



PRESS RELEASE

## Moberg Pharma receives favorable outcome from NAD – main competitor to discontinue current marketing

STOCKHOLM, January 15<sup>th</sup>, 2018 - Moberg Pharma AB (OMX: MOB) have received a positive outcome from the NAD (National Advertising Division) regarding a challenge filed on Fungi-Nail, the largest U.S. competitor to the Kerasal Nail<sup>®</sup> product. NAD recommends the advertiser to discontinue current product packaging and commercials. Moberg Pharma expects the outcome to further strengthen Kerasal Nails<sup>®</sup> position and growth prospects in the U.S. market.

In the spring of 2017, Moberg Pharma filed a challenge to NAD on claims made by Kramer Laboratories, Inc. as for the Original Fungi-Nail Toe & Foot Brand ("Fungi-Nail Toe & Foot") and Fungi-Nail Nailner. The challenge mainly concerned product packaging, television and print advertising for "Fungi-Nail Toe & Foot"; claiming to treat toenail fungus rather than athlete's foot which is the approved indication for the product.

A more detailed description of NAD's rationale and conclusion on the challenge is available in a press release from ASRC, please see <http://www.ascreviews.org/nad-refers-advertising-for-fungi-nail-products-to-ftc-for-further-review-after-company-declines-to-comply-with-nad-recommendations/>. The press release sets forth NAD's conclusions:

- NAD recommended the advertiser to discontinue the Fungi-Nail Toe & Foot product name and the associated fungal toenail images.
- NAD also recommended the Fungi-Nail Toe & Foot product packaging and television commercials to be discontinued or modified to clearly and conspicuously state, in proximity to the main advertising claims, that the product treats athlete's foot, not toenail fungus.
- NAD recommended the advertiser to discontinue all claims that the Fungi-Nail Toe & Foot product works "fast," kills fungus "on contact," stops "tough" infections, and is the "#1 Pharmacist Recommended" brand. However, NAD found that there is a reasonable basis for the advertiser's "stops the spread" (of the skin fungus) claim.
- With respect to the advertiser's Fungi-Nail Nailner product, NAD recommended the image of the fungal toenail, as well as the claims: "Clears nails fast," "Visible results after seven days," "Looking to improve nail appearance fast? These cure fungus ugly nails in 48 weeks," and "Fungus Ugly to Prettier Nails Fast!" to be discontinued.

According to NAD, Kramer Laboratories have declared that they will comply with all recommendations except for changing the trade name. As a result, NAD has referred the trade name issue to the attention of the appropriate government agency for possible enforcement action.

*"We are highly pleased with the outcome from NAD and we expect the outcome to further strengthen Kerasal Nails<sup>®</sup> position and growth prospects in the U.S. market",* says Peter Wolpert, CEO of Moberg Pharma AB.

### About this information

Moberg Pharma AB is obliged to make this information public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication, through the agency of the contact person set out above, at 08:30 a.m. (CET) on January 15<sup>th</sup>, 2018.

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### About Moberg Pharma, [www.mobergpharma.com](http://www.mobergpharma.com)

Moberg Pharma AB (publ.) is a rapidly growing Swedish pharmaceutical company with OTC sales operations in the U.S. and a distributor network in more than 40 countries. The company's portfolio includes the OTC brands Kerasal<sup>®</sup>, Kerasal Nail<sup>®</sup>, Balmex<sup>®</sup>, New Skin<sup>®</sup>, Dermoplast<sup>®</sup> and Domeboro<sup>®</sup>. Kerasal Nail<sup>®</sup> (Emtrix<sup>®</sup>, Zanmira<sup>®</sup> or Nalox<sup>™</sup> in certain markets) is a leading OTC treatment of nail disorders in the U.S., Canada as well as in several markets in EU and Southeast Asia. The company is growing organically as well as through acquisitions. Internal development programs focus on innovative drug delivery of proven compounds and include two assets in late-stage clinical development, MOB-



015 (onychomycosis, phase 3 studies ongoing) and BUPI (pain management in oral mucositis, preparations for phase 3 studies ongoing). Moberg Pharma has offices in Stockholm and New Jersey and the company's shares are listed on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm (OMX: MOB).