



Notice of Annual General Meeting in Moberg Pharma AB (publ)

Shareholders in Moberg Pharma AB (publ) (reg. no. 556697-7426) (the “**Company**”) are hereby convened to the Annual General Meeting on Tuesday, May 15, 2018 at 5:00 p.m. (CET) in the Company’s premises in Bromma, address Gustavslundsvägen 42, 5 tr, 167 51 Bromma (Alviks torg), Sweden.

Attendance at the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must:

- be recorded in the share register maintained by Euroclear Sweden AB (“**Euroclear**”), on Tuesday, May 8, 2018, and
- give notice of attendance to the Company under address: Moberg Pharma AB (publ), Gustavslundsvägen 42, 5 tr, 167 51 Bromma, Sweden att. Anna Ljung or by e-mail to anna.ljung@mobergpharma.se, at the latest on Tuesday, May 8, 2018, preferably before 4:00 p.m. (CET).

When giving notice of attendance, shareholders must state their name, civil registration number or corporate registration number, address, telephone number and, where applicable, number of accompanying assistants (no more than two). Shareholders can participate and vote at the Annual General Meeting personally or by proxy. Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to participate in the Annual General Meeting, with the help of the nominee, re-register their shares in their own names in the share register maintained by Euroclear, so that they are registered on Tuesday, May 8, 2018.

Shareholders represented by proxy should submit a power of attorney in original, along with other authorization documents, when giving notice of attendance to the Annual General Meeting. A power of attorney may be valid for up to five years from issuance. The Company provides forms of power of attorney on the Company’s website www.mobergpharma.se. Representatives of legal persons must present a copy of the legal person’s certificate of registration or other equivalent document demonstrating the right to act on behalf of the legal person.

Number of shares and votes

As per the date of this notice, there are a total of 17,440,762 shares and votes in the Company. The Company holds no own shares.

Proposed agenda

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to verify the minutes
5. Determination whether the Meeting has been duly convened
6. Approval of the agenda
7. Presentation of the annual report and the audit report as well as the consolidated accounts and the consolidated audit report
8. Speech by the Chief Executive Officer, Peter Wolpert
9. Resolutions on:
 - A. Adoption of the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet
 - B. Allocation of the Company’s result according to the adopted balance sheet
 - C. Discharge from liability of the Board members and the Chief Executive Officer
10. Determination of the number of Board members and deputy members
11. Determination of fees to the Board of Directors and Auditor
12. Election of the Board of Directors, Chairman of the Board of Directors and Auditor
13. Proposal for resolution on principles for establishing the Nomination Committee and its work
14. Proposal for resolution on principles for remuneration of senior executives



15. Proposals for resolutions on:
 - A. implementation of a long-term incentive program (LTI 2018) and
 - B. hedging arrangements in respect of the program, consisting of:
 - I. amendments of the articles of association to instate redeemable and convertible series C shares;
 - II. authorization for the Board of Directors to resolve to issue redeemable and convertible series C shares;
 - III. authorization for the Board of Directors to resolve to repurchase all issued redeemable and convertible series C shares; and
 - IV. resolution on transfer of own common shares to participants in the program; or
 - C. entering into an equity swap agreement with a third party
16. Proposal for resolution regarding authorization for the Board of Directors to issue new shares
17. Closing of the Meeting

Proposals for resolution

Election of Chairman of the Meeting (Item 2)

The Nomination Committee consisting of the Chairman Gillis Cullin representing Östersjöstiftelsen and the members Fredrik Persson representing Zimbrine Holding BV, Anders Rodebjer representing Wolco Invest AB and Thomas Eklund, Chairman of the Board of Directors in the Company, propose to elect Thomas Eklund as Chairman of the Annual General Meeting.

Resolution on allocation of the Company's result according to the adopted balance sheet (Item 9 (B))

The Board of Directors proposes that no dividend should be paid for the fiscal year 2017.

Election of the Board of Directors and Chairman of the Board of Directors and determination of fees to the Board of Directors and Auditors (Items 10, 11 and 12)

The Nomination Committee proposes that the Board of Directors shall consist of five (5) persons and no deputies.

The Nomination Committee proposes re-election of Thomas Eklund as Chairman of the Board of Directors, and Geert Cauwenbergh, Sara Brandt and Mattias Klintemar as members of the Board of Directors for a period until the next Annual General Meeting. Torbjörn Koivisto and Thomas B. Thomsen, after nine and four years as members of the Board of Directors, have chosen not to be available for re-election. The Nomination Committee proposes that Anna Malm Bernsten is appointed as new member of the Board of Directors.

Anna Malm Bernsten, M.Sc, works as a consultant within business development and management through her own company. She is previous group CEO and CEO of Carmeda AB, and has also had leading positions within international marketing and sales at, amongst others, Pharmacia, ASSA ABLOY and GE Healthcare. Anna is the Chairman of the Board of Directors for Medivir AB and Björn Axén AB, and board member for Cellavision AB, Probi AB and Pågengruppen AB. She has also had previous board assignments for, amongst others, Arcam AB, Biophausia AB, NeuroVive Pharmaceutical AB and Oatly AB.

The Nomination Committee proposes that an aggregate fee of SEK 1,220,000 shall be paid to the members of the Board of Directors, of which SEK 360,000 to the Chairman and SEK 170,000 for all other members of the Board of Directors elected by the Annual General Meeting. An additional fee of SEK 90,000 shall be paid to the members of the Remuneration Committee, SEK 45,000 to the Chairman and SEK 22,500 to the other members (2). A fee of SEK 90,000 shall be paid to the members of the Audit and Finance Committee, SEK 45,000 to the Chairman and SEK 22,500 to the other members (2).



The Nomination Committee proposes, in accordance with the Board of Directors' recommendation, re-election of EY as Company Auditors, with Andreas Troberg as responsible Auditor for a period until the end of the Annual General Meeting 2019.

The Nomination Committee proposes that fees to the Auditors, for a period until the end of the Annual General Meeting, are to be paid as per approved invoice.

Proposal for resolution on principles for establishing the Nomination Committee and its work (Item 13)

The Nomination Committee proposes that the Annual General Meeting assigns a Nomination Committee according to the following principles. The Annual General Meeting assigns the Chairman of the Board of Directors to contact the three largest shareholders in term of votes or owner groups (hereby referred to both directly-registered shareholders and nominee-registered shareholders), according to a transcript of the share register maintained by Euroclear Sweden AB as per September 28, 2018, each appointing a representative to, besides the Chairman of the Board of Directors, constitute the Nomination Committee for the period until a new Nomination Committee is appointed by mandate from the next Annual General Meeting.

If any of the three largest shareholders or owner groups declines to elect a representative, the fourth largest shareholder or owner group will be asked, and so on, until the Nomination Committee consists of four members. The majority of the members of the Nomination Committee are to be independent of the Company and its executive management. At least one member of the Nomination Committee is to be independent of the Company's largest shareholder in term of votes, or any group of shareholders that act in concert in the governance of the Company. Neither the Chief Executive Officer nor other members of the executive management are to be members of the Nomination Committee. Board members may be members of the Nomination Committee but may not constitute a majority thereof. If more than one member of the Board of Directors is on the Nomination Committee, no more than one of these may be dependent of a major shareholder in the Company. The Nomination Committee appoints Chairman within the Committee. Neither the Chairman of the Board of Directors nor any other member of the Board of Directors may be Chairman of the Nomination Committee. The names of the members of the Nomination Committee shall be announced no later than six months prior to the 2019 Annual General Meeting. In the event that one of the members of the Nomination Committee resigns before the Committee's work is completed and if the Nomination Committee is of the opinion that there is a need to replace the member, the Nomination Committee shall appoint a new member according to the principles above, but based on a transcript of the share register maintained by Euroclear Sweden AB, as soon as possible after the member has resigned. A change in the composition of the Nomination Committee shall be announced immediately. No fees shall be paid to the members of the Nomination Committee for their work in the Nomination Committee.

The Nomination Committee shall submit proposals on the following issues for resolution by the 2019 Annual General Meeting:

- a) Proposal for Chairman of the Meeting
- b) Proposal for the Board of Directors
- c) Proposal for Chairman of the Board of Directors
- d) Proposal for fees to the Board of Directors, with distribution between the Chairman and other member of the Board of Directors
- e) Proposal for the Company's Auditors
- f) Proposal for fee to the Company's Auditors
- g) Proposal for principles for establishing the Nomination Committee for the 2019 Annual General Meeting.



Proposal for resolution on principles for remuneration of senior executives (Item 14)

The Board of Directors' proposal for resolution on principles for remuneration of senior executives is consistent with previous years' principles for remuneration with some minor adjustments and is mainly based on existing contracts between the Company and senior executives.

The Board of Directors proposes that the Annual General Meeting resolves to adopt principles for remuneration of senior executives on the following terms:

The Company is to offer a market-aligned total remuneration package that facilitates the recruitment and retention of qualified senior executives. The remuneration paid to the Chief Executive Officer and other senior executives is to comprise basic salary, variable remuneration, other benefits and pension benefits. The total remuneration is to be based on the basic salary and is to be proportionate to the executive's responsibilities and authority. Variable remuneration is capped at 25–50% of each executive's basic annual salary. Variable remuneration is based on results achieved in relation to individually defined qualitative and quantitative targets, as well as the Company's results in relation to targets set by the Board of Directors. The pensionable salary comprises only the basic salary. To the extent that members of the Board of Directors perform work for the Company or any other group company, in addition to work on the Board of Directors, a market-aligned consultancy fee may be payable.

In case of termination, the notice period is at least three months if this is on the initiative of the senior executive and between three and 12 months if the Company takes the initiative. Severance amounts may apply, however total remuneration during termination including severance amounts will never be more than 12 months' salary. Any share and share-price-related programs must be adopted by a Shareholders' Meeting. Allocation from such programs must comply with a resolution from a Shareholders' Meeting. With the exception of share-based remuneration that has been allocated and vested, and what is provided for under employment contracts as referred to above, senior executives are not entitled to any post-employment/assignment benefits. Furthermore, the Board of Directors shall have the option of allocating further variable non-recurring remuneration to the management when the board deems it to be appropriate. The Board of Directors is to be entitled to ignore the aforementioned principles for remuneration of senior executives if there are special reasons for so doing.

The Board of Directors' proposal regarding the implementation of a long-term incentive program and hedging arrangements in respect of the program (Item 15)

The Board of Directors proposes that the Annual General Meeting resolves on:

(A) implementation of a long-term incentive program 2018 (the "LTI 2018" or the "Program") for employees and consultants in the Company and in its wholly owned subsidiary Moberg Pharma North America LLC ("Moberg North America"); and

(B) hedging arrangements in respect of the Program, consisting of:

- (I) amendments of the Articles of Association to instate redeemable and convertible series C shares;
- (II) an authorization for the Board of Directors to decide on a directed issue of redeemable and convertible series C shares;
- (III) an authorization for the Board of Directors to decide on a repurchase of series C shares; and
- (IV) transfers of own common shares to Program Participants (employees and consultants in the Company and Moberg North America).

Should the majority requirement under item 15 (B) not be reached, the Board of Directors proposes that the Annual General Meeting approves the Company to enter into an equity swap agreement with a third party (item 15 (C)).



Implementation of LTI 2018 (Item 15 (A))

The Board of Directors proposes that the Annual General Meeting resolves on the implementation of the LTI 2018 in accordance with below.

Objectives and reasons for the proposal

For a number of years, the General Meeting of Moberg Pharma has resolved on employee stock option plans with underlying warrants. After evaluating the programs of the past years, the Board of Directors has concluded that it would be more effective to amend the structure of future incentive programs in Moberg with the aim of recruiting, rewarding and retaining valuable employees in a simpler manner, and, by employees own shareholding, promote and create long-term participation in the Moberg group, thereby closely aligning the employees' interest with those of Moberg's shareholders.

The LTI 2018 is designed to provide long-term incentives for members of the executive management, as well as other key employees to improve Moberg's performance and create long-term value. In view of the terms proposed below, the size of the allotment and other circumstances, the Board of Directors assesses that the proposed Program is well-balanced and that it will be beneficial for the Company and its shareholders.

Description of LTI 2018

1. The LTI 2018 shall comprise no more than 263,000 shares in Moberg, corresponding to approximately 1.5 percent of the total number of issued shares and votes in Moberg.¹
2. The LTI 2018 is proposed to include all current and future senior executives ("**Group 1**")², currently consisting of 6 people, together with other management and key employees, currently consisting of 32 people in total, divided into two groups: Senior Directors / Directors / Senior Managers ("**Group 2**"); and Managers / Senior Associates / Experts / Associates/ Associate Managers and Assistants ("**Group 3**") (jointly the "**Participants**").
3. It is proposed that the Program, which normally entails an initial requirement for own shareholding in Moberg, shall grant the possibility of allotment of Moberg shares free of charge ("**Performance Shares**"), subject to the fulfilment of, among other things, a performance target based on the share price development in Moberg during the period from the date of publication of the year-end report for the financial year 2017 until the date of publication of the year-end report for the financial year 2020 (the "**Performance Period**")³.
4. In order to participate in the LTI 2018 and have the possibility to receive Performance Shares, Participants will normally need to invest a certain minimum amount in Moberg shares by 1 July 2018, allocate these shares to the LTI 2018, as well as retain such shares during the term of the Program ("**Investment Shares**").
5. Participants in each group are intended to allocate Investment Shares to the LTI 2018 by 1 July 2018, for a value at least corresponding to the following monthly salary levels, as set out below, with monthly salaries referring to a fixed gross salary at the level applicable at

¹ Excluding dilution as a result of the exercise of warrants issued under previous incentive programs.

² Following consultation with CEO Peter Wolpert, who holds 180,000 employee stock options from previous incentive programs as well as 435,399 shares, the Board of Directors, in line with Peter Wolpert's own view, proposes that he should not be included in the Program in order to promote the possibility of stronger incentives for other Participants within the dilution level recommended by the Board of Directors.

³ For further information on how the share price development is calculated during the Performance Period, see note 4 .



the time of the 2018 Annual General Meeting, ("**Investment Condition**") depending on their position within the group.

| | |
|----------|-----------------------------------|
| Group 1: | 2 monthly salaries; |
| Group 2: | 1 monthly salary; and |
| Group 3: | 100 shares – 0.5 monthly salaries |

As stated in section 15 below, the Board of Directors shall be able to grant exceptions from the Investment Condition for Participants resident in the United States.

6. Under the LTI 2018, the Participants will receive a certain number of rights free of charge, which entitles the Participants to receive a certain number of shares in the Company following the expiration a vesting period of approximately three years ("**Performance Share Rights**"). At the implementation of the Program, each Performance Share Right entitles the holder to one (1) Moberg share (subject to the achievement of the Program's performance targets). Any allotment of Moberg shares pursuant to Performance Share Rights will be subject to the achievement of performance targets, as set out below, and will generally require that the Participant retains his or her employment over a period of approximately three years up to and including the trading day of the publication of the interim report of the first quarter of 2021 (the "**Vesting Period**").
7. Within Group 1, the Board of Director proposes that Anna Ljung and Torbjörn Wårnheim be allotted 18,000 Performance Share Rights each, Jeff Vernimb be allotted 45,000 Performance Share Rights and that the allotment for the other Group 1 Participants may not exceed 23,000 Performance Share Rights per Participant.

In the other groups, allotment per Participant will depend on performance and position within the group and may not exceed 8,000 Performance Share Rights to Group 2 Participants; and 2,800 Performance Share Rights to Group 3 Participants.

8. Allotment of Performance Share Rights will take place as soon as possible following 1 July 2018. Participants who have not, by 1 July 2018 at the latest, allocated Investment Shares corresponding to the applicable minimum level (as set out above), the right to receive Performance Shares will be reduced proportionally. However, for Group 2 and Group 3 Participants, Performance Share Rights will be allotted corresponding to 10 % of what would otherwise be allotted to the Participants, regardless of whether the Investment Condition was met or not. Performance Share Rights which have not been allotted to Participants due to non-satisfaction of the Investment Condition, shall, at the allotment of Performance Shares, be allocated to other Participants based on their performance and position within the group, with the restriction that no Participant may be allotted more than the equivalent of 25% additional Performance Shares than they would otherwise be allotted. The actual allotment of Performance Share Rights to Participants within the limits as set out above, is decided by the Board of Directors and may be reduced proportionally based on the respective person's performance and time as an employee and/or contractor in the Company and Moberg North America respectively.
9. A corresponding proportional part of a Participant's total holding of Performance Share Rights will lapse for the Program Participants who divest Investment Shares prior to the expiration of the Vesting Period.
10. The right to receive shares under the Performance Share Rights is linked to the employment at or the consulting agreement with the Company and Moberg North America, respectively. Should the employment at the Company or Moberg North America terminate due to redundancy, illness, retirement pursuant to a succession plan approved by the Company (or similar) the employee may keep the Performance Share Rights not yet vested pro rata in relation to the time passed since the date the Performance Share Rights



were allotted until the termination date, and the remainder of the rights will lapse. Should the employment at the Company or Moberg North America terminate due to any other reason, or if a consulting agreement with these companies is terminated, prior to the expiration of the Vesting Period, all Performance Share Rights will normally lapse. Performance Share Rights shall not be securities and may not be transferred, pledged or otherwise disposed of by the holder of Performance Share Rights.

11. Any allotment of Performance Shares (vesting) depends on the extent to which the performance target is met during the Performance Period, thereby establishing what portion (if any) of the Performance Share Rights that will give the Participants right to receive Moberg shares at the end of the Vesting Period. The performance target is based on the share price development and is defined as follows: if the share price of the Company's share by the expiration of the Performance Period represents more than the higher of (i) 110 % of the share price at the beginning of the Performance Period or (ii) SEK 35 per share; (the "Minimum Price") allotment of X Performance Shares per Performance Share Right to the Participants, where X is calculated as: $(\text{the share price at the end of the Performance Period} - \text{the Minimum Price}) / \text{the share price at the end of the Performance Period}$.⁴ However, in total not more than one (1) Performance Share per Performance Share Right may be allocated (disregarding any conversion under the terms of the Program).
12. Provided that the performance targets above have been met during the Performance Period and the Participant has retained his or her employment (unless special circumstances are at hand) and retained his or her Investment Shares during the Vesting Period as stated above, Performance Shares shall be allotted as soon as practicably possible following the expiration of the Vesting Period.
13. When determining the final vesting level of Performance Share Rights, the Board of Directors shall examine whether the vesting level is reasonable considering Moberg's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the Board of Directors, reduce the vesting level to the lower level deemed appropriate by the Board of Directors.
14. In order to align the Participants' and shareholders' interests, Moberg will compensate for dividends and other value transfers to the shareholders during the Vesting Period by increasing the number of shares to which each Performance Share Right entitles. The number of Moberg shares which each Performance Share Right entitles the Participant to receive may be recalculated as a result of e.g. bonus issues, reverse splits or splits of shares, interim dividend, new share issues, reductions of the share capital, or similar actions. The transfer of shares may be accelerated as a result of any merger, change of control or similar actions.
15. The Board of Directors shall resolve on the detailed terms and conditions for the Program and, in the event of company related events, market conditions, local legislation or other rules, regulatory changes, or other events, the Board of Directors shall be entitled to make deviations from and adjustments of the terms and conditions of the Program (e.g. changes to the Investment and Vesting Condition for Participants residing in the United States) or settle all or part of the Performance Shares in cash.

⁴ In order to properly assess the share price development during the Performance Period, this is normally calculated on basis of the average closing price of the Moberg share on Nasdaq Stockholm for a period of 45 trading days immediately following the commencement and expiration of the Performance Period .



Costs, dilution and effects on important key ratios

The costs for the Program, which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and distributed over the Vesting Period. The calculation has been made based on the following assumptions: (i) a market price of the Moberg common share of SEK 27.00 based on the closing price as of 29 March 2018, (ii) no dividends are paid by Moberg during the Program and (iii) an assessment of future volatility of 32% in respect of the Moberg common share and (iv) an employee turnover of 10% per year. In total, this can lead to maximum costs for the Program of approximately SEK 0.61 million, excluding social security costs. The costs for social security charges are calculated to approximately SEK 0.19 million assuming an annual share price increase of 15 % during the Vesting Period.

The expected annual cost of the Program, including social security charges of approximately SEK 0.27 million, corresponds to approximately 0.7 % of Moberg's total annual employee costs.

If the Program had been implemented in 2017, if the Company had costs in accordance with the example in the preceding paragraph, and Performance Shares had been allotted located in 2017 in accordance with the assumptions in the sample calculation, which among other things assumes an annual share price increase of 15 % during the Vesting Period, the earnings per share for the financial year 2017 had decreased by SEK 0.02 to SEK 0.62.

Dilution

Upon full allotment of Performance Shares, the number of shares under the Program amounts to 263,000 common shares in Moberg, corresponding to a dilution effect of approximately 1.5 % of the share capital and votes based on the number of issued shares as per the day of this notice.

Preparation of the proposal etc.

The proposal regarding the LTI 2018 has been prepared by Moberg's remuneration committee in consultation with external advisors, and adopted by the Board of Directors.

The Board of Directors shall, within the framework of the above terms and conditions, be responsible for the implementation and management of the LTI 2018. All essential decisions relating to the LTI 2018 will be taken by the remuneration committee, with approval by the Board of Directors in its entirety, as required.

Description of ongoing variable compensation programs

Moberg Pharma's ongoing share-based incentive programs and variable compensation to senior executives are described in the annual report for 2017, note 7 in the consolidated accounts. The Board of Directors' accounts of the remuneration committee's evaluation of the principles for remuneration of senior executives which were published on Moberg's website, describes how Moberg applies its principles for remuneration to senior executives in accordance with the Swedish Corporate Governance Code.

Hedging arrangements in respect of the program (Item 15 (B))

The Board of Directors has evaluated different methods to secure the financial exposure and transfer of shares in accordance with the LTI 2018, such as transfer of own shares and an equity swap agreement with a third party. The Board of Directors considers a directed issue of redeemable and convertible series C shares (following amendments of the Articles of Association) and transfer of such shares to the Participants (following conversion of the shares to common shares) to be the most cost effective and flexible method to secure the financial exposure and transfer of own shares under the LTI 2018.



The Board of Directors proposes that the main option to secure the financial exposure shall be transfer of own shares (item 15 (B)), since the cost associated with an equity swap agreement vastly exceeds the costs of transferring own shares.

Should the majority requirement under item 15 (B) not be reached, the Board of Directors proposes that the Annual General Meeting approves the entering into an equity swap agreement with a third party (item 15 (C)).

At the Annual General Meetings following this Annual General Meeting, the Board of Directors will propose that it will be authorized to cover costs associated with the Program, mainly social security charges, by transferring a certain amount of own shares.

Amendments of the Articles of Association to instate redeemable and convertible series C shares (Item 15 (B) (I))

To make the proposed issue possible, the Board of Directors proposes that the Annual General Meeting resolves to amend § 5 of the Articles of Association as follows:

“§ 5 Number of shares and share classes

The number of shares shall amount to no less than 17,000,000 and no more than 68,000,000.

Shares may be issued in two series, common shares and shares of series C. Common shares may be issued in a maximum number corresponding to not more than 100 % of the total number of shares in the company and series C shares may be issued in a maximum number corresponding to no more than 2 % of the total number of shares in the company.

Each common share entitles the holder to one vote and each series C share entitles the holder to one-tenth of a vote.

Series C shares do not entitle to dividends. Upon the company's liquidation, series C shares carry an equal right to the company's assets as common shares, however not to an amount exceeding the share's quotient value.

If the company decides to issue new common shares and series C shares through a cash issue or an issue against payment through set-off claims, each owner of common shares and series C shares shall have a pre-emptive right to subscribe for new shares of the same series in proportion to their existing shareholdings (primary pre-emptive rights). Shares not subscribed through primary pre-emptive rights shall be offered to all shareholders for subscription (subsidiary pre-emptive rights). Should the number of shares offered not be enough for subscription through subsidiary pre-emptive rights, the said shares shall be apportioned among the subscribers in proportion to their existing shareholdings and, to the extent that this cannot be done, by lottery.

If the company decides through a cash issue or a set-off issue to only offer common shares or series C shares, shall all shareholders, regardless of whether their shares are common shares or series C shares, have right to subscribe for new shares in proportion to their existing shareholdings.

The above shall not constitute any restriction on the possibility to decide on a cash issue or a set-off issue, deviating from the pre-emptive rights of the shareholders.

What is stated above about the shareholders' pre-emptive rights shall apply mutatis mutandis for new issues of warrants and convertibles not made against contribution in kind.

If the share capital is increased through a bonus issue, new shares in each series shall be issued in proportion to the existing number of shares in each series. Old shares in a specific series shall thus carry entitlement to new shares in the same series. The aforesaid shall not constitute any restriction on the possibility to issue new shares of a new series through a bonus issue, following the requisite amendments to the Articles of Association.



The Board of Directors may resolve on reduction of the share capital by redemption of all series C shares. In case of a resolution on redemption, holders of series C shares shall be obliged to redeem all series C shares against a redemption amount corresponding to the share's quotient value. Payment of the redemption amount shall be made as soon as possible.

Series C shares held by the company itself may, upon request by the Board of Directors, be converted (reclassified) into common shares. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered in the Swedish Register of Companies and the reclassification been noted in the Swedish Central Securities Depository Register."

The Board of Directors' proposal to amend the Articles of Association is conditional upon the Annual General Meeting resolving in accordance with the Board of Directors proposal in item 15 (A) above and item 15 (B) (II)-(IV) below.

Authorization for the Board of Directors to resolve to issue redeemable and convertible series C shares (item 15 (B) (II))

Authorization for the Board of Directors to resolve to issue redeemable and convertible series C shares, on one or more occasions, until the next Annual General Meeting.

The issue shall be effected on the following terms.

- An increase of the Company's share capital with no more than SEK 26,300.
- The number of shares that may be issued may amount to no more than 263,000 shares.
- The new shares shall – with deviation from the shareholders' pre-emptive rights – be subscribed for only by an external party who has been informed in advance.
- The price to be paid for each new share shall correspond to the quotient value of the share at the time of the subscription of the shares.⁵
- The new shares shall be subscribed for during the period May 15th – December 31st 2018, with a right for the Board of Directors to extend the subscription period. Oversubscription is not permitted.
- Payment for shares subscribed for shall be effected at subscription of the shares.
- The new shares shall be entitled to dividends after the registration of the new shares with the Swedish Companies Registration Office.
- The new shares will be subject to restrictions as set forth in Chapter 4, Section 6 (conversion provision) and Chapter 20, Section 31 (redemption provision) of the Swedish Companies Act (SFS 2005:551).

Authorization for the Board of Directors to resolve to repurchase all issued redeemable and convertible series C shares (Item 15 (B) (III))

Authorization for the Board of Directors to resolve to repurchase all issued redeemable and convertible series C shares in the Company on the following terms.

- Repurchase may be effected through a public offer directed to all owners of series C shares in the Company.

⁵ As per the day of this notice, the share's quotient value is SEK 0.10.



- The authorization is valid and may be exercised on one or several occasions until the Annual General Meeting 2019.
- The number of series C shares permitted to be repurchased shall amount to no more than 263,000.
- Repurchase of shares shall be made at a lowest price per share of 100 % and a highest price of 105 % of the quotient value, applicable at the time of the subscription of shares according to item 15 (B) (I) above.
- Payment for shares repurchased shall be made in cash.
- The Board of Directors shall be authorized to establish additional terms for the repurchase.
- The authorization shall also be valid for repurchase of so-called interim shares, designated by Euroclear Sweden AB as a "paid subscription share" (Sw. BTA) relating to a series C share.

The repurchase of own shares is an integrated part of the hedging arrangements for the Program. The reason for the proposed authorization to repurchase own shares is for the Company to be able to fulfil its obligations pursuant to the Program in a cost effective manner.

Resolution on transfer of own common shares to Participants in the Program (Item 15 (B) (IV))

The Board of Directors proposes that the shares issued and repurchased in accordance with item 15 B (II) and (III), after being converted into common shares, may be transferred to the Participants of the Program.

Resolution on transfers of the Company's own common shares to Program Participants shall be made on the following terms

- Transfer of shares may only be made of common shares in the Company, whereby a maximum of 263,000 common shares in the Company may be transferred free of charge to Program Participants.
- Right to purchase common shares in the Company free of charge shall – with deviation from the shareholders' pre-emptive rights – be granted to the Participants in the Program.
- Transfers of common shares in the Company shall be made free of charge at the time and on the other terms that the Program Participants are entitled to be allotted shares.
- The number of common shares in the Company that may be transferred under the Program will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

Entering into an equity swap agreement with a third party (Item 15 (C))

Should the majority required under item 15 (B) above not be reached, the Board of Directors proposes that the Annual General Meeting resolves that the expected financial exposure of the Program shall be hedged by the Company through entering into an equity swap agreement with a third party on terms in accordance with market conditions, whereby the third party in its own name shall be entitled to acquire and transfer common shares in the Company to the Participants of the Program.



Conditions

The Annual General Meeting's resolution on the implementation of the LTI 2018 according to item 15 (A) above is conditional upon the meeting either resolving in accordance with the Board of Directors' proposal under item 15 (B) above or in accordance with the Board of Directors' proposal under item 15 (C).

Majority requirements

The Annual General Meeting's resolution according to item 15 (A) above requires a simple majority among the votes cast. A valid resolution under item 15 (B) above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the meeting approve the resolution. A valid resolution under item 15 (C) above requires a simple majority among the votes cast.

The issue, repurchase and the transfer of common shares in the Company form part of the proposed Program. Therefore, and in light of the above, the Board of Directors considers it benefit for the Company and the shareholders to offer the Program's Participants the opportunity to become shareholders in the Company.

For the purpose of minimizing the Company's costs for the Program, the subscription price has been set at the quotient value of the share.

Proposal for resolution regarding authorization for the Board of Directors to issue new shares (Item 16)

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to, within the scope of the Articles of Association, with or without deviation from the shareholders' pre-emptive rights, on one or several occasions during the period until the next Annual General Meeting, resolve to increase the Company's share capital by issuing new shares in the Company. The total number of shares issued in accordance with this authorization may be equivalent to a maximum of twenty (20) per cent of the shares in the Company at the time of the 2018 Annual General Meeting. The issues shall be made with issue rates at market rate, and where applicable be subject to issue discount at market rate, and payment may, apart from payment in cash, be made in kind or by set-off or otherwise with conditions. The purpose of the authorization and the reasons for any deviation from the shareholders' preferential right is that the Company shall be able to carry out issues in order to finance the Company's business, commercialization and development of the Company's products and/or the acquisition of products, project portfolios, businesses, companies or parts of companies.

The Board of Directors, Chief Executive Officer or such person as the Board of Directors authorize, shall be authorized to carry out amendments and clarifications of the Annual General Meeting's decisions that are required in connection with the filing with the Companies Registration Office and Euroclear Sweden AB.

A resolution in accordance with this proposal requires the approval of shareholders representing at least two thirds of the votes cast and the shares represented at the Meeting.

Information at the Annual General Meeting

Shareholders may request that the Board of Directors and the Chief Executive Officer provide information regarding circumstances that may affect the assessment of an item on the agenda for the Annual General Meeting, and circumstances that can affect the assessment of the Company's financial position. The Board of Directors and the Chief Executive Officer shall provide such information at the Annual General Meeting if they believe that it can be done without material harm to the Company. Shareholders wishing to submit questions in advance may send them to Moberg



Pharma AB (publ), att. Anna Ljung, Gustavslundsvägen 42, 5 tr, 167 51 Bromma, Sweden, or by e-mail to anna.ljung@mobergpharma.se.

Documents

Copies of accounting documents and the audit report as well as forms of power of attorney will be available for shareholders at the Company and on the Company's website www.moberpharma.se, as from Tuesday, April 24, 2018. Complete proposals, including the Board of Directors' complete proposal for principles for remuneration to senior executives and to resolve on the implementation of a long-term incentive program and hedging arrangements pursuant to the program (including amendments to the articles of association, authorization for a directed issue and repurchase of shares as well as transfer of shares) and the Board of Directors' statement in accordance with Chapter 19 Section 22 of the Swedish Companies Act in addition to the auditor's statement on the principles for remuneration to senior executives that have applied since the previous Annual General Meeting, as well as other documents according to the Companies Act will be available for shareholders at the Company and on the Company's website as above, no later than three weeks before the Annual General Meeting. All of these documents will also, without charge, be sent to shareholders who so request and state their address. The documents will also be available at the Annual General Meeting.

Stockholm in April 2018

Moberg Pharma AB (publ)

The Board of Directors

The information was submitted for publication at 8:30 a.m. (CET) on April 10th 2018.