, as the responses that the Company, other businesses and governments are taking continue to evolve. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a lasting national or global economic recession. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions remain uncertain.

Exclusive of the development of certain of the Company's proposed therapies, the severity of the impact of the COVID-19 pandemic on the Company's business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Company's service providers, suppliers, contract research organizations and the Company's clinical trials, all of which are uncertain and cannot be predicted. As of the date of issuance of Company's financial statements, the extent to which the COVID-19 pandemic may in the future materially impact the Company's financial condition, liquidity or results of operations is uncertain. To date, other than prioritizing development on COVID-19 therapeutics over non-COVID related therapeutics, the Company has not experienced any significant external changes in our business that has had a significant negative impact on its consolidated statements of operations or cash flows.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

Mergers

2020 Merger with ANA

On December 31, 2020, the Company acquired 100% of ANA Therapeutics, Inc., a Delaware corporation ("ANA"), pursuant to an Agreement and Plan of Merger, dated December 31, 2020 (the "2020 Merger Agreement" or "2020 Merger"). Pursuant to the 2020 Merger Agreement, NeuroBo issued to the stockholders of ANA 3,243,875 shares of its common stock. The 2020 Merger, which closed on December 31, 2020, was accounted for as an asset acquisition pursuant to Topic 805, *Business Combinations*, as substantially all of the fair value of the assets acquired were concentrated in a group of similar non-financial assets.

2019 Merger with Gemphire

On July 24, 2019, Gemphire and NeuroBo Pharmaceuticals, Inc. ("Private NeuroBo") entered into a definitive agreement, which was amended on October 29, 2019 (the "2019 Merger Agreement"). The merger closed on December 30, 2019, whereby Private NeuroBo merged with a wholly-owned subsidiary of the Company in an all-stock transaction (the "2019 Merger").

Basis of presentation and consolidation principles

The accompanying condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated financial statements may not include all disclosures required by GAAP; however, the Company believes that the disclosures are adequate to make the information presented not misleading. These unaudited condensed financial statements should be read in conjunction with the audited financial statements and the notes thereto for the fiscal year ended December 31, 2020 included in the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2021. The condensed consolidated balance sheet as of December 31, 2020 was derived from the audited financial statements.

In the opinion of management, all adjustments, consisting of only normal recurring adjustments that are necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, have been made. The results of operations for the interim periods are not necessarily indicative of the operating results for the full fiscal year or any future periods.

The condensed consolidated financial statements of the Company include a South Korean subsidiary, NeuroBo Co., LTD., which is fully owned by the Company. All significant intercompany accounts and transactions have been eliminated in the preparation of the financial statements.

Going Concern

From its inception through September 30, 2021, the Company has devoted substantially all of its efforts to drug discovery and development and conducting clinical trials. The Company has a limited operating history and the sales and income potential of the Company's business and market are unproven. Successful transition to attaining profitable operations is dependent upon achieving a level of revenues adequate to support the Company's cost structure. As of September 30, 2021, the Company had $7.0 million in cash. The Company has experienced net losses and negative cash flows from operating activities since its inception and had an accumulated deficit of $77.2 million as of September 30, 2021.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

To date, the Company has raised capital principally through the registered offerings and private placements of common stock, warrants and redeemable convertible preferred stock as well as via the issuance of convertible notes. On April 13, 2020, the Company entered into a Securities Purchase Agreement, pursuant to which the Company issued and sold shares of the Company's common stock in a registered offering (the " April 2020 Registered Offering") which resulted in gross proceeds of $7.5 million. In January 2021, the Company entered into a private placement and issued common stock and warrants that resulted in gross proceeds of $10 million. See Note 7 – *Stockholders' Equity*. Lastly, in October 2021, the Company entered into a Securities Purchase Agreement pursuant to which the Company issued and sold shares of the Company's common stock in a registered offering ("the October 2021 Registered Offering") which resulted in gross proceeds of $14 million. See Note 12 – *Subsequent Events.* The Company will need to continue to raise a substantial amount of funds until it is able to generate revenues to fund its development activities.

The determination as to whether the Company can continue as a going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company expects to continue to incur net losses and negative cash flows from operations into the foreseeable future. Successful transition to attaining profitable operations is dependent upon achieving a level of revenues adequate to support the Company's cost structure. The Company has incurred net losses since inception and has relied on its ability to fund its operations through debt and equity financings. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of liabilities in the normal course of business.

The Company believes that its existing cash will be sufficient to fund its operations into the fourth quarter of 2022. The Company plans to continue to fund its operations and capital funding needs through a combination of equity offerings, debt financings, or other sources, potentially including collaborations, licenses and other similar arrangements. There can be no assurance that the Company will be able to obtain any sources of financing on acceptable terms, or at all. To the extent that the Company can raise additional funds by issuing equity securities, the Company's stockholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants that impact the Company's ability to conduct its business.

2. Summary of Significant Accounting Policies

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, expenses, and related disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. The most significant estimates in the Company's condensed consolidated financial statements relate to accrued expenses and the fair value of stock-based compensation and warrant issuances. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgements about the carrying values of assets and liabilities. Actual results could differ from those estimates. Changes in estimates are reflected in reported results in the period in which they become known.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash. The Company's cash is principally held by one financial institution in the United States. Amounts on deposit may at times exceed federally insured limits. Management believes that the financial institution is financially sound, and accordingly, minimal credit risk exists with respect to the financial institution. As of September 30, 2021, the Company had deposits in excess of federally insured amounts by $6.7 million.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

Segment Information

Operating segments are components of an enterprise for which separate financial information is available and is evaluated regularly by the Company's chief operating decision maker in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is its Chief Executive Officer. The Company's Chief Executive Officer views the Company's operations and manages its business in one operating segment, which is principally the business of development and commercialization of therapeutics.

Fair Value of Financial Instruments

The Company's financial instruments include principally cash, prepaid, other assets, right of use assets, accounts payable, accrued liabilities and warrants. The carrying amounts of prepaid expenses, other assets, accounts payable, and accrued liabilities are reasonable estimates of their fair value because of the short maturity of these items.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs, including salaries and stock-based compensation costs, for personnel in functions not directly associated with research and development activities. Other significant costs include legal fees related to intellectual property and corporate matters and professional fees for accounting and other services.

Research and Development Costs

Research and development costs are charged to expense as incurred. Research and development expenses are comprised of costs incurred in performing research and development activities, including clinical trial costs, manufacturing costs for both clinical and pre-clinical materials as well as other contracted services, license fees, and other external costs. Nonrefundable advance payments for goods and services that will be used in future research and development activities are expensed when the activity is performed or when the goods have been received, rather than when payment is made, in accordance with Accounting Standards Codification ("ASC") 730, *Research and Development*.

Income Taxes

The Company utilizes the liability method of accounting for income taxes as required by ASC 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and the tax basis of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Currently, there is no provision for income taxes, as the Company has incurred operating losses to date, and a full valuation allowance has been provided on the net deferred tax assets.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, *Compensation — Stock Compensation* ("ASC 718"). Accordingly, compensation costs related to equity instruments granted are recognized at the grant-date fair value. The Company records forfeitures when they occur. Stock-based compensation arrangements to non-employees are accounted for in accordance with the applicable provisions of ASC 718 using a fair value approach.

Leases

On July 1, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842). The Company assesses its contracts at inception to determine whether the contract contains a lease, including evaluation of

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

whether the contract conveys the right to control an explicitly or implicitly identified asset for a period of time. The Company has recognized right-of-use assets and lease liabilities that represent the net present value of future operating lease payments utilizing a discount rate corresponding to the Company's incremental borrowing rate and amortized over the remaining terms of the leases. For operating leases of a short-term nature, i.e., those with a term of less than twelve months, the Company recognizes lease payments as an expense on a straight-line basis over the remaining lease term.

Property and Equipment

Property and equipment is recorded at cost and reduced by accumulated depreciation. Depreciation expense is recognized over the estimated useful lives of the assets using the straight-line method. The estimated useful life for property and equipment ranges from three to five years. Tangible assets acquired for research and development activities and that have an alternative use are capitalized over the useful life of the acquired asset. Estimated useful lives are periodically reviewed, and when appropriate, changes are made prospectively. When certain events or changes in operating conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts. Maintenance and repairs are charged directly to expense as incurred.

Foreign Currency Translation

The foreign subsidiary uses the local currency as the functional currency. The Company translates the assets and liabilities of its foreign operation into U.S. dollars based on the rates of exchange in effect as of the balance sheet date. Expenses are translated into U.S. dollars using average exchange rates for each period. The resulting adjustments from the translation process are included in accumulated other comprehensive loss in the accompanying condensed consolidated balance sheets.

Certain transactions of the Company are settled in foreign currency and are thus translated to U.S. dollars at the rate of exchange in effect at the end of each month. Gains and losses resulting from the translation are included in other income or expense in the accompanying condensed consolidated statements of operations and comprehensive loss.

Patent Costs

Costs related to filing and pursuing patent applications are expensed as incurred, as recoverability of such expenditures is uncertain. These costs are included in general and administrative expenses.

Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive income or loss. Comprehensive loss includes net loss as well as other changes in stockholders' equity that result from transactions and economic events other than those with stockholders. Comprehensive loss currently consists of net loss and changes in foreign currency translation adjustments.

Recent Accounting Pronouncements Adopted

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial position or results of operations upon adoption.

In December 2019, FASB issued ASU No. 2019-12, *Income Taxes (Topic 740*) which amends the existing guidance relating to the accounting for income taxes. This ASU is intended to simplify the accounting for income taxes by removing certain exceptions to the general principles of accounting for income taxes and to improve the consistent

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

application of GAAP for other areas of accounting for income taxes by clarifying and amending existing guidance. The ASU is effective for fiscal years beginning after December 15, 2020. The Company adopted this new guidance on January 1, 2021 and the adoption did not have a material impact on the Company's condensed consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which, among other things, provides guidance on how to account for contracts on an entity's own equity. This ASU eliminates the beneficial conversion and cash conversion accounting models for convertible instruments. It also amends the accounting for certain contracts in an entity's own equity that are currently accounted for as derivatives because of specific settlement provisions. In addition, this ASU modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted earnings per share computation. The amendments in this ASU are effective for smaller reporting companies as defined by the SEC for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company adopted this new guidance on January 1, 2021 and the adoption did not have a material impact on the Company's condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *"Financial Instruments – Credit Losses"*. The ASU sets forth a "current expected credit loss" (CECL) model which requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost and applies to some off-balance sheet credit exposures. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. Recently, the FASB issued the final ASU to delay adoption for smaller reporting companies to calendar year 2023. The Company is currently assessing the impact of the adoption of this ASU on its condensed consolidated financial statements.

3. Balance Sheet Detail (in thousands)

Property and Equipment

Property and equipment consist of the following:

	September 30, 2021	December 31, 2020
Research and development equipment	$ 158	$ 158
Office equipment	63	60
Total property and equipment	221	218
Less accumulated depreciation	(99)	(63)
Property and equipment, net	$ 122	$ 155

Depreciation expense was $12 for the three months ended September 30, 2021 and 2020, and $36 and $34 for the nine months ended September 30, 2021 and 2020, respectively.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

Accrued liabilities

Accrued liabilities consist of the following as of:

	September 30, 2021	December 31, 2020
External research and development expenses	$ 664	$ 218
Payroll related	153	277
Professional services	74	561
Other	31	40
Total	$ 922	$ 1,096

4. Merger Related Agreements

ANA Merger Milestone Payments

Pursuant to the 2020 Merger Agreement, following the closing of the 2020 Merger, the Company is obligated to pay milestone payments (each, a "Milestone Payment") to certain persons identified in the 2020 Merger Agreement (each a "Stakeholder" and collectively, the "Stakeholders") in the form, time and manner as set forth in the 2020 Merger Agreement, upon the achievement of the following milestone events set forth below by the Company or any of its affiliates (each, a "Milestone Event"):

Milestone Event	Milestone Payment
First receipt of Marketing Approval (as defined in the 2020 Merger Agreement) from the FDA for any Niclosamide Product (as defined in the 2020 Merger Agreement)	$ 45.0 million

Sales Milestones:

Milestone Event – Worldwide Cumulative Net Sales of a Niclosamide Product equal to or greater than:	Milestone Payment
$500 million	$ $9.0 million
$1 billion	$ 13.5 million
$3 billion	$ 36.0 million
$5 billion	$ 72.0 million

In connection with the 2020 Merger, the Company assumed a license agreement (the "YourChoice Agreement") between ANA and YourChoice Therapeutics, Inc. ("YourChoice").YourChoice granted to ANA, during the term of the YourChoice Agreement, an exclusive, worldwide, fee-bearing license derived from the licensed intellectual property throughout the world. As further discussed in Note 5, pursuant to the YourChoice Agreement, the Company is obligated to pay Milestone Payments to YourChoice.

Additionally, pursuant to the 2020 Merger Agreement, the Company is obligated to pay a royalty of two and a half percent (2.5%) of annual worldwide net sales of each Niclosamide Product (as defined in the 2020 Merger Agreement) (each such

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

payment, a "Royalty Payment") to the Stakeholders in the form, time and manner as set forth in the 2020 Merger Agreement, following the first commercial sale of each Niclosamide Product (as defined in the 2020 Merger Agreement) on a country-by-country and Niclosamide Product-by-Niclosamide Product basis.

As of September 30, 2021, no Royalty Payments had been accrued as there were no potential milestones yet considered probable.

Gemphire Contingent Value Rights Agreement.

On December 30, 2019, in connection with the 2019 Merger, Gemphire entered into the Contingent Value Rights Agreement (the "CVR Agreement") with Grand Rapids Holders' Representative, LLC, as representative of Gemphire's stockholders prior to the 2019 Merger (the "Holders' Representative"), and Computershare Inc. and Computershare Trust Company, N.A. as the rights agents (collectively, the "Rights Agent"). Under the CVR Agreement, which NeuroBo assumed in connection with the 2019 Merger, the holders of Gemphire shares at the time of the 2019 Merger (collectively, the "CVR Holders") were entitled to receive 80% of the proceeds from the grant, sale, or transfer of rights to Gemcabene.

On March 23, 2021, NeuroBo, the Holders' Representative, and the Rights Agent entered into the First Amendment to Contingent Value Rights Agreement (the "CVR Amendment") to amend the CVR Agreement. Pursuant to the CVR Amendment, (i) the CVR Holders will continue to have the right to receive 80% of the proceeds from the grant, sale, or transfer of rights to Gemcabene as a treatment for cardiovascular conditions and (ii) the CVR Holders will now also receive 10% of the proceeds from the grant, sale, or transfer of rights to Gemcabene as a treatment for any indication outside of treating cardiometabolic diseases, including COVID-19.

As of the September 30, 2021, no milestones had been accrued as there were no potential payments under the CVR Agreement or the CVR Amendment that were yet considered probable.

5. Commitments and Contingencies (in thousands)

Operating Leases

Boston Lease

On May 14, 2021, the Company entered into a non-cancelable operating lease for its corporate headquarters located in Boston Massachusetts. The agreement, effective August 1, 2021, has a six month term, and rental costs of approximately $3 per month prior to the application of certain rent concessions granted by the landlord in the amount of approximately $2 over the term of the lease.

Prior to May 2021, the Company entered a non-cancelable operating lease for its corporate headquarters effective February 1, 2021. The lease had a six month term, and rental costs of approximately $3 per month prior to the application of certain rent concessions granted by the landlord in the amount of approximately $1 over the term of the lease. Prior to February 1, 2021, a non-cancelable operating lease was in effect as of February 1, 2020 which had a one-year term and rental costs of $21 per month prior to the application of certain rent concessions granted by the landlord in the amount of $32.

No assets and liabilities were recognized for the corporate headquarter leases at September 30, 2021 and December 31, 2020. Due to the short-term nature of the leases, the Company recognized lease payments as an expense on a straight-line basis over the remaining lease term. For the three and nine months ended September 30, 2021, expense under the corporate headquarters leases in the aggregate was $7 and $41, respectively. For the three and nine months ended

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

September 30, 2020, expense under the New Boston Lease and Boston Lease in the aggregate was $64 and $244, respectively, inclusive of a termination fee of $83.

Lease in Korea:

In May 2019, the Company entered a non-cancelable operating lease for its new facility in Korea (the "Korea Lease"). The initial lease term is five years with an option to renew for an additional five-year term. The lease commenced on July 2, 2019 and expires on July 1, 2024. The operating lease is subject to a deposit, base rent payments and additional charges for utilities and other common costs. The Company's lease liability represents the net present value of future lease payments utilizing a discount rate of 10%, which corresponds to the Company's incremental borrowing rate. As of September 30, 2021, the weighted average remaining lease term was 2.75 years. For the three month periods ended September 30, 2021 and 2020, the Company recorded non-cash expense of $6 related to the Korea Lease. For the nine month periods ended September 30, 2021 and 2020, the Company recorded non-cash expense of $18 and $16 related to the Korea Lease, respectively. During the nine month periods ended September 30, 2021 and 2020, the Company made cash payments of $24 for amounts included in the measurement of lease liabilities.

The following table reconciles the undiscounted lease liabilities to the total lease liabilities recognized on the consolidated balance sheet as of September 30, 2021 (in thousands):

	As of September 30,
2021 (period October 1 to December 31)	$ 8
2022	32
2023	32
2024	17
Total lease payments	89
Less effect of discounting	(12)
Total	77
Short-term portion	(26)
Long-term portion	$ 51

Xiehecheng Cultivation Service Agreement

On September 1, 2018 and as amended on October 1, 2020, the Company entered into a cultivation service agreement with Xiehecheng Chinese Herm Limited Corporation for the cultivation of two plants used to manufacture the Company's clinical assets.

As of September 30, 2021, future minimum payments under the agreement, which is cancellable annually at the end of each research year, are as follows (in thousands):

	December 31,
2021 (October 1 to December 31)	$ 66
2022	220
	$ 286

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

YourChoice License Agreement

As described in Note 4, in connection with 2020 Merger, the Company assumed the YourChoice License Agreement. The fees due under the YourChoice Agreement include royalty payments of 0.5% of annual worldwide net sales of each Niclosamide Product (as defined in the 2020 Merger Agreement) and milestone payments in the aggregate of $19.5 million. The first milestone payment due is $5 million upon first receipt of Marketing Approval (as defined in the 2020 Merger Agreement) from the U.S. Food and Drug Administration ("FDA") for any Niclosamide Product (as defined by the 2020 Merger Agreement), followed by sales milestones of $1 million, $1.5 million, $4 million, and $8 million if worldwide cumulative net sales of a Niclosamide Product are equal or greater than $500 million, $1, billion, $3, billion, and $5 billion, respectively. The term of the YourChoice Agreement will expire on the expiration or invalidation of the last of the licensed patents under the YourChoice Agreement.

As of September 30, 2021, there was sufficient uncertainty with regard to both the outcome of the clinical trials and the ability to obtain sufficient funding to support any of the cash milestone payments under the YourChoice Agreement, and as such, no liabilities were recorded related to the YourChoice Agreement.

Pfizer License Agreement

Upon the close of the 2019 Merger, the exclusive license agreement with Pfizer, Inc. ("Pfizer") for the clinical product candidate Gemcabene (the "Pfizer Agreement") was assumed by the Company. Under the Pfizer Agreement, in exchange for this worldwide exclusive right and license to certain patent rights to make, use, sell, offer for sale and import the clinical product Gemcabene, the Company has agreed to certain milestone and royalty payments on future sales.

The Company agreed to make milestone payments totaling up to $37 million upon the achievement of certain milestones, including the first new drug application (or its foreign equivalent) in any country, regulatory approval in each of the United States, Europe and Japan, the first anniversary of the first regulatory approval in any country, and upon achieving certain aggregate sales levels of Gemcabene. Future milestone payments under the Pfizer Agreement, if any, are not expected to begin for at least several years and extend over a number of subsequent years.

The Company also agreed to pay Pfizer tiered royalties on a country-by-country basis based upon the annual amount of net sales, as specified in the Pfizer Agreement, until the later of: (a) five (5) years after the first commercial sale in such country; (b) the expiration of all regulatory or data exclusivity for Gemcabene in such country; and (c) the expiration or abandonment of the last valid claim of the licensed patents, including any patent term extensions or supplemental protection certificates in such country (collectively, the Royalty Term). Under the Pfizer Agreement, the Company is obligated to use commercially reasonable efforts to develop and commercialize Gemcabene.

As of September 30, 2021 and December 31, 2020, there was sufficient uncertainty with regard to both the outcome of the clinical trials and the ability to obtain sufficient funding to support any of the cash milestone payments, and as such, no liabilities were recorded related to the Pfizer Agreement.

Contingencies

From time to time, the Company may be subject to various claims and suits arising in the ordinary course of business. The Company does not expect that the resolution of these matters will have a material adverse effect on its financial position or results of operations.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

6. License and Collaboration Agreement

Beijing SL License and Collaboration Agreement

Upon the close of the 2019 Merger, the License and Collaboration Agreement (the "Beijing SL Agreement") with Beijing SL Pharmaceutical Co., Ltd. ("Beijing SL") was assumed by the Company, pursuant to which the Company granted Beijing SL an exclusive royalty-bearing license to research, develop, manufacture and commercialize pharmaceutical products comprising, as an active ingredient, Gemcabene in mainland China, Hong Kong, Macau and Taiwan. The terms of the Beijing SL Agreement include payments based upon achievement of milestones and royalties on net product sales. Under the Beijing SL Agreement, the Company has variable consideration in the form of milestone payments. As of September 30, 2021, no revenue under the Beijing SL Agreement has been recognized.

7. Stockholders' Equity

2021 Private Placement

On January 21, 2021, the Company closed on a Securities Purchase Agreement (the "2021 Purchase Agreement") with certain institutional and accredited investors, pursuant to which the Company, in a private placement ("2021 Private Placement"), agreed to issue and sell an aggregate of 2,500,000 shares of the Company's common stock at a purchase price of $4.00 per share, and warrants to purchase an aggregate of 2,500,000 shares of the Company's common stock (the "2021 Warrants"), resulting in total gross proceeds to the Company of $10.0 million, before deducting placement agent fees and offering expenses. The 2021 Warrants have an initial exercise price of $6.03 per share. The 2021 Warrants are exercisable beginning six months following the date of issuance and will expire five and one-half years following such date. The fair value of the 2021 Warrants was $7.5 million and was based on the Black-Scholes pricing model. Input assumptions used were as follows: a risk-free interest rate of 0.5%; expected volatility of 76.0%; expected life of 5.5 years; expected dividend yield of 0%; and the underlying traded stock price. The 2021 Warrants were classified in stockholders' equity as the number of shares were fixed and determinable, no cash settlement required and no other provisions precluding equity treatment.

Issuance costs in connection with the 2021 Private Placement were $0.9 million which included cash commissions equal to $0.7 million and legal and other fees of $0.2 million.

Warrants

The following warrants were outstanding as of September 30, 2021 and December 31, 2020:

Exercise Price		Number Outstanding	Expiration Date	Number Exercisable
$	186.75	1,440	July 2028	1,440
$	260.00	39,115	March 2022	39,115
$	12.50	37,500	April 2025	37,500
Total outstanding December 31, 2020		78,055		78,055
$	$6.03	2,500,000	July 2026	—
Total outstanding September 30, 2021		2,578,055		78,055

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

8. Stock-based Compensation

Stock-based compensation expense was included in general and administrative and research and development costs as follows in the accompanying statements of comprehensive loss (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Research and development	$ —	$ —	$ —	$ 18
General and administrative	107	209	474	521
Total stock-based compensation	$ 107	$ 209	$ 474	$ 539

Stock Options

2019 and 2018 Stock Plans

In December 2018, Private NeuroBo adopted the NeuroBo Pharmaceuticals, Inc. 2018 Stock Plan (the "2018 Plan") and in December 2019 in connection with the 2019 Merger, the Company adopted the 2019 Equity Incentive Plan (the “2019 Plan”). 2018 Plan options to purchase Private NeuroBo common stock outstanding as of immediately prior to the 2019 Merger were assumed by the Company upon the 2019 Merger and became options to purchase the Company’s common stock, as adjusted by the exchange ratio in effect for the 2019 Merger. The 2018 Plan and the 2019 Plan provide for the grant of stock options, restricted stock and other equity awards of the Company's common stock to employees, officers, consultants, and directors. Options expire within a period of not more than ten years from the date of grant.

The following table summarizes the Company’s activity related to its stock options for the nine months ended September 30, 2021 and 2020:

	Nine Months Ended September 30,	
	2021	2020
Outstanding on January 1	920,355	633,277
Granted	60,000	420,000
Exercised	(114,310)	(84,589)
Forfeited/Cancelled	(301,954)	(48,333)
Outstanding on September 30	564,091	920,355

During the three and nine month periods ended September 30, 2021, 60,000 stock options were granted to a non-employee director that vest over a three year period. During the three and nine month periods ended September 30, 2020, 60,000 and 420,000 options were granted and vest over a three year period. The weighted average fair value per share of options granted during the three and nine month periods ended September 30, 2021 was $3.01. The weighted average fair value per share of options granted during the three and nine month periods ended September 30, 2020 was $3.91 and $5.35, respectively.

The Company measures the fair value of stock options with service-based and performance-based vesting criteria to employees, consultants and directors on the date of grant using the Black-Scholes option pricing model. The Company does not have history to support a calculation of volatility and expected term. As such, the Company has used a weighted-average volatility considering the volatilities of several guideline companies.

For purposes of identifying similar entities, the Company considered characteristics such as industry, length of trading

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

history, and stage of life cycle. The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. The average expected life of the options was determined based on the mid-point between the vesting date and the end of the contractual term according to the "simplified method" as described in Staff Accounting Bulletin 110. The risk-free interest rate is determined by reference to implied yields available from U.S. Treasury securities with a remaining term equal to the expected life assumed at the date of grant. The Company records forfeitures when they occur.

The weighted-average assumptions used in the Black-Scholes option-pricing model are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Expected stock price volatility	79.0 %	76.8 %	79.0 %	77.4 %
Expected life of options (years)	5.8	5.8	5.8	5.8
Expected dividend yield	— %	— %	— %	— %
Risk free interest rate	0.9 %	0.4 %	0.9 %	1.5 %

Evergreen provision

Under the 2019 Plan, the shares reserved automatically increase on January 1st of each year, for a period of not more than ten years commencing on January 1, 2020 and ending on (and including) January 1, 2029, to an amount equal to the lesser of 4% of the common shares outstanding as of January 1st, or a lesser amount as determined by the board of directors. The aggregate maximum number of shares of common stock that may be issued pursuant to the 2019 Plan under the evergreen provision is 6,680,000 shares of common stock. On January 1, 2021, 786,847 shares were added to the 2019 Plan as a result of the evergreen provision.

During the three month periods ended September 30, 2021 and 2020, 20,000 and 28,333 stock options vested, respectively, and 70,000 and 115,485 vested during the nine month period ended September 30, 2021 and 2020, respectively. During the three and nine month periods ended September 30, 2021, 31,667 and 301,954 stock options were forfeited, respectively. During the three and nine month periods ended September 30, 2020, 48,333 stock options were forfeited.

As of September 30, 2021, 5,144,313 shares in the aggregate were available for future issuance under the 2019 Plan and 2018 Plan. Unrecognized stock-based compensation cost for the stock options issued under the both the Company's 2019 Plan and 2018 Plan was $0.8 million as of September 30, 2021. The unrecognized stock-based expense is expected to be recognized over a weighted average period of 1.8 years.

9. Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities if their effect is antidilutive. Diluted net loss per share is computed by dividing the net loss by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding for the period determined using the treasury stock method. Dilutive common stock equivalents are comprised of options outstanding under the Company's stock option plans and warrants. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding as inclusion of the potentially dilutive securities would be antidilutive.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

The following potential common shares were not considered in the computation of diluted net loss per share as their effect would have been anti-dilutive:

	Three Months Ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Stock options	564,091	920,355	564,091	920,355
Warrants	2,578,055	78,055	2,578,055	78,055

10. Income Taxes

The effective tax rate for the three and nine month periods ended September 30, 2021 and 2020 was zero percent. As a result of the analysis of all available evidence as of September 30, 2021 and December 31, 2020, the Company recorded a full valuation allowance on its net deferred tax assets. Consequently, the Company reported no income tax benefit for the three and nine month periods ended September 30, 2021 and 2020. If the Company's assumptions change and the Company believes that it will be able to realize these deferred tax assets, the tax benefits relating to any reversal of the valuation allowance on deferred tax assets will be recognized as a reduction of future income tax expense. If the assumptions do not change, each period the Company could record an additional valuation allowance on any increases in the deferred tax assets.

On December 27, 2020, the President of the United States signed the Consolidated Appropriations Act, 2021 ("Consolidated Appropriations Act") into law. The Consolidated Appropriations Act is intended to enhance and expand certain provisions of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), allows for the deductions of expenses related to the Paycheck Protection Program funds received by companies, and provides an update to meals and entertainment expensing for 2021. The Consolidated Appropriations Act did not have a material impact to the Company's income tax provision for during the three and nine months ended September 30, 2021.

11. Related Party Transactions (in thousands)

Agreements with Dong-A ST

On September 28, 2018, Private NeuroBo entered into a five year manufacturing and supply agreement with Dong-A ST Co., Ltd. ("Dong-A ST") for manufacturing and supply of NB-01 drug substance and placebos for the purpose of research and development to be used in Phase 3 clinical trials (the "Manufacturing Agreement"). There were no manufacturing related costs under the Manufacturing Agreement for the three and nine months ended September 30, 2021 and 2020. The product manufacturing related costs, when incurred, are reflected as research and development expenses.

On June 7, 2020, the Company entered into a manufacturing and supply agreement (the "Manufacturing and Supply Agreement") with Dong-A ST for the manufacturing and supply of NB-02 drug product and placebo for the purpose of research and development of NB-02, including but not limited to, the use in the first NB-02 human clinical trial to be conducted by the Company. Under the terms of the Manufacturing and Supply Agreement, upon receipt of a purchase order from the Company no later than 270 days prior to the requested delivery date, Dong-A ST has agreed to produce for the Company tablets of the NB-02 drug substance and placebos at a specified supply price. The Company is obligated to manufacture, or have manufactured, and supply to Dong-A ST the active pharmaceutical ingredients which are necessary to manufacture the NB-02 drug product. The Manufacturing and Supply Agreement has a five year term, subject to earlier termination under certain circumstances. The Company recognized no product manufacturing related costs under the Manufacturing and Supply Agreement for during the three and nine months ended September 30, 2021 and 2020. None of the costs incurred under the Manufacturing Agreement remained unpaid as of September 30, 2021 or December 31, 2020.

NeuroBo Pharmaceuticals, Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

12. Subsequent Events

Registered Direct Offering

On October 1, 2021, the Company entered into a Securities Purchase Agreement (the "October 2021 Securities Purchase Agreement") with several institutional investors for the purchase and sale in a registered direct offering of 4,307,693 shares of the Company's common stock, at a purchase price of $3.25 per share for gross proceeds of approximately $14.0 million.

The October 2021 Securities Purchase Agreement also provides for a concurrent private placement of warrants to purchase the Company's common stock (the "October 2021 Warrants") with the purchasers in the October 2021 Registered Offering. The October 2021 Warrants will be exercisable for up to an aggregate of 4,307,693 shares of common stock. The October 2021 Warrants will have an exercise price of $3.75 per share, will be exercisable commencing six months from the issuance date (the "Initial Exercise Date"), and will expire three and one-half years following the Initial Exercise Date.

NeuroBo Pharmaceuticals, Inc.
Form 10-Q

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this report and the audited financial statements and related notes for the fiscal year ended December 31, 2020 included in our Annual Report on Form 10-K ("2020 Form 10-K") filed by the Company with the SEC on April 15, 2021, as amended.

Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q are forward-looking statements within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), that are based on management's beliefs, assumptions and expectations and information currently available to management. All statements that address future operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation, our expectations regarding the potential impacts of the COVID-19 pandemic on our business operations, cash flow, business development, and employees, our ability to execute on our strategic realignments, our clinical activities, benefits of our proposed products to patients, our expectations with respect to product development and commercialization efforts, potentially competitive product offerings, the possibility that we may be unable to raise sufficient funds necessary for our anticipated operations, intellectual property protection, our ability to integrate acquired businesses, our expectations regarding anticipated synergies with and benefits from acquired businesses and other risks and uncertainties described in our filings with the SEC.

In some cases, you can identify forward-looking statements by the following words: "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "will," "would" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. We undertake no obligation to revise any forward-looking statements in order to reflect events or circumstances that might subsequently arise.

Forward-looking statements are subject to a number of risks and uncertainties that could cause actual events to adversely differ from the expectations indicated in these forward-looking statements, including without limitation, the risks and uncertainties described in our 2020 Form 10-K filed with the SEC on April 15, 2021, as amended on April 30, 2021, and in subsequent reports filed with or furnished to the SEC, which risk factors may by updated from time to time, and in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021. We operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for us to predict all risk factors and uncertainties. We may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation, the possibility that regulatory authorities do not accept our application or approve the marketing of our products, the possibility we may be unable to raise the funds necessary for the development and commercialization of our products, and those described in our filings with the SEC.

Overview

NeuroBo Pharmaceuticals, Inc. (the "Company," "we," "us" or "our") is a clinical-stage biotechnology company focused on developing and commercializing novel pharmaceuticals to treat neurodegenerative disorders affecting millions of patients worldwide. For more information on our business and our four product candidates,

ANA001, NB-01, NB-02 and Gemcabene, see “Business-Overview” in Part I, Item 1 of our Annual Report on From 10-K filed on April 15, 2021.

Recent Developments

Mergers

2020 Merger with ANA

On December 31, 2020, the Company acquired 100% of ANA Therapeutics, Inc., a Delaware corporation (“ANA”), pursuant to an Agreement and Plan of Merger, dated December 31, 2020 (the “2020 Merger Agreement” or “2020 Merger”). Pursuant to the 2020 Merger Agreement, NeuroBo issued to the stockholders of ANA 3,243,875 shares of its common stock. The 2020 Merger, which closed on December 31, 2020, was accounted for as an asset acquisition pursuant to Topic 805, *Business Combinations*, as substantially all of the fair value of the assets acquired were concentrated in a group of similar non-financial assets.

2019 Merger with Gemphire

On July 24, 2019, Gemphire and NeuroBo Pharmaceuticals, Inc. (“Private NeuroBo”) entered into a definitive agreement, which was amended on October 29, 2019 (the “2019 Merger Agreement”). The merger closed on December 30, 2019, whereby Private NeuroBo merged with a wholly-owned subsidiary of the Company in an all-stock transaction (the “2019 Merger”).

COVID-19

We are subject to risks and uncertainties as a result of the COVID-19 pandemic. The extent of the impact of the COVID-19 pandemic on our business is highly uncertain and difficult to predict, as the responses that we, other businesses and governments are taking continue to evolve. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a lasting national or global economic recession. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions remain uncertain.

To date, except for the adjustments to scientific activity described under “Current Scientific Activity” below, we have not experienced any significant changes in our business that would have a significant negative impact on our consolidated statements of operations or cash flows.

The severity of the impact of the COVID-19 pandemic on our business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on our service providers, suppliers, contract research organizations and our clinical trials, all of which are uncertain and cannot be predicted. As of the date of issuance of our financial statements, the extent to which the COVID-19 pandemic may in the future materially impact our financial condition, liquidity or results of operations is uncertain.

Current Scientific Activity

In light of the present business environment, including the impact of the COVID-19 pandemic, we are currently conducting the scientific activities described below with a view toward conserving financial resources.

ANA001, our lead drug candidate, is a proprietary oral niclosamide formulation and was developed as a treatment for patients with moderate COVID-19. Niclosamide is a potential oral antiviral and anti-inflammatory agent with a long history of use and well-understood safety in humans. ANA001 is currently being studied in a Phase 2/3

clinical trial conducted in the United States. We expect to complete the Phase 2 portion of the study in the first quarter of 2022.

NB-01. For NB-01, we have determined that any attempt to conduct Phase 3 clinical trials, as previously announced, would be difficult if not impossible in the short or medium term. Accordingly, in the first quarter of 2020, we directed our contract research organization ("CRO") partners and other vendors working on the Phase 3 clinical trials of NB-01 to cease all work and we terminated our existing contract arrangements with each of them.

We are currently evaluating our options regarding the NB-01 asset:

*Orphan drug***.** Development of NB-01 as an orphan drug is among the alternatives we are considering. We have identified one potential rare disease indication for NB-01, but we have not yet conducted feasibility studies for it. We believe that development for such indication would depend on our ability to renegotiate milestone payments under our exclusive license agreement with Dong-A ST to reflect the potential revenue from such indication. See the risk factor entitled "We have determined to postpone the initiation of Phase 3 clinical trials of NB-01 under present circumstances and we have terminated all of our agreements with contract research organizations related to NB-01. We may not be able to successfully develop NB-01 pursuant to other alternatives, including as an orphan drug or as a nutraceutical candidate," as previously reported in our 2020 Form 10-K.

Nutraceutical. We have considered marketing NB-01 as a nutraceutical (non-pharmaceutical) product, and we may re-explore this pathway if the identified rare disease indication for NB-01 does not proceed.

NB-02. In order to preserve operating capital, we have postponed continued work on the IND and the first human clinical trials for NB-02 until global health and macroeconomic conditions improve, with a view toward commencing clinical trial activity in 2022, subject to improvement of the constraints imposed by the COVID-19 pandemic. We are also considering engaging with a strategic partner to assist with clinical trials for NB-02.

Gemcabene. In May 2020, we received written communication from the FDA that the clinical development program for Gemcabene remains on a partial clinical hold. We are currently exploring additional therapeutic indications for Gemcabene that may strengthen our pipeline of assets to treat viral diseases, including COVID-19, either as a stand-alone treatment or in combination with ANA001.

As of September 30, 2021, we had cash of $7.0 million. Operating at such level of scientific activity, we expect that our cash, including the net proceeds from the Registered Offering, will be adequate to fund operations into the fourth quarter of 2022.

We will need to raise additional capital to fund continued operations at the current level through the fourth quarter of 2022 and beyond. Although we are exploring financing opportunities and carefully monitoring the capital markets, we do not yet have any commitments for additional financing and may not be successful in our efforts to raise additional funds. Any amounts raised will be used for further development of our product candidates and for other working capital purposes and, depending on the amount raised, for clinical activity on NB-02.

If we are unable to raise additional capital (which is not assured at this time, particularly as a result of recent depressed capital market conditions), our long-term business plan may not be accomplished, and we may be forced to cease, reduce, or delay operations. We have some ability to reduce costs further in late 2021 and 2022, thereby potentially lengthening our operational window further into the first quarter of 2023.

Going Concern

The accompanying condensed consolidated financial statements have been prepared in conformity with GAAP, which contemplate our continuation as a going concern. We have not established a source of revenues and, as such, have been dependent on funding operations through the sale of equity securities. Since inception, we have experienced significant losses and incurred negative cash flows from operations. We expect to incur further losses over the next several years as we develop our business. We have spent, and expect to continue to spend, a substantial amount of funds in connection with implementing our business strategy.

We will need substantial additional funding to support our continuing operations and to pursue our business strategy and, in the meantime, we have reduced scientific activity (as indicated above) and we are carefully controlling expenses. Until such time as we can generate significant revenue from product sales, if ever, we expect to continue to finance our operations primarily through proceeds derived from the sale of equity.

These factors individually and collectively raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments or classifications that may result from our possible inability to continue as a going concern. The report of our independent registered public accounting firm on our financial statements for the year ended December 31, 2020 includes an explanatory paragraph regarding the existence of substantial doubt about our ability to continue as a going concern.

Key operating data

We have incurred significant operating losses since inception. Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our current or future product candidates. Our net losses were $3.5 million and $3.1 million for the three months ended September 30, 2021 and 2020, respectively, and $10.7 million and $10.2 million for the nine months ended September 30, 2021 and 2020, respectively. To date, we have not generated any revenue from product sales, collaborations with other companies, government grants or any other source, and do not expect to generate any revenue in the foreseeable future.

As of September 30, 2021, we had an accumulated deficit of $77.2 million. We expect to continue to incur significant expenses and increasing operating losses for at least the next several years. We expect that our expenses and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- pursue clinical development for any of our current product candidates;
- initiate preclinical studies and clinical trials with respect to any additional indications for our current product candidates and any future product candidates that we may pursue;
- acquire or in-license other product candidates and/or technologies;
- develop, maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, scientific and commercial personnel;
- establish a commercial manufacturing source and secure supply chain capacity sufficient to provide commercial quantities of any product candidates for which we may obtain regulatory approval;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure and/or enter into partnership arrangements to commercialize any products for which we may obtain regulatory approval; or
- add administrative, operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts, and to support our transition to a public reporting company.

Components of Results of Operations

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with the development of our product candidates. We expense research and development costs to operations as incurred. These expenses include:

- employee-related expenses, including salaries, related benefits and stock-based compensation, for employees engaged in research and development functions;
- expenses incurred in connection with the clinical development of our product candidates, including under agreements with third parties, such as consultants and CROs;
- the cost of manufacturing and storing drug products for use in our preclinical studies and clinical trials, including under agreements with third parties, such as consultants and Clinical Manufacturing Organizations ("CMOs");
- facilities, depreciation and other expenses, which include direct or allocated expenses for rent and maintenance of facilities and insurance;
- costs related to compliance with regulatory requirements; and
- payments made under third-party licensing agreements.

We recognize external development costs based on an evaluation of the progress toward completion of specific tasks using information provided to us by our service providers. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf, and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual costs. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. Such amounts are recognized as an expense when the goods have been delivered or the services have been performed, or when it is no longer expected that the goods will be delivered, or the services rendered.

Our direct research and development expenses consist primarily of external costs, such as fees paid to outside consultants, CROs, CMOs and research laboratories in connection with our clinical development, quality assurance and quality control processes, manufacturing, and clinical development activities. Our direct research and development expenses also include fees incurred under third-party license agreements. We use our employee and infrastructure resources across multiple research and development projects. We do not allocate employee costs and costs associated with our facilities, including depreciation or other indirect costs, to specific product candidates because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily to conduct manufacturing and clinical development activities. These employees work across multiple programs and, therefore, we do not track our costs by product candidate.

Clinical development activities are central to our business model. We do not believe that our historical costs are indicative of the future costs associated with these programs, nor do they represent the costs of other future programs we may initiate. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We have some control over the timing of these expenses, but costs may be difficult to control once clinical trials have commenced.

The successful development and commercialization of our product candidates are highly uncertain. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete

the preclinical and clinical development of any of our product candidates. Additionally, because of the risks inherent in novel treatment discovery and development, we cannot reasonably estimate or know:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of clinical programs that we decide to pursue;
- our ability to maintain our current development programs and to establish new ones;
- if we will be able to establish an appropriate safety profile with IND-enabling studies;
- successful patient enrollment in, and the initiation and completion of, clinical trials;
- the successful completion of clinical trials with safety, tolerability and efficacy profiles that are satisfactory to the FDA or any comparable foreign regulatory authority;
- the receipt of regulatory approvals from applicable regulatory authorities;
- the timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- our ability to establish new licensing or collaboration arrangements;
- if we will be able to establish agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if any of our product candidates is approved;
- development and timely delivery of clinical-grade and commercial-grade drug formulations that can be used in our clinical trials and for commercial launch;
- if we will be able to obtain, maintain, defend and enforce patent claims and other intellectual property rights;
- if we will be able to launch commercial sales of our product candidates, if approved, whether alone or in collaboration with others;
- if we will be able to maintain a continued acceptable safety profile of the product candidates following commercialization; or
- the effect of competing technological and market developments.

A change in the outcome of any of these variables with respect to the development of our product candidates could significantly change the costs and timing associated with the development of that product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in executive, finance and administrative functions. General and administrative expenses also include direct and allocated facility-related costs as well as professional fees for legal, patent, consulting, investor and public relations, accounting, and audit services.

We anticipate that our general and administrative expenses will increase in the future as a result of accounting, audit, legal, regulatory, compliance, and director and officer insurance costs as well as investor and public relations expenses associated with being a public company.

Interest Income

Interest income consists of bank interest earned on our cash and cash equivalents.

Other Expense, net

Other expense, net reflects non-operating expenses associated mainly with realized foreign currency exchange gains and losses.

NeuroBo Pharmaceuticals, Inc.
Form 10-Q

Results of Operations

The following table summarizes our operating results for the periods indicated:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2021	2020	Change	2021	2020	Change
			(in thousands)			
Operating expenses:						
Research and development	$ 1,394	$ 1,265	$ 129	$ 4,549	$ 4,091	$ 458
General and administrative	2,070	1,795	275	6,171	6,110	61
Total operating expenses	3,464	3,060	404	10,720	10,201	519
Loss from operations	(3,464)	(3,060)	(404)	(10,720)	(10,201)	(519)
Interest income	3	6	(3)	14	34	(20)
Other expense, net	—	—	—	—	(1)	1
Loss before income taxes	(3,461)	(3,054)	(407)	(10,706)	(10,168)	(538)
Provision for income taxes	—	—	—	—	—	—
Net loss	$ (3,461)	$ (3,054)	$ (407)	$ (10,706)	$ (10,168)	$ (538)

Comparison of Three Months Ended September 30, 2021 and 2020

Research and Development Expenses

Research and development expenses were $1.4 million for the three months ended September 30, 2021 as compared to $1.3 million for the three months ended September 30, 2020. The $0.1 million increase in the third quarter of 2021 was primarily attributed to an increase in clinical trial costs in 2021 on a net basis when compared to the comparable quarter in the prior year.

General and Administrative Expenses

General and administrative expenses were $2.1 million for the three months ended September 30, 2021, compared to $1.8 million for the three months ended September 30, 2020. The increase of $0.3 million in the current period was primarily due to an increase in legal and consulting costs of $0.2 million, payroll costs of $0.1 million, public company costs of $0.1 million and insurance costs of $0.1 million, offset in part by a reduction in facility related costs of $0.1 million and stock-based compensation of $0.1 million when compared to the comparable prior year period.

Interest Income

Interest income for the three month periods ended September 30, 2021 and 2020 was $3,000 and $6,000 related to cash deposits, respectively.

Comparison of Nine Months Ended September 30, 2021 and 2020

Research and Development Expenses

Research and development expenses were $4.5 million for the nine months ended September 30, 2021 as compared to $4.1 million for the nine months ended September 30, 2020. The $0.4 million increase during the nine months ended September 30, 2021 was primarily attributed to research and development costs associated for the development of ANA 001 in 2021 of approximately $2.6 million offset by CRO termination costs associated with the Phase 3 clinical trials of NB-01 in the amount of $1.3 million and the further development of Gemcabene under the CVR Agreement in the amount of $0.8 million that occurred during the comparable prior year period.

General and Administrative Expenses

General and administrative expenses were $6.2 million for the nine months ended September 30, 2021, compared to $6.1 million for the nine months ended September 30, 2020. The increase of $0.1 million was primarily due to payroll costs of $0.2 million, insurance costs of $0.4 million, consulting costs of $0.1 million and public company costs of $0.1 million, offset in part by a reduction in legal and accounting costs of $0.4 million and facility and other costs of $0.3 million when compared to the comparable prior year period.

Interest Income

Interest income for the nine month periods ended September 30, 2021 and 2020 was $14,000 and $34,000, respectively, related to cash deposits.

Other Expense, net

Other expense, net incurred during the nine month periods ended September 30, 2021 and 2020 was nominal.

Liquidity and Capital Resources

October 2021 Registered Offering

On October 1, 2021, the Company entered into a securities purchase agreement (the "October 2021 Securities Purchase Agreement") with several institutional investors for the purchase and sale in a registered direct offering ("Registered Offering") of 4,307,693 shares of the Company's common stock, at a purchase price of $3.25 per share for gross proceeds of approximately $14.0 million, before deducting the placement agent's fees and related offering expenses.

The October 2021 Securities Purchase Agreement also provides for a concurrent private placement of warrants to purchase the Company's common stock (the "October 2021 Warrants") with the purchasers in the October 2021 Registered Offering. The October 2021 Warrants will be exercisable for up to an aggregate of 4,307,693 shares of common stock. The October 2021 Warrants will have an exercise price of $3.75 per share, will be exercisable commencing six months from the issuance date (the "Initial Exercise Date"), and will expire three and one-half years following the Initial Exercise Date.

January 2021 Purchase Agreement

On January 21, 2021, the Company closed on a Securities Purchase Agreement (the "2021 Purchase Agreement") with certain institutional and accredited investors, pursuant to which the Company, in a private placement ("2021 Private Placement") agreed to issue and sell an aggregate of 2,500,000 shares of the Company's common stock at a purchase price of $4.00 per share, and warrants to purchase an aggregate of 2,500,000 shares of the Company's common stock (the "2021 Warrants"), resulting in total gross proceeds to the Company of $10.0 million, before deducting placement agent fees and offering expenses. The 2021 Warrants have an initial exercise price of $6.03 per share. The 2021 Warrants are exercisable beginning six months following the date of issuance and will expire five and one-half years following such date. Issuance costs in connection with the 2021 Private Placement were $0.9 million.

Since inception, we have experienced significant losses and incurred negative cash flows from operations. We expect to incur further losses over the next several years as we develop our business. We have spent, and expect to continue to spend, a substantial amount of funds in connection with implementing our business strategy.

We will need substantial additional funding to support our continuing operations and to pursue our business strategy and we are carefully controlling expenses. In the first quarter of 2020, in connection with the reduced scientific

activity, we directed our CRO partners and other vendors working on the Phase 3 clinical trials of NB-01 to cease all work and have terminated our existing contract arrangements with each of them.

As of September 30, 2021, we had cash of $7.0 million. Including the proceeds received from the October 2021 Registered Offering, we will need to raise additional capital to fund continued operations at the current level through the fourth quarter of 2022 and beyond. Although we are exploring financing opportunities and carefully monitoring the capital markets, we do not yet have any commitments for additional financing and may not be successful in our efforts to raise additional funds. If we are unable to raise additional capital (which is not assured at this time), our long-term business plan may not be accomplished, and we may be forced to cease, reduce, or delay operations. We have some ability to reduce costs further in late 2021 and 2022, thereby potentially lengthening our operational window further into the first quarter of 2023.

Cash Flows

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

	For the Nine Months Ended September 30,	
	2021	2020
	(in thousands)	
Net cash used in operating activities	$ (12,235)	$ (8,416)
Net cash used in investing activities	(3)	(2)
Net cash provided by financing activities	9,140	6,858
Net decrease in cash	$ (3,098)	$ (1,560)

Operating Activities

During the nine month period ended September 30, 2021, cash used from operating activities was $12.2 million, resulting from our net loss of $10.7 million, offset by non-cash expenses related primarily to stock-based compensation of $0.5 million, and from a working capital cash usage in the amount of approximately 2.0 million. The change in working capital consisted primarily of decreases in our accounts payable and accrued liabilities attributed to payments in connection with the 2020 Merger and the timing of vendor invoicing.

During the nine month period ended September 30, 2020, cash used from operating activities was $8.4 million, which consisted of our net loss of $10.2 million, offset by non-cash expenses related to stock-based compensation and depreciation in the aggregate of $0.6 million. Net cash provided by changes in our operating assets and liabilities for the nine month period ended September 30, 2020 was $1.2 million which consisted of an increase in accounts payable and accrued expenses of $1.5 million, offset in part by an increase in prepaid expenses and other current assets of approximately $0.3 million. The increase in prepaid expenses and other current assets was primarily due to the payment of insurance premiums. The net increase in accounts payable and accrued expenses was primarily attributed to the timing of vendor invoicing and payments and increases in clinical trial termination costs.

Investing Activities

Investing activities during the nine month periods ended September 30, 2021 and 2020 amounted to $3,000 and $2,000 in purchases of property and equipment, respectively.

Financing Activities

During the nine month period ended September 30, 2021, net cash provided by financing activities was $9.1 million, consisting primarily of net proceeds from the 2021 Private Placement of $9.1 million and $72,000 from

proceeds from the exercise of stock options.

During the nine month period ended September 30, 2020, net cash provided by financing activities was $6.9 million, consisting of proceeds from an equity offering of $6.8 million, net of issuance costs, and from the exercise of stock options of $53,000.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with GAAP. These accounting principles require us to make estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenue and expense during the periods presented. We believe that the estimates and judgments upon which we rely are reasonably based upon information available to us at the time that we make these estimates and judgments. To the extent that there are material differences between these estimates and actual results, our financial results will be affected. The accounting policies that reflect our more significant estimates and judgments and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results are described in Note 2 — *Summary of Significant Accounting Policies* to our condensed consolidated financial statements included elsewhere in this report.

During the three and nine months ended September 30, 2021, there were no material changes to our critical accounting policies or estimates disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2020 Form 10-K filed on April 15, 2021.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements as defined under the rules and regulations of the SEC.

Recent Accounting Pronouncements

Refer to Note 2— *Summary of Significant Accounting Policies* to our condensed consolidated financial statements included elsewhere in this report for a discussion of recently issued accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information we are required to disclose in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and financial officer, as appropriate, to allow timely decisions regarding required disclosure.

We designed and evaluate our disclosure controls and procedures recognizing that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance and not absolute assurance of achieving the desired control objectives. Also, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities

that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Under the supervision of and with the participation of our management, including our principal executive and financial officer, we evaluated the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15(d)- 15(e) promulgated under the Exchange Act as of September 30, 2021. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of September 30, 2021 as a result of the material weaknesses described below and previously reported in our 2020 Form 10-K.

In connection with management's assessment of the effectiveness of our internal control over financial reporting at the end of our last fiscal year, management identified material weaknesses in our internal control over financial reporting related to accounting for clinical trial costs and accounting for mergers and acquisitions as of December 31, 2020, which is in the process of being remediated as of September 30, 2021. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, there were misstatements in clinical accruals and expenses that were discovered during the audit process for the year ended December 31, 2020 and would not have been detected by our internal control over financial reporting, and management did not have effective controls to effectively assess the technical accounting related to the accounting for the asset acquisition as well as to identify erroneous inputs and assumptions used to value in-process research and development acquired pursuant to the 2020 Merger. See "Remediation Efforts to Address Material Weaknesses" below for steps we are taking to correct theses material weaknesses.

Notwithstanding the identified material weaknesses, management, including our principal executive officer and principal financial officer, believes the consolidated financial statements included in this quarterly report fairly represent in all material respects our financial condition, results of operations and cash flows as of and for the periods presented in accordance with US. GAAP.

Changes in Internal Control Over Financial Reporting

Except as provided below under "Remediation Efforts to Address Material Weakness," there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Remediation Efforts to Address Material Weakness

We are in the process of remediating, but have not yet remediated, the material weaknesses described above. Under the oversight of the audit committee, management is developing a detailed plan and timetable for the implementation of appropriate remedial measures to address the material weakness. As of the date of this quarterly report, we have taken the following actions and are in the process of making the following changes in our internal control environment to help remediate the material weakness:

- we are adding more experienced accounting personnel, including an outside consultant, directly responsible for the oversight of the accounting for clinical trial expenses including the identification of and accounting for contracts entered into related to clinical trials;
- we are retaining additional qualified outside consultants, where necessary, to advise on highly complex technical accounting matters; and
- we will implement enhanced controls relative to the review and oversight of the accounting for clinical trial expenses as well as the review of technical accounting assessments and review of valuation processes.

Management may decide to take additional measures to remediate the material weakness as necessary.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

ITEM 1A. RISK FACTORS

Our business, financial condition, results of operations, and cash flows may be impacted by a number of factors, many of which are beyond our control, including those set forth in our 2020 Form 10-K, the occurrence of any one of which could have a material adverse effect on our actual results.

There have been no material changes to the Risk Factors previously disclosed in our 2020 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

ITEM 6. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
4.1	Form of Warrant to Purchase Shares of Common Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 4, 2021).
10.1	Release Agreement by and between Akash Bakshi and NeuroBo Pharmaceuticals, Inc., dated August 13, 2021 (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 16, 2021).
10.2	Form of Securities Purchase Agreement, dated as of October 1, 2021, by and among NeuroBo Pharmaceuticals, Inc. and the purchasers identified on the signature pagers thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 4, 2021).

NeuroBo Pharmaceuticals, Inc.
Form 10-Q

31.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of The Sarbanes Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial 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 herewith. The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is deemed furnished and not filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of NeuroBo Pharmaceuticals, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

NeuroBo Pharmaceuticals, Inc.
Form 10-Q

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.

Registrant: NeuroBo Pharmaceuticals, Inc.

SIGNATURE	DATE
/s/ RICHARD KANG Richard Kang President and Chief Executive Officer (Principal Financial Officer and duly authorized to sign on behalf of the registrant)	November 15, 2021

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a) OR 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Richard Kang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NeuroBo Pharmaceuticals, Inc. for the quarterly period ended September 30, 2021;

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. I am 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. 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.

Date: November 15, 2021

/s/ RICHARD KANG

Name: Richard Kang
Title: President and Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER, PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002*

Pursuant to the requirement set forth in Rule 13a-14(b) or Rule 15d-14(b) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, Richard Kang, President and Chief Executive Officer of NeuroBo Pharmaceuticals, Inc. (the "Company") hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2021, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Quarterly Report and results of operations of the Company for the period covered by the Quarterly Report.

/s/ RICHARD KANG
President and Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

Dated: November 15, 2021

* This certification accompanies the report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of NeuroBo Pharmaceuticals, Inc. under the Securities Act of 1933, as amended, or the Exchange Act made before or after the date of the report, irrespective of any general incorporation language contained in such filing.