



# Creating a footprint in underserved niches

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Carnegie Health Care Seminar, March 16<sup>th</sup>, 2017  
Peter Wolpert, CEO & Founder



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# Why invest in Moberg Pharma



– Strategy for Shareholder value

Niche strategy enables a growing and profitable commercial business

Acquisition strategy with substantial value potential  
- 7 transactions since 2012

Late-stage pipeline with est. \$300-600 million peak sales potential - Proven molecules limit TTM, cost & risk

Strong Team and track record

# Moberg Pharma - a leader in topical niche categories



## OTC Sales in the U.S.

- 6 brands in all major retailers
- #1 in nail fungus
- #1 in liquid bandages
- #2 in pain relief sprays



## Distributor sales

- 40+ countries
- #1-3 in many markets
- 3 top 50 partners  
Mylan, Menarini, Endo



An effective treatment of fungal nails

## Innovation Engine

- MOB-015 - Phase 3  
\$250-500m potential
- BUPI - Ph 3 preparation  
\$50-100m potential

*Future market leader in their niches*

## Financial Overview

- Listed at Nasdaq Stockholm (MOB.ST), 40+ FTEs in Stockholm and NJ
- Net Sales 334 MSEK (\$37m) + Acquisitions in H2 2016
- Long-term EBITDA target 25%

## Growth Strategy

- Organic and M&A
- Innovation Engine
- Brand & IP Equity

# Recent Highlights and Financials

Commercial Operations  
and Innovation Engine

Focus next 12 months

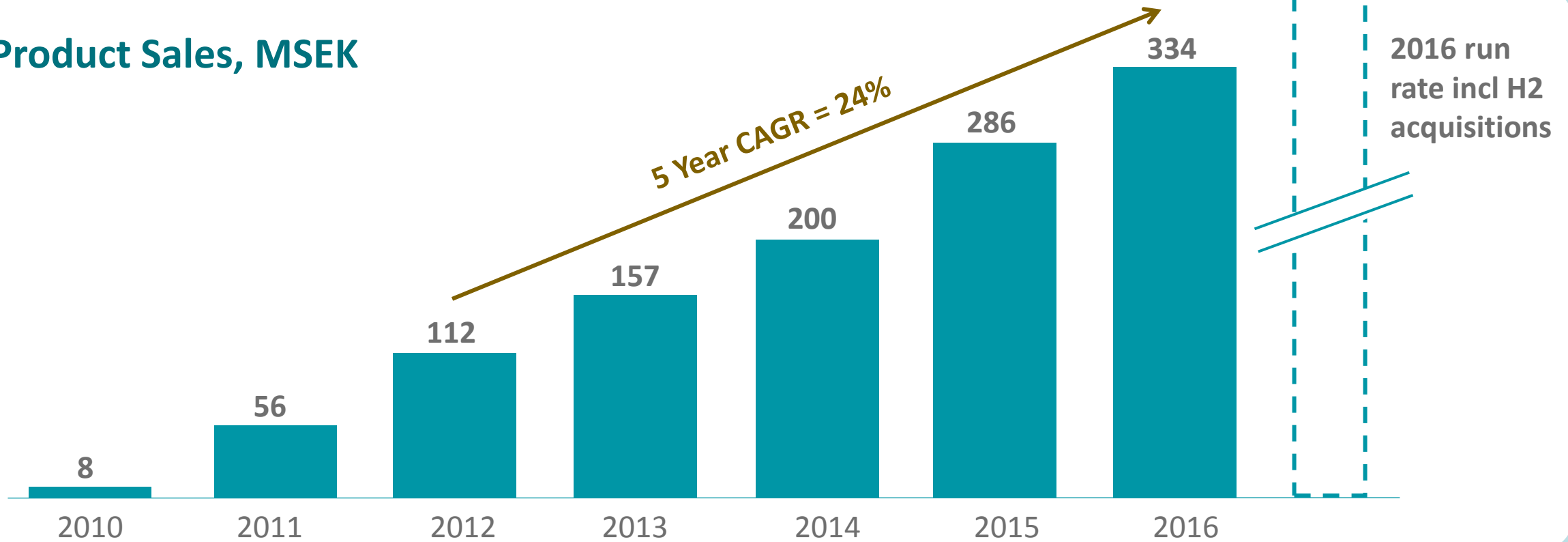


# Rapid growth

2016 revenues grew by 17% fueled by H2 acquisitions



## Product Sales, MSEK





# Acquiring Dermoplast® finalized a transformative 2016



## Commercial & M&A

- Q4: Net sales increased by 67% to 89 MSEK  
EBITDA increased 3X to 12 MSEK
- Acquired brands for ca 800 MSEK, contributed significantly to sales and profitability in Q3-Q4.
- 27% market share L52W for Kerasal Nail® in the U.S, increase of 4%  
25% in Q4, increase of 3% despite low season/low advertising.
- New distribution secured for New Skin® Spray – Walmart and Walgreens
- Launched in Japan (1 city) and Taiwan

## Innovation engine

- Phase 3 enrollment ongoing for MOB-015 in North America & Europe
- EU patent for BUPI granted, EU Authority meetings in March

Source: Symphony IRI, U.S. retail sales of nail fungus products excluding private label in Multi Outlet Stores

\*L52W/E 12/25/16 vs YAGO

# Dermoplast® adds growth and profitability as of Jan 1, 2017

Transaction closed on Dec 30, 2016

- Acquisition of Dermoplast® for \$47.6 million (completed Dec 30th), at 8.9X EBITDA. Financed by bond SEK 215m, equity SEK 148m and cash
- Total net sales ca \$12m, growing (4-year CAGR high single digit)
- Highly profitable, EBITDA margin 45%
- #1 pharmacist recommended brand, #2 brand in the \$33.7 million U.S. retail pain relief spray market
- 21% market share in retail
- Significant Hospital business
- Integration progressing – expect to be finalized H1 2017
- Pedia Care divested for \$5.6m including inventory value
- Non-core brand, divestment releases resources





# P&L summary



Q4 2016

P&L Summary (MSEK)	Oct-Dec 2016	Oct-Dec 2015	Full-year 2016	Full-year 2015
Revenue	89	54	334	286
<b>Gross profit</b>	<b>61</b>	<b>37</b>	<b>233</b>	<b>214</b>
%	68%	68%	70%	75%
SG & A	-42	-26	-177	-142
R&D - existing product portfolio <sup>1)</sup>	-1	-2	-5	-6
Other operating income/operating expenses	0	0	43	4
<b>EBITDA Commercial Operations</b>	<b>18</b>	<b>9</b>	<b>94</b>	<b>68</b>
%	20%	16%	28%	24%
R&D & BD - future products <sup>2)</sup>	-5	-5	-16	-22
<b>EBITDA</b>	<b>12</b>	<b>4</b>	<b>78</b>	<b>46</b>
%	13%	8%	23%	16%
Depreciation/amortization	-5	-3	-16	-11
<b>Operating profit (EBIT)</b>	<b>7</b>	<b>1</b>	<b>62</b>	<b>35</b>

- 1) Research and development expenses – existing product portfolio includes R&D expenses for new product variants under existing brands, regulatory work and quality.
- 2) Research and development expenses - future products includes R&D expenses for new product candidates, for example MOB-015.

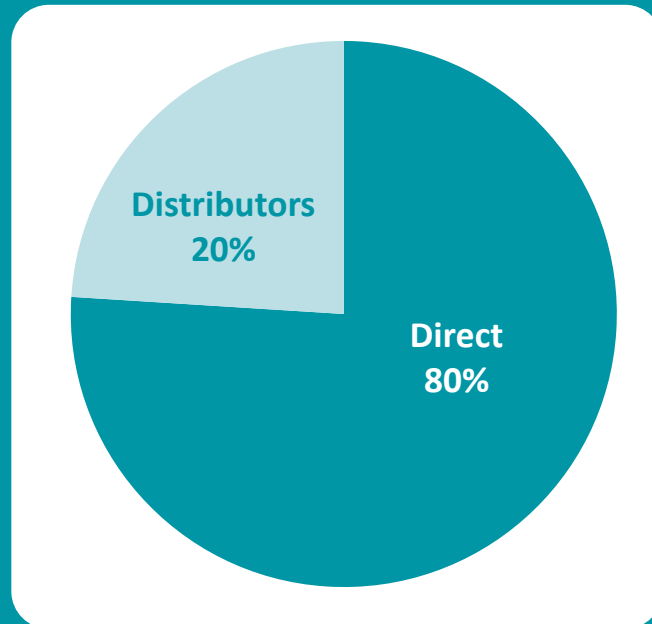
Due to the rounding component, totals may not tally.

# Majority of revenue from direct OTC sales

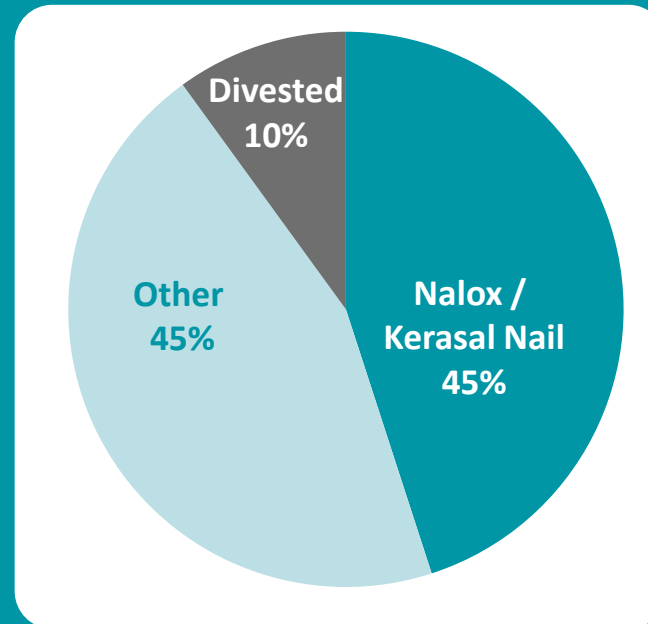


– Direct sales continue to grow, distributor sales grow in units but not in value

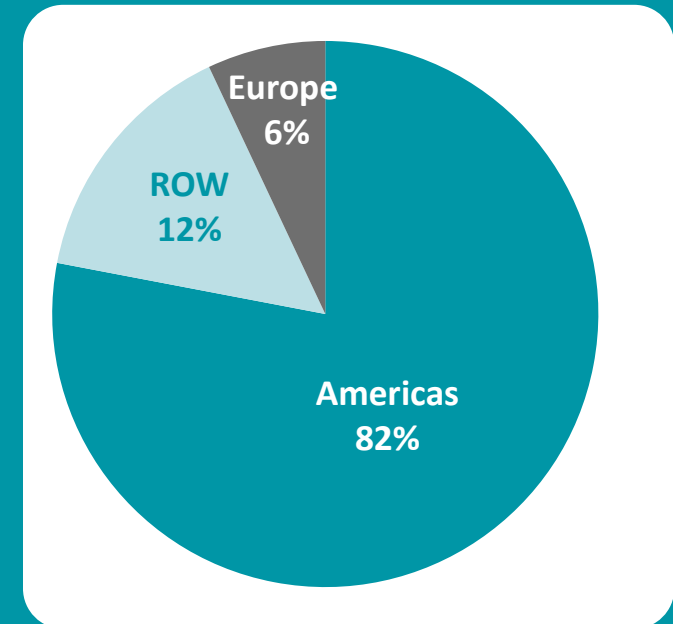
## Channel



## Product



## Geographies



Distribution of revenue, January – December 2016

# Balance Sheet



(MSEK)	Sep 30, 2016	Dec 31, 2016
<b>Assets</b>		
Intangible fixed assets	592	1 000
Property, plant and equipment	1	1
Financial assets	11	-
Deferred tax asset	6	10
<b>Total non-current assets</b>	<b>609</b>	<b>1 011</b>
Inventories	39	42
Trade receivables and other receivables	77	93
Cash and bank balances	111	86
<b>Total current assets</b>	<b>227</b>	<b>221</b>
<b>TOTAL ASSETS</b>	<b>836</b>	<b>1 232</b>
<b>Equity and liabilities</b>		
Equity	397	562
Long-term interest-bearing liabilities	378	589
Long-term non-interest-bearing liabilities	19	7
Current non-interest-bearing liabilities	41	75
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>836</b>	<b>1 232</b>

## Significant changes during Q4:

- ← Product rights bought for \$47.6 million (Dermoplast) & sold for \$5 million (PediaCare)
- ← Dermoplast option exercised
- ← Increased due to Dermoplast
- ← Dermoplast reduces cash, Bond tap issue, share issue and PediaCare added cash
- ← Equity issue, ca 148 MSEK
- ← Bond tap issue, ca 215 MSEK
- ← Holdback moved from non-current to current

Recent Highlights and Financials

**Commercial Operations  
and Innovation Engine**

Focus next 12 months





# A portfolio with strong strategic niche brands



**Fiber Choice®**  
Prebiotic fiber supplement



**Domeboro®**  
Effective treatment for  
skin irritations and rashes



**Balmex®**  
Complete Protection to treat  
and prevent diaper rash



**New Skin®**  
Waterproof liquid bandage



**Dermoplast®**  
Fast relief of pain and itch



**Kerasal®, Emtrix® and Zanmira®**  
Clinically proven formulas providing  
a Visible Difference in Foot Care





# Scalable infrastructure



– Marketing U.S OTC brands

## Contract Manufacturers



## Sales Force



## Sales and marketing/Brand Management



## Logistics



## Retailers/Wholesalers



TARGET



Note: Largest retailers, contract manufacturers and wholesalers only, not an all inclusive list.

# All-time-high U.S. market share in 2016

– for Kerasal Nail following successful re-launch

- New packaging, commercial and website launched in March
- Very positive reception from consumers and trade, ATH market share
- Clinical studies support stronger claims for 2017



23% > 27%

MARKET SHARE\*

18%

VALUE GROWTH\*

-3.6%

CATEGORY GROWTH\*

# Growth potential in Asia

– for distributor sales

- Sales in ca 40 markets
- Market leader or Top 3-position in Nordics, several EU and Asian countries
- Increase in volume in 2016, but declined 6% in value due to volume discounts
- Asian launches continue, Taiwan and Japan (1 city) added in 2016
- UK Direct sales launch progresses well, limited revenues to date

The logo for MEDA, featuring the word "MEDA" in a bold, red, sans-serif font.The logo for paladin, featuring a stylized blue and yellow shield icon to the left of the word "paladin" in a bold, blue, sans-serif font.

Note: Three largest distributors only, not an all inclusive list.

# TV Commercial in e.g. Malaysia in 2016



# Pipeline assets – target leadership in two niches



– building on topical drug delivery know-how

Pipeline Asset	Indication	Status	Peak sales potential, m\$	USP
<b>MOB-015</b>	<b>Onychomycosis</b>	<p>Phase 3 started Q316 in NA and EU</p> <p>Increased to 750-800 patients, targeting H217 for finalizing enrolment</p> <p>Patents with term to 2032 granted in major territories</p>	250-500	Topical terbinafine with fast visible improvement and superior cure rates
<b>BUPI</b>	<b>Oral Mucositis and oral pain</b>	<p>Phase 3 preparation</p> <p>Meeting with EU authorities in March</p> <p>Partner Cadila finances and conducts one Phase 3 trial</p> <p>EU patent (to 2031) granted</p>	50-100	Lozenge formulation with effective pain relief for 2-3 hrs(vs 0,5 hrs for competition)



# MOB-015 target: Market leadership in Nail Fungus



- MOB-015 is based on Emtrix/Kerasal nail, adds terbinafine
- Phase 3:
  - Managed by leading Derm CROs ProInnova (EU) and TKL (US/CA)
  - Primary end-point: Complete Cure after 52w
  - Manufacturing partner Colep co-invests in MOB-015
- Phase 2 demonstrated efficacy and safety

**54%**

**MYCOLOGICAL CURE**

**1000<sub>x</sub>**

**MORE TERB IN NAIL VS ORAL**

**40<sub>x</sub>**

**MORE TERB IN NAIL BED VS ORAL**

Source: An open, single center pilot study of efficacy and safety of topical MOBO15B in the treatment of distal subungual onychomycosis, Faergemann et al, poster presentation at American Academy of Dermatology, March 2016; 54% of the patients completing the study were mycologically cured.  
Mycological cure for FAS was 52% and for PPAS 60%

# Target Product Profile for mild-moderate nails vs Jublia



- Jublia peaked at \$338m sales in 2015 (Launch June 2014)

	Myc. Cure		Complete cure	Visual improvement
	24W	52W	52W	4W
<b>MOB-015 Target</b>	>50%	60-70%	20-30%	>50%
Jublia	-	54%	15-18%	N/A
Penlac and Current OTCs*		Ca 30%	6-8% or less	N/A

**Superior Cure Rates**

**Rapid Visible Improvement**

**Potential for Shorter Treatment**

Note: For MOB-015, the above describes the outcome Management targets in ongoing Phase 3 trials.

Source for Jublia data is Jublia Prescriber Information, Rev 09/2016

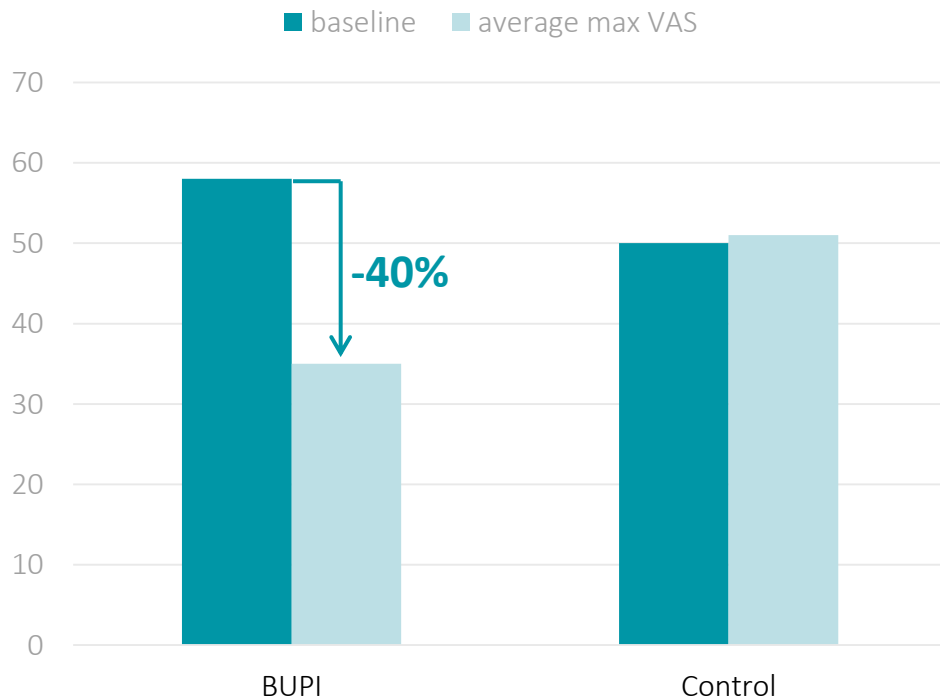
\* Refers to publications on ciclopirox and amorolfine. Many other OTC products have not conducted or published 52w trials

# Phase 2 – Significantly lower pain levels in BUPI group

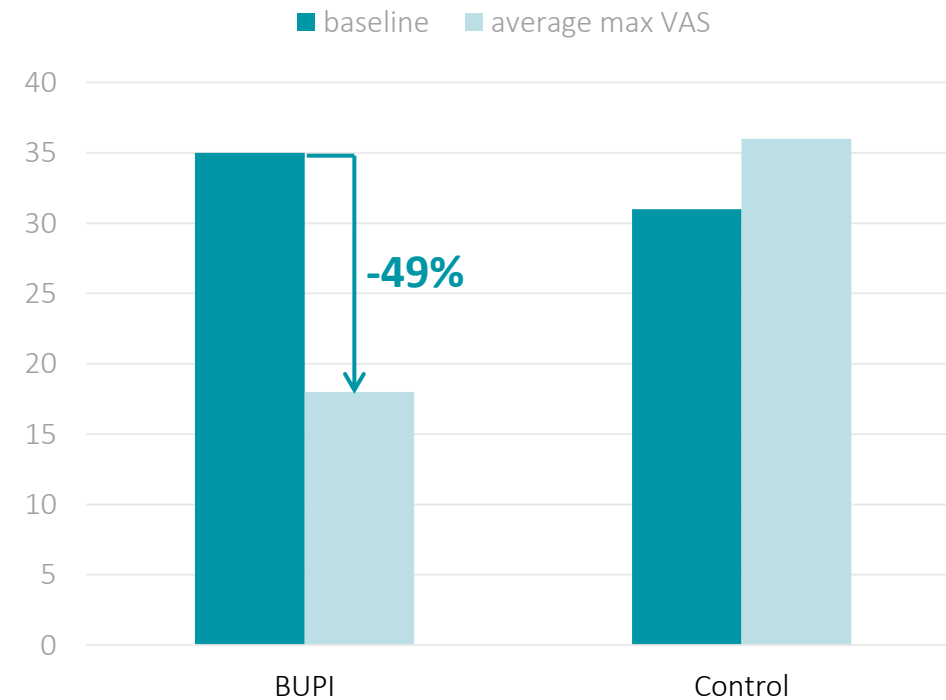


- Control group had access to oral painkillers, morphine and lidocain mouthwash
- **Primary endpoint: 31% less pain in BUPI group** (Highest VAS score in mouth/pharynx,  $p=0,0032$ )
- **In Mouth only: 50% less pain in BUPI group** ( $p=0,0002$ )

VAS Score (Highest of Mouth/Pharynx)



VAS Score in Mouth only



**Recent Highlights and Financials**

**Commercial Operations  
and Innovation Engine**

**Focus next 12 months**



# Continue the positive momentum in 2017

2017 is a consolidation year

## Focus in 2017

- Integrate acquired brands
- Complete Phase 3 enrolment MOB-015
- Strengthen core brand positions in the U.S. and international distribution
- Get approval to start BUPI Phase 3
- Engage with potential commercialization partners for MOB-015 and BUPI





# Why invest in Moberg Pharma



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Strong Team and track record

# Appendix



# Management with strong track record



**Peter Wolpert**  
CEO and Founder

- >15 years experience, founded the company in 2006
- McKinsey & Co, CEO at start-ups from Karolinska, co-Founder Ibility AB and Viscogel AB



**Martin Ingman**  
VP Sales & marketing,  
ROW

- >20 years experience, joined in 2008
- AstraZeneca, Q-Med, Carema



**Jeff Vernimb**  
GM North America

- >20 years experience, joined in 2014
- Pfizer, Novartis, Insight Pharmaceuticals



**Kjell Rensfeldt**  
VP R&D

- >20 years experience, joined in 2007
- Clinical practise, Q-Med, BiogenIdec



**Anna Ljung**  
CFO

- >10 years experience, joined from start in 2006
- CFO at start-ups from Karolinska Institutet

# Experienced Board



**Thomas Eklund  
(Chair)**

Ex. Investor Growth Capital AB, Alfred Berg ABN AMRO Capital Investment AB, Handelsbanken Markets.

Chairman of Swevet AB and Itrim AB, and board member of Boule Diagnostics AB, Biotage AB, Neoventa Medical AB, Memira AB, Rodebjer Form AB.



**Wenche Rolfsen**

Ex. Pharmacia and Quintiles Scandinavia AB.

Chairman of Index Pharmaceutical and Sarsia Seed, Norway. Board member of Swedish Match AB and Smartfish, Norway.



**Geert Cauwenbergh**

Ex. Barrier Therapeutics (U.S.) and Johnson & Johnson in the U.S.

Managing Partner of Phases123 LLC (U.S.), and Board member of Cutanea Life Sciences (USA), Phosphagenics (ASX-Australia) and RXi Pharmaceuticals Corp (U.S)



**Thomas Thomsen**

Ex. Johnson & Johnson Consumer, Reckitt Benckiser and Novartis

Chairman of Walmark a.s.(Czech Republic) and Non-Executive Director of Symprove (UK), NoA (Norway) and Alkalon (Denmark).



**Torbjörn Koivisto**

Ex. Mannheimer Swartling, Lindahl and Bird & Bird.

Bard member of Hemcheck Sweden AB, Forslid & Co AB and KIBACQ AB.

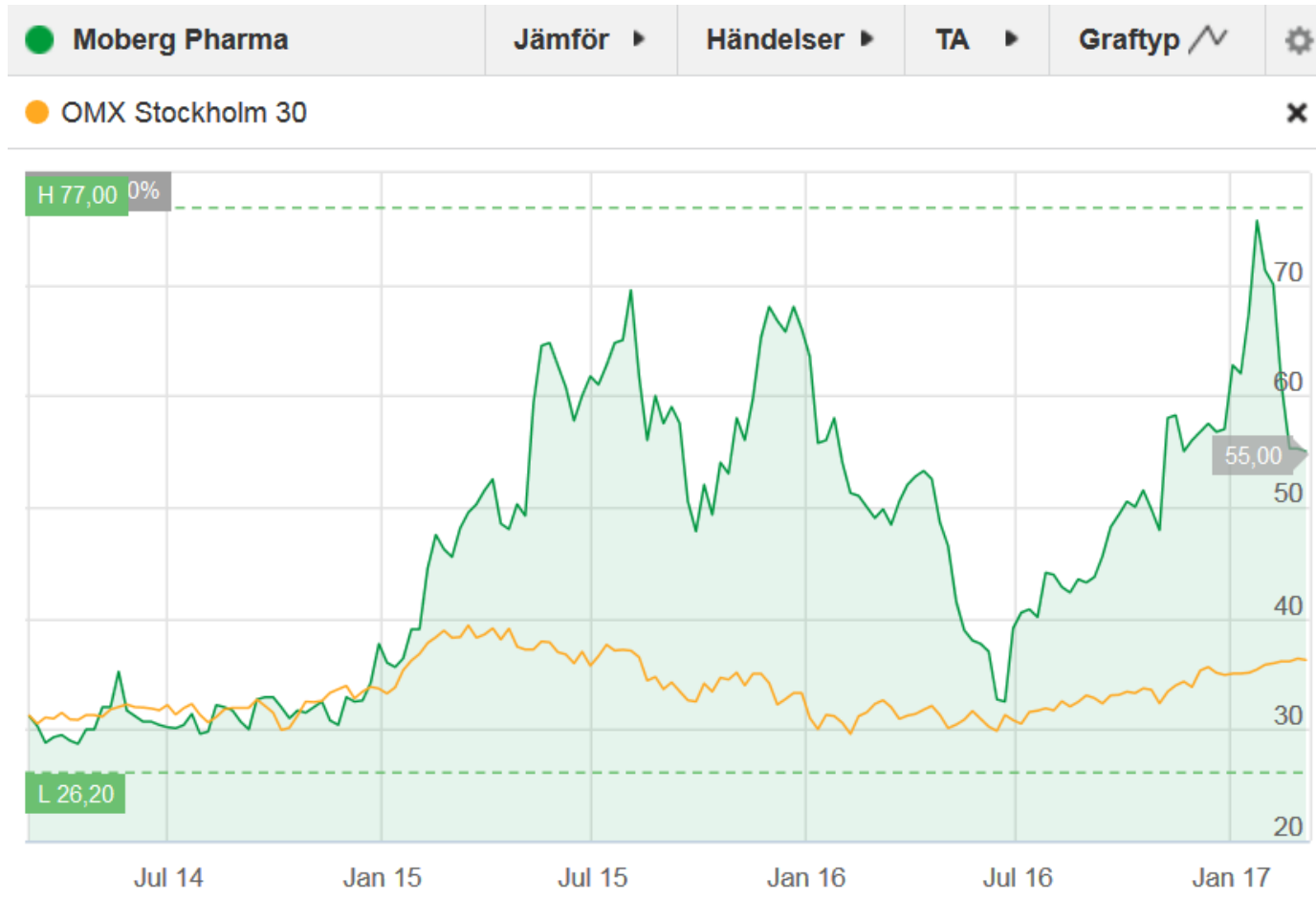


**Mattias Klintemar**

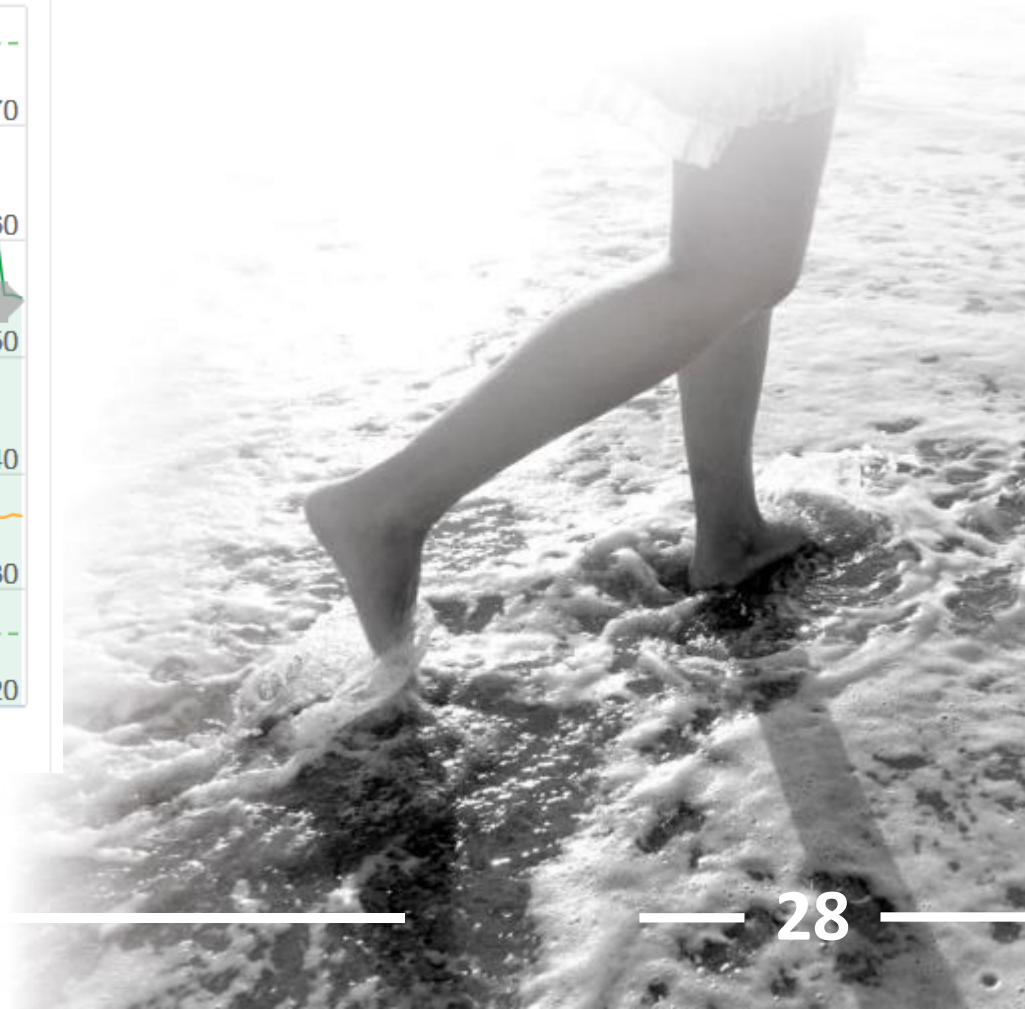
Östersjöstiftelsen. Ex. Morphic Technologies AB, Hexaformer, ABG Sundal Collier and Arthur Andersen.

Chairman of the board at Dilafor and board member of Ceba/Oatly and Phoniro.

# Share price development last 3 years



Source: Avanza





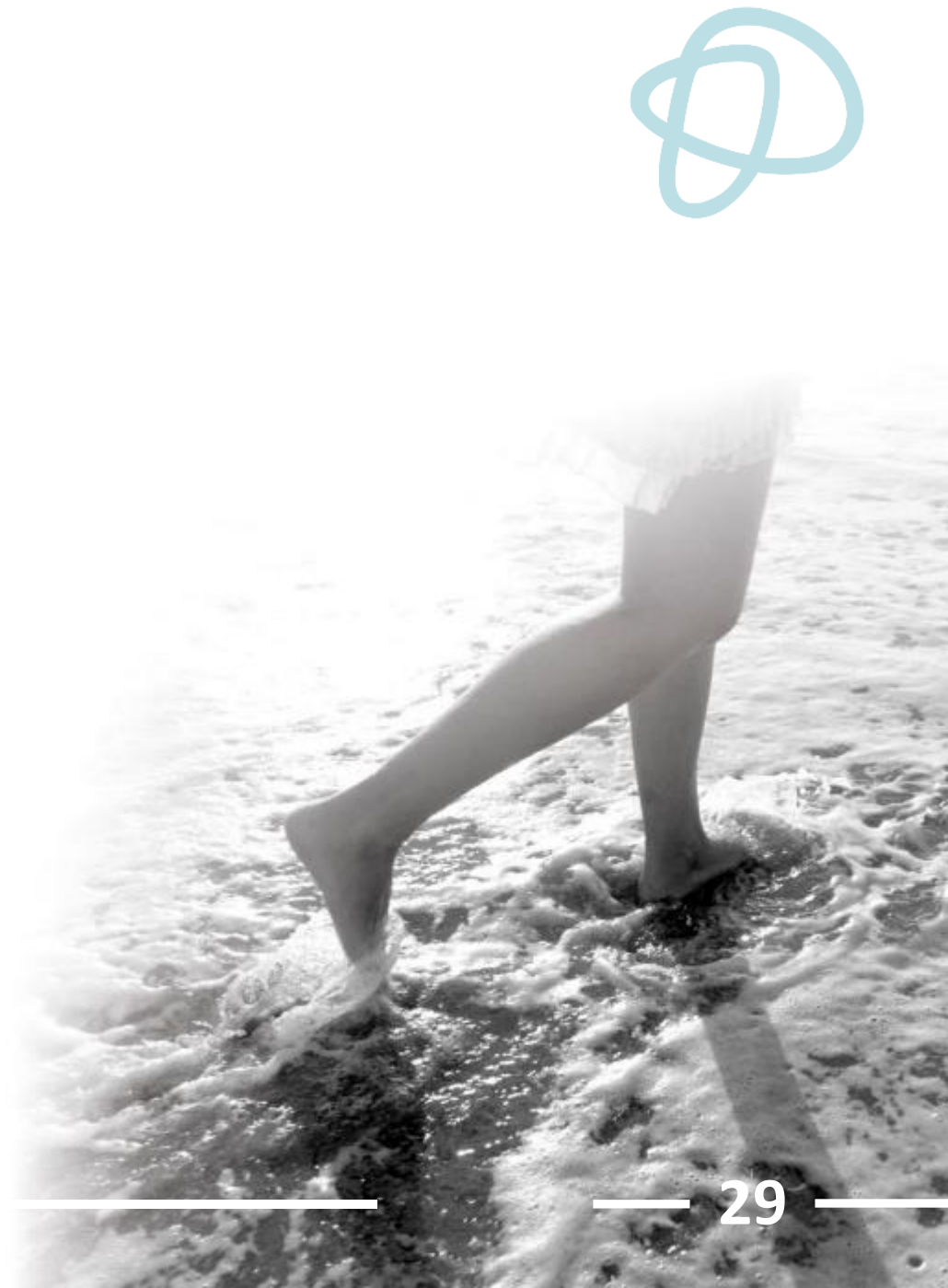
# Shareholders

- By Dec 31, 2016



Largest Shareholders Dec 31, 2016	Number of shares	Share capital and voting rights
ÖSTERSJÖSTIFTELSEN	2,208,771	12.7%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1,538,173	8.8%
NORDNET PENSIONS FÖRSÄKRING AB	864,796	5.0%
CUSTODY ACCOUNT FOR THE EXCLUSIVE	816,000	4.7%
BANQUE CARNEGIE LUXEMBOURG S.A, (FUNDS)	719,394	4.1%
WOLCO INVEST AB	600,000	3.5%
SOCIETE GENERALE	532,540	3.1%
GRANDEUR PEAK INTERNATIONAL	369,294	2.1%
GRANDEUR PEAK GLOBAL, OPPORTUNITIES	284,857	1.6%
MERRIL LYNCH PROF CLEAR CORP	269,446	1.6%
SUM, 10 LARGEST SHAREHOLDERS	8203271	47.2%
Other Shareholders	9208571	52.9%
<b>TOTAL</b>	<b>17,411,842</b>	<b>100%</b>

(1) Owned by CEO Peter Wolpert





# Analyst coverage



## Equity Analysts

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## Bond Analysts

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# Phase 2 results demonstrates efficacy and safety



24/25 patients completed the study

54%	MYCOLOGICAL CURE AT 60 WEEKS*
40%	MYC CURE AT 24 WEEKS
100%	NEGATIVE CULTURE AT 60 WEEKS
29%	MYC CURE AND ALMOST CURED OR CURED**
>4.5 mm	CLEAR NAIL GROWTH***
45 µg/g	TBF IN NAIL BED (MEDIAN) ↔ 40x ORAL
1610 µg/g	TBF IN NAIL (MEDIAN) ↔ 1000x ORAL
1520 pg/mL	TBF IN PLASMA (MAX) ↔ 1000x <u>LOWER</u> THAN ORAL

\* 54% of patients completing the treatment (13 of 24), 52% of FAS (13 of 25) and 60% of PPAS (12 of 20)

\*\* Means 10% or less clinical involvement

\*\*\* Post-hoc analysis

Source: Moberg Pharma data on file, MOB-015 phase II study

# Example of successful treatment with MOB-015



Before



After



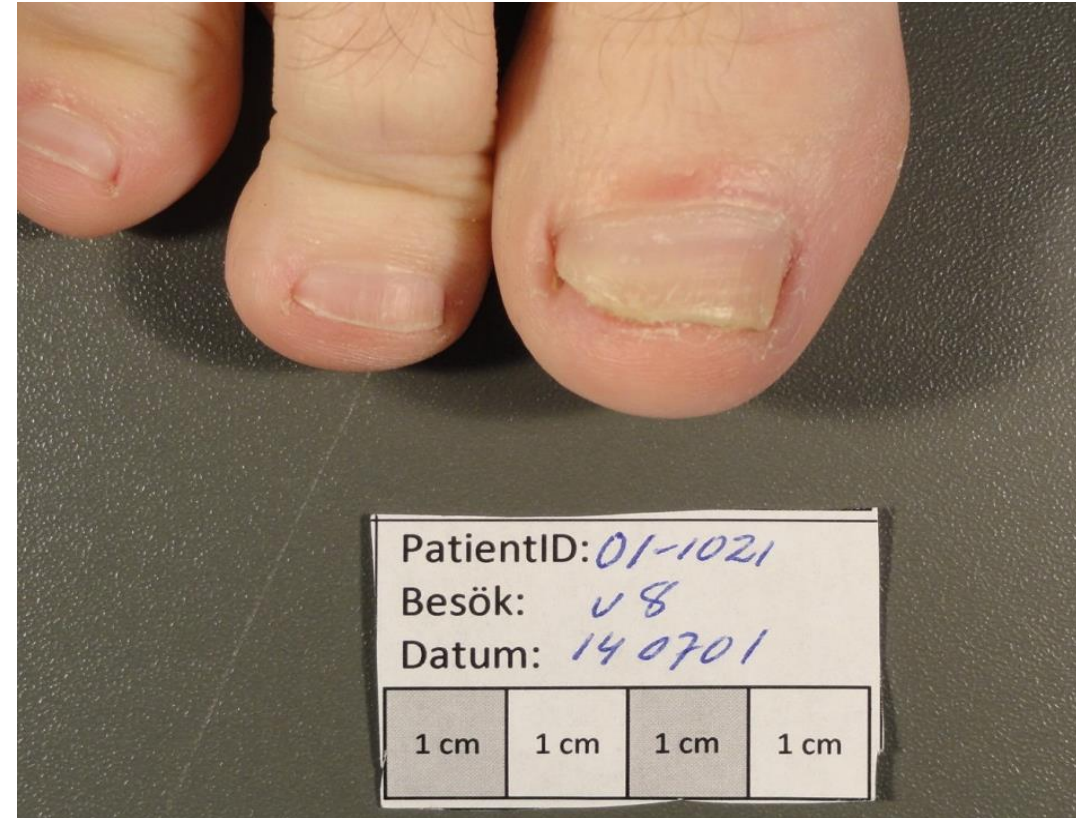
# Example of successful treatment with MOB-015



Before



After





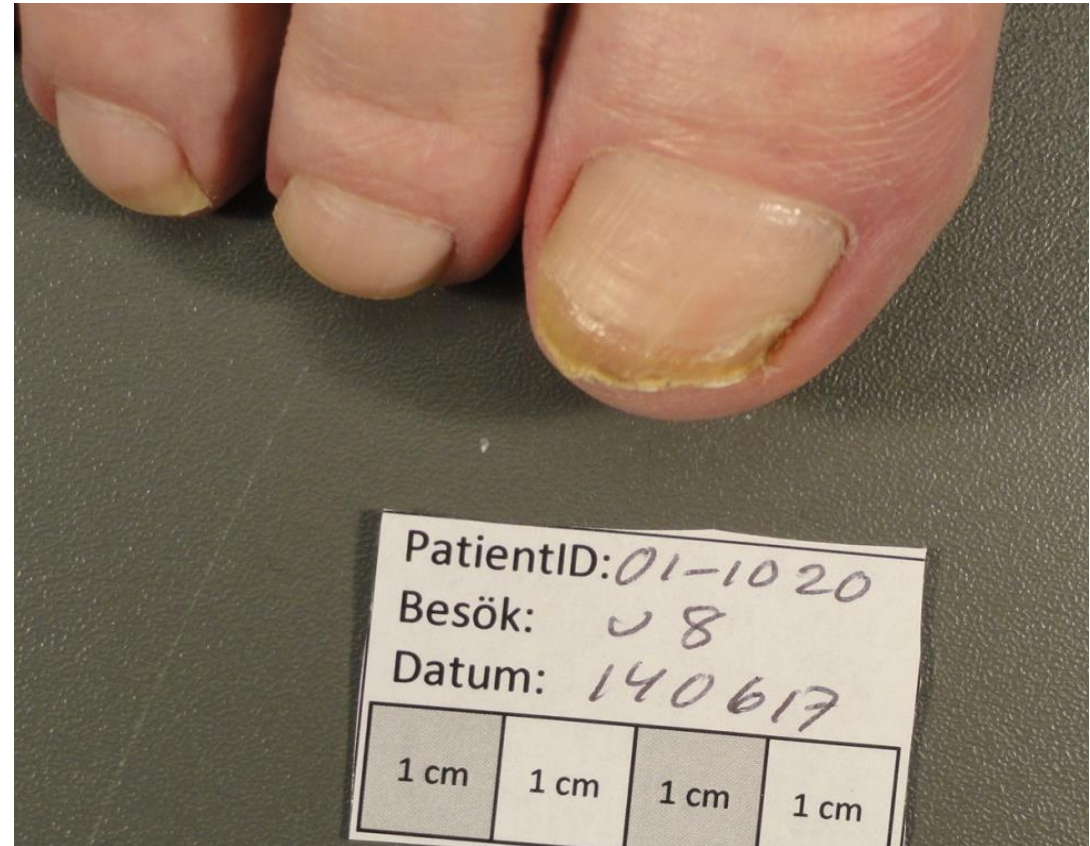
# Example of successful treatment with MOB-015



Before



After





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Moberg Pharma AB (Publ)  
Gustavslundsvägen 42, 5 tr.  
167 51 Bromma  
[mobergpharma.se](http://mobergpharma.se)