



OncoZenge

PRESS RELEASE
STOCKHOLM, NOVEMBER 6, 2020

Moberg Pharma intends to distribute and separately list BupiZenge® (BUPI)

The Board of Directors of Moberg Pharma AB (OMX: MOB) today announces its intention to distribute the operations of BupiZenge® (BUPI) to the shareholders of Moberg Pharma by distributing 90 percent of the shares in a subsidiary (name to be changed to OncoZenge AB) through a so-called Lex ASEA distribution, and convenes an extraordinary general meeting to resolve accordingly. The business consists of developing the BUPI project under the brand name BupiZenge® for treatment of oral mucositis. Moberg Pharma estimates the capital requirement to take BupiZenge® through phase 3 at SEK 60 million. Moberg Pharma is therefore evaluating the opportunity to distribute OncoZenge according to Lex Asea and list its shares on Nasdaq First North Growth Market. Moberg Pharma has hired Erik Penser Bank to evaluate opportunities for financing OncoZenge as a separate company.

Moberg Pharma has since 2014 been developing BupiZenge® for treatment of pain in connection with Oral Mucositis ("OM"). Globally, around 5 million people suffer from OM after cancer treatment. OM is an inflammation of the mucous membranes in the mouth and throat, which results in painful ulcers. OM is considered the most debilitating side effect of radiation therapy and chemotherapy and commonly occurs. After radiation therapy in the head and neck region, 90 percent of patients develop OM, and of the patients who are treated with chemotherapy around 30 percent are affected. OM causes severe pain, difficulty to swallow and talk, and can lead to interruptions in cancer treatment as well as increased health care costs.

In a previous phase 2 study on cancer patients, BupiZenge® has demonstrated statistically significant pain relief in the oral cavity and throat; the pain level in the mouth was reduced by 50 percent. compared to the current treatment. Since Moberg Pharma divested its OTC business at the start of 2019, the company has focused on the development of MOB-15 for treatment of nail fungus. To facilitate financing of the further development of BupiZenge® and capture the value in the project, the Board of Directors of Moberg Pharma has decided to propose that BupiZenge® be distributed to Moberg Pharma's shareholders through a distribution of shares in a subsidiary (name to be changed to OncoZenge AB).

The next step for BupiZenge® is a clinical phase 3 study that can serve as the basis for registration in the European market as well as additional markets. A phase 3 study is expected to commence early in 2022 with the results obtained in 2023. To finance the clinical study as well as OncoZenge's other operations until clinical data can be reported, around SEK 60 million in financing is needed. Moberg Pharma has invested approximately SEK 50 million in BupiZenge® since the project's start and the book value of BUPI amounts to approximately SEK 22 million.

"After a completed phase 3 study and registration, BupiZenge® will be of great benefit to all the patients who suffer from severe mouth pain during cancer treatment. I look forward to leading OncoZenge as a separate company and thereby being able to fully focus on the potential of our drug candidate," says Pirkko Tamsen, CEO of OncoZenge.

"The spin-off into a separate company provides the opportunity to realize the potential in BupiZenge® and create significant value for our shareholders," says Anna Ljung, CEO of Moberg Pharma.

Distribution of shares in OncoZenge

The Board of Directors of Moberg Pharma is proposing that 90 per cent of the shares in OncoZenge be distributed to Moberg Pharma's shareholders according to Lex ASEA, which will be all of Moberg Pharma's shares in OncoZenge on the distribution date. The remaining shares will be held by management, the innovators behind the project and a number of key persons. The CEO of OncoZenge is Pirkko Tamsen, who has extensive experience as CEO of drug development companies as well as experience from Astra and Kabi. The proposal to distribute shares in OncoZenge will require the approval of an extraordinary general meeting of Moberg Pharma, which Moberg Pharma has convened today. Before the shares are distributed, Moberg Pharma intends to transfer the BUPI assets to OncoZenge, subject to the Extraordinary General Meeting's approval in accordance with what is stated in more detail in the notice to the Extraordinary General Meeting.



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The Board of Directors proposes that ten (10) ordinary shares in Moberg Pharma as of the record date for the distribution of shares, shall entitle the holder to subscribe for one (1) share in OncoZenge. If the shares are not evenly dividable by ten, fractions of shares are received. All such fractions will be merged into whole shares and afterwards sold through the care of Erik Penser Bank. The sales proceeds will be paid out in cash by Euroclear, without deducting a brokerage fee.

Financing of OncoZenge

To finance the clinical phase 3 study as well as other operations, OncoZenge intends to secure total financing of approximately SEK 60 million. Moberg Pharma has engaged Erik Penser Bank to evaluate opportunities for such financing.

Listing on Nasdaq First North Growth Market

In the first quarter of 2021, OncoZenge intends to apply to list its shares for trading on Nasdaq First North Growth Market.

Advisor

Erik Penser Bank is serving as financial advisor and Gernandt & Danielsson Advokatbyrå is serving as legal advisor to OncoZenge in connection with the distribution, financing and listing of OncoZenge.

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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 agency of the contact persons set out above, at 8.00 a.m. CET on November 6, 2020.

About Moberg Pharma, www.mobergpharma.com

Moberg Pharma AB (publ) is a Swedish pharmaceutical company focused 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, with recently completed phase 3 trials in more than 800 patients. The pipeline also includes the late-stage asset BUPI for pain relief in oral mucositis. 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 Stockholm (OMX: MOB).

About OncoZenge, www.oncozenge.se

OncoZenge AB (publ) is a Swedish pharmaceutical company founded in 2020 through a spin-off from Moberg Pharma AB in collaboration with leading clinicians from Hvidovre Hospital in Denmark. OncoZenge develops better products for supportive care of cancer patients. Preparations are underway for phase 3 of BupiZenge[®], after leading phase 2 data for pain relief in patients with oral mucositis.