



PRESS RELEASE, April 14, 2014

MOBERG PHARMA ACQUIRES GLOBAL RIGHTS TO NOVEL TOPICAL FORMULATION FOR TREATMENT OF ORAL PAIN

Moberg Pharma AB (OMX: MOB) announced that the company has entered into a definitive agreement with Oracain II Aps (Denmark) to acquire all assets and global rights to a novel and patent pending oral formulation of the proven substance bupivacaine, for the treatment of pain in the oral cavity. The initial target indication is pain management for patients suffering from oral mucositis during cancer therapy.

Oracain has generated promising clinical data supporting safety and efficacy in several pilot studies – most importantly that the novel lozenge formulation provides significantly longer and better pain relief than currently available non-opioid treatment alternatives for patients with oral mucositis. Moberg Pharma plans to gain additional efficacy data through a phase II study during this year, to be followed by pivotal studies and registration.

Under the terms of the agreement, Oracain is entitled to an upfront payment of 1 MSEK, additional 5 MSEK after successful phase II data have been generated and a share of future revenues after such revenues have exceeded Moberg's accumulated development costs incurred prior to launch. The acquisition and cost for the phase II study are financed through available cash resources.

Moberg Pharma plans to pursue several routes to generate near term revenues from the product, including through licensing marketing rights to partners in select territories after completion of phase II as well as through sales for compassionate use for individual patients. Since there is a pressing unmet medical need for pain relief in oral mucositis, the product can be supplied for such compassionate use in certain markets prior to regulatory approval. Moberg Pharma will also examine the possibility for orphan drug status, in the U.S. as well as in EU.

Furthermore, Moberg Pharma has identified several additional potential indications for the product beyond oral mucositis, both in the acute and chronic setting, such as Sjögren's Syndrome, Burning Mouth Syndrome, endoscopic procedures, oral intubations and long-term also OTC use. The company estimates the peak sales potential of the product to 50-100 m\$ assuming successful commercialization in oral mucositis and at least one additional indication.

"We are excited of the opportunity to create a best in class product for a pressing medical need and to make it available to patients within the next few years. Oral mucositis is a debilitating side effect of cancer therapy. Oracain's clinical data is highly promising and indicates a potential to provide better and longer pain relief to patients. The acquisition is in line with our strategy of providing niche products that can create significant value based on proven molecules with limited development cost, risk and time to market", said Peter Wolpert, CEO of Moberg Pharma AB.

"Years of clinical practice in oral mucositis – and frustration of inadequate treatments for patients suffering of the severe and disabling mouth pain – were the driving forces behind our innovation. We are excited to partner with Moberg Pharma who has the capabilities to bring this important medical innovation to practical use and benefit for patients. The scientific team of Oracain is fully dedicated to support the continued development", said Ove Andersen, Chairman of Oracain and inventor.

About oral mucositis and the acquired technology

Oral mucositis ("OM") is a painful inflammation and ulceration of the mucous membranes lining the mouth. OM is a common and often debilitating complication of cancer treatment which affects 80% of patients with head and neck cancer receiving radiotherapy, almost all patients undergoing bone marrow transplantation, and a wide range of patients receiving chemotherapy. OM makes the patient less likely to comply with their cancer treatment, increases mortality and morbidity and contributes to rising health care costs. In the U.S., every year approximately 400 000 patients suffer from OM during cancer therapy.



The technology encompasses novel lozenge formulations of bupivacaine, a local anesthetic with a well-established long acting effect, currently available on the market for other indications as an injectable. The original innovation came out of work by clinicians at Hvidovre Hospital, Copenhagen, Denmark facilitated by XOventure GmbH and SEED Capital Denmark.

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About this information

Moberg Pharma discloses this information pursuant to the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.30 am (CET) on April 14, 2014.

About Moberg Pharma AB

Moberg Pharma AB (publ) is a rapidly growing Swedish pharmaceutical company with a direct sales and marketing organization in the US and an extensive distributor network in more than 40 countries. The company's OTC portfolio includes the brands Kerasal[®], Jointflex[®], Kerasal Nail[™], Domeboro[®], Vanquish[®], Fergon[®] and Kaprolac[®]. Kerasal Nail[™] (Nalox[™] in certain ex-U.S. markets) is the leading product for the treatment of nail disorders in the U.S and Nordic market. The current portfolio will be supplemented by the acquisition and in-licensing of additional products as well as product development with a focus on innovative drug delivery of proven compounds. Moberg Pharma has offices in Stockholm and New Jersey and the company's shares (OMX: MOB) are listed on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm. For further information, please visit: www.mobergpharma.com.