



PRESS RELEASE

Moberg Pharma completes the divestment of the OTC-business for USD 155 million

STOCKHOLM, March 29th, 2019. Moberg Pharma AB (publ) ("Moberg Pharma" or the "Company") has today completed the divestment of its OTC-business (over-the-counter) to RoundTable Healthcare Partners and Signet Healthcare Partners (the "Purchaser") for USD 155 million. After the divestment, Moberg Pharma's remaining business consists of the development and commercialisation of new pharmaceutical products. The transaction enables Moberg Pharma to further focus resources on the pipeline program (MOB-015 in particular) and distribute significant value to its shareholders. The Company intends to use the cash consideration to redeem its outstanding bonds and to distribute approximately SEK 43–45 per ordinary share to its shareholders. In addition, the Purchaser has provided financing to the Company's remaining business amounting to USD 5 million. The combined value of the transaction equals approximately SEK 78–80 per share, based upon the expected distribution and the Purchaser's subscription in the Company.

"We are excited about this opportunity – being able to offer our shareholders a significant distribution while retaining the considerable upside of the fully funded MOB-015 program. The transaction enables us to increase the focus on making MOB-015 the future market leader in onychomycosis. I would also like to thank the OTC team for their exceptional contributions to Moberg Pharma over the past years and wish them continued success", says Peter Wolpert, Moberg Pharma's CEO.

The transaction, announced on February 12th 2019, was carried out as a sale of all shares in MPJ OTC AB and all units in Moberg Pharma North America LLC – which together held Moberg Pharma's entire Global Consumer Health Business comprising both direct and distributor sales under the OTC brands Kerasal[®], Kerasal Nail[®], New Skin[®], Dermoplast[®], Domeboro[®], Emtrix[®] and Zanmira[®], including all assets and liabilities related to such business (the "**OTC-business**").

The completion of the transaction was conditional upon *inter alia* the approval at a general meeting in Moberg Pharma and the waiting period under the HSR Act being terminated or having expired. All conditions for finalising the transaction have now been fulfilled and the transaction has today been completed.

The OTC-business was divested for a cash consideration of USD 155 million (equivalent of SEK 1.43 billion¹) adjusted for working capital, resulting in a capital gain of approximately SEK 500 million and multiples of 3.3x sales, as well as 14.1x EBITDA and 11.6x EBITDA for commercial operations. The Company intends to use the cash consideration *inter alia* to redeem its outstanding bonds and to distribute approximately SEK 43–45 per ordinary share to its shareholders (the "**OTC-dividend**"). The MOB-015 phase 3 program is fully funded through retained cash and licensing revenues.

As part of the transaction, the Purchaser has subscribed and paid for 660,843 series B shares in the Company at a price of SEK 35.16 per share (without any right to the OTC-dividend), entailing an increase of the total number of shares in the Company from 17,703,762 to 18,364,605 shares in total after the issue has been completed. The Company has also issued 659,421 warrants without consideration, each of which gives the Purchaser a right to subscribe for one ordinary share in the Company at a subscription price of SEK 35.16 per share. Neither the newly issued series B shares nor the warrants or any shares subscribed for by exercising the warrants will entitle to the OTC-dividend and the warrants will not be exercisable until the OTC-dividend has been paid. After payment of the OTC-dividend, the series B shares will be converted into ordinary shares in the Company. Moreover, the Purchaser has provided a loan to the Company amounting to USD 2.5 million (equivalent of approximately SEK 23 million), for the purpose of financing the Company's remaining business.

¹ Based on a USD/SEK exchange rate of 9.23, being the exchange rate applicable to the Company as a result of a hedging arrangement entered into by the Company at signing of the transaction.

The Extraordinary General Meeting, held on March 15th, 2019, elected Andrew B. Hochman as ordinary member of the Board of Directors until the end of the next Annual General Meeting, conditional on and with effect from closing of the transaction. As a result of the completed transaction, the election has entered into effect.

After the divestment of the OTC-business, the Company's remaining business consists of the development and commercialisation of new pharmaceutical products, including its late-stage clinical developments MOB-015 (onychomycosis) and BUPI (pain management in oral mucositis). As a consequence of the completed divestment of the OTC-business, Jeff Vernimb and Gunilla Wengström are as of today no longer members of the management team of Moberg Pharma.

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About this information

This information is information that Moberg Pharma AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons set out above, at 22.00 CET on March 29th, 2019.

About Moberg Pharma, www.mobergpharma.com

Moberg Pharma AB (publ) is a Swedish pharmaceutical company focusing on commercializing proprietary innovations based on drug delivery of proven compounds. The company's main asset MOB-015 is a novel topical treatment for onychomycosis, for which phase 3 data in 800+ patients is expected in late 2019 in North America, and first half of 2020 in Europe. The pipeline also includes the late-stage asset BUPI for pain management in oral mucositis. The clinical data generated for both assets indicate they have the potential to become market leaders in their respective niches. Moberg Pharma is headquartered in Stockholm and the company's shares are listed on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm (OMX: MOB).