



# Creating a footprint in underserved niches

---

Nordea, August 20, 2018

Peter Wolpert, CEO & Founder



# Disclaimer

---



The purpose of this presentation (the "**Presentation**") is to provide an overview of Moberg Pharma AB (publ) (the "**Company**"). For the purposes of this notice, "Presentation" means this document, its contents or any part of it, any oral presentation, any question or answer session and any written or oral material discussed or distributed during the Presentation meeting.

This Presentation is not a prospectus or similar offer document. This Presentation does not purport to contain comprehensive or complete information about the Company and is qualified in its entirety by the business, financial and other information the Company is required to publish in accordance with the rules, regulations and practices applicable to companies listed on Nasdaq Stockholm (the "**Exchange Information**"). Any decision to invest in any securities of the Company should only be made on the basis of a thorough examination of the Exchange Information and an independent investigation of the Company itself and not on the basis of this Presentation. Neither this Presentation nor any of the Exchange Information has been independently verified by any other person unless expressly stated therein. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or opinions contained in this Presentation.

Except where otherwise indicated in this Presentation, the information provided herein is based on matters as they exist at the date of preparation of this Presentation and not as of any future date. All information presented or contained and any opinions expressed in this Presentation are subject to change without notice. None of the Company or any of its directors, officers, employees, agents, affiliates or advisers is under any obligation to update, complete, revise or keep current the information contained in this Presentation to which it relates or to provide the recipient of with access to any additional information that may arise in connection with it.

This Presentation contains "forward-looking" statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability or cost of financing, anticipated cost savings or synergies, the completion of strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and they are subject to change at any time. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including risks associated with the inherent uncertainty of pharmaceutical research and product development, manufacturing and commercialization, the impact of competitive products, patents, legal challenges, government regulation and approval, the Company's ability to secure new products for commercialization and/or development and other risks and uncertainties detailed from time to time in the Company's interim or annual reports, prospectuses or press releases and other factors that are outside the Company's control. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

# Moberg Pharma in brief

Commercial business

Pipeline assets

Focus next 12 months



# Moberg Pharma - a leader in topical niche categories



## Consumer Healthcare Business

- Distribution in all major U.S. retailers
  - #1 in nail fungus
  - #1 in liquid bandages
  - #1 in pain relief sprays
- Distributor sales in 30+ markets
  - #1-3 in several markets,
  - Partners: Mylan, Menarini, Paladin, Perrigo

**4** BRANDS

## Innovation Engine

- MOB-015 – Topical terbinafine with \$250-500m estimated sales potential
- BUPI – Bupivacaine lozenge with \$100-200m estimated sales potential
- Targeting leadership in their respective niches

**2 PHASE** **3**  
**PIPELINE ASSETS**

# History and Current Portfolio



## Key Milestones

- 2006 - 2010 Development of lead OTC product – Kerasal Fungal Nail Renewal®
- 2010 Successful launch in Scandinavia
- 2011 IPO at Nasdaq Stockholm, distributor launches
- 2012 Acquired U.S. JV partner, distributor launches in 19 markets
- 2013 – 2017:  
Acquired brand portfolios from Bayer, Chattem, Prestige  
Divested non-core brands

### *Pipeline:*

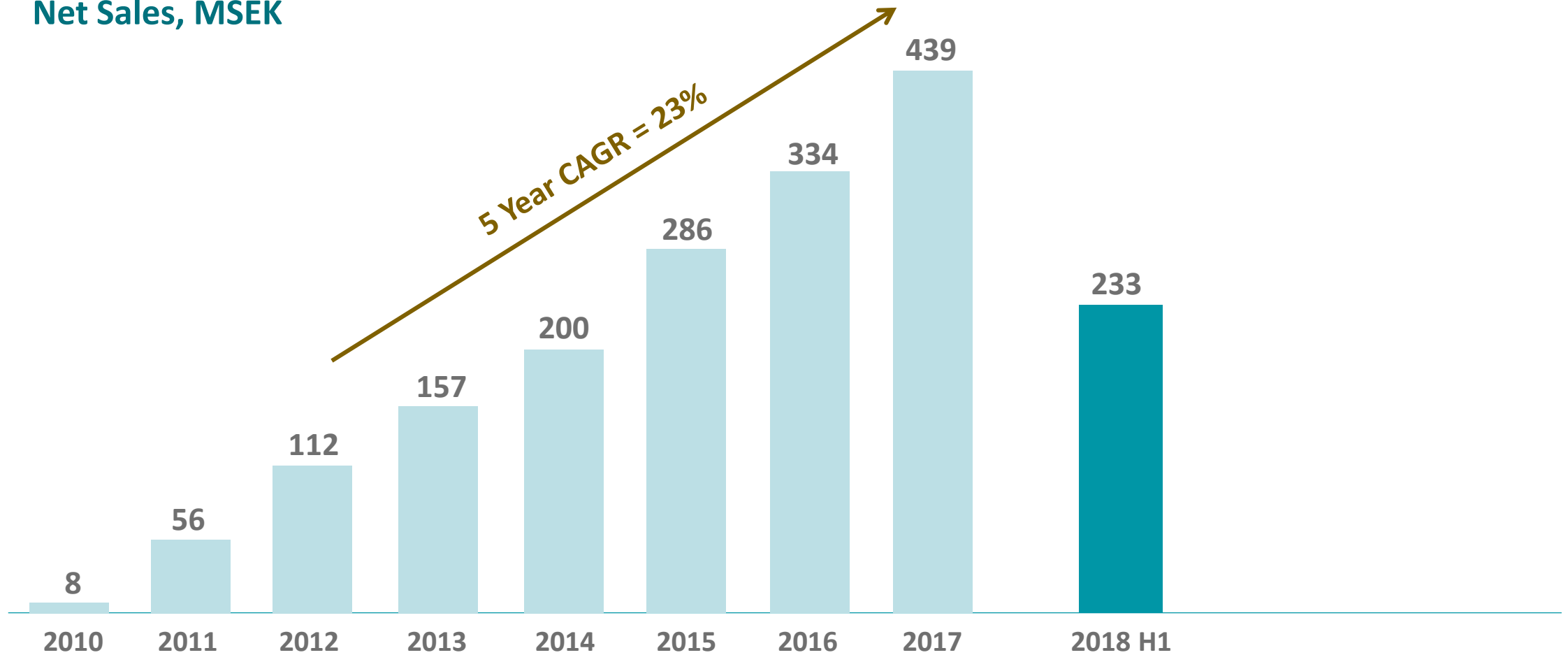
Phase 2 success for MOB-015 (Onychomycosis)  
Acquired BUPI and Phase 2 success (Oral Mucositis)  
Phase 3 start for MOB-015  
IP granted to 2032 in all major territories



# Rapid growth



Net Sales, MSEK

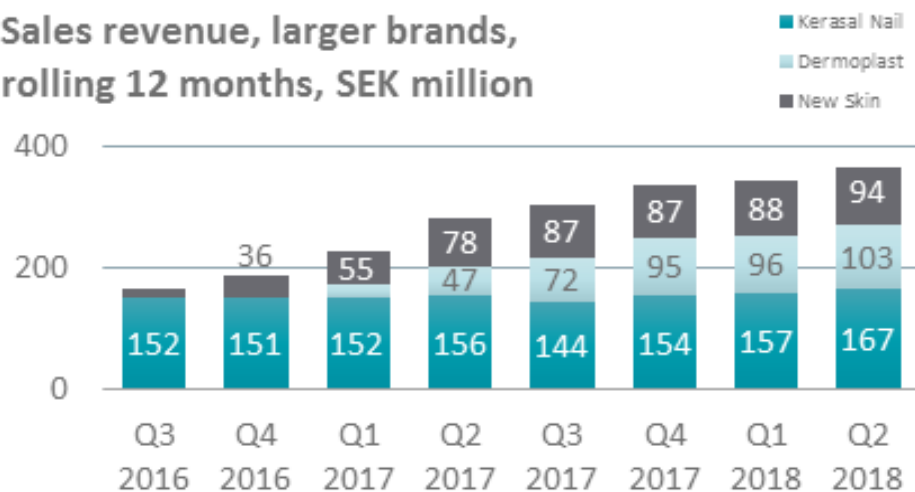


# Sales growth for key brands and EBITDA rolling 12 months

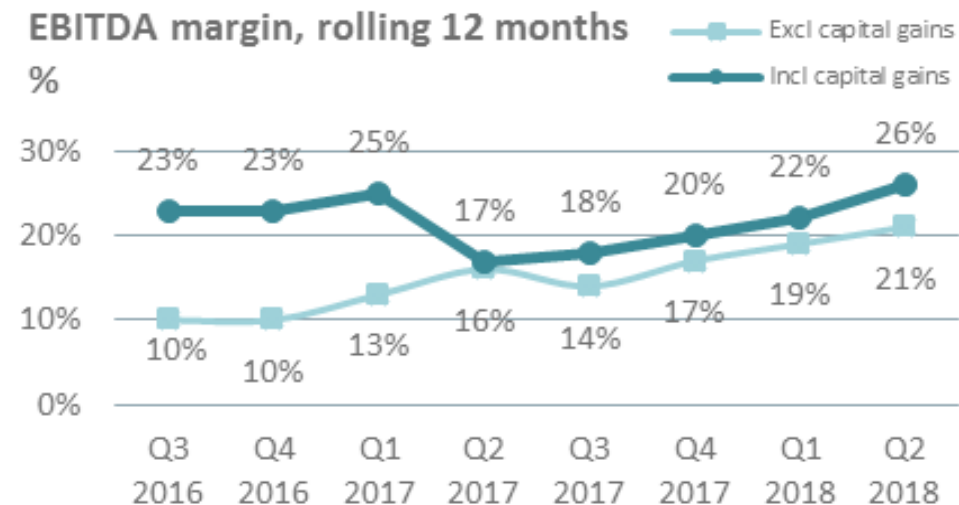


– Note significant divestments and acquisitions 2016 - 2018

Sales revenue, larger brands, rolling 12 months, SEK million



EBITDA margin, rolling 12 months



Long-term EBITDA margin target: 25%

# Excellent progress commercially as well as in pipeline



## Q2 Commercial Operations – Strong growth

- Six separate transactions over the last two years have resulted in a synergistic portfolio of high margin niche brands with leading positions in the Foot Care and First Aid categories, driving growth in sales and profitability
  - Net revenue for the three key brands in the U.S. grew at record pace, 29-43% in local currency
  - EBITDA doubled to SEK 20.4 million, excluding capital gains. EBITDA-margin improved to 18% (7)
  - The divestment of Balmex® was finalized in April, generating USD 4.25 million in cash plus inventory and a capital gain of USD 0.5 million
  - Kerasal Intensive Foot Repair successfully re-launched in May, driving high double-digit gains in retail sales

## Innovation engine – Progressing according to the plan from November 2017

- MOB-015 – The screening for the North American study was recently completed, and we expect the last patient to be randomized around the turn of the month of August. Recruitment in Europe gaining momentum under the management of our new CRO TFS, expected to be finalized before the year-end
- BUPI – U.S. patent approval enables dialogues with new partners in North America and Europe



# Double-digit growth in sales and doubled profitability

April – June 2018



**141.9**<sub>MSEK</sub>  
NET SALES

**27** %  
GROWTH IN LOCAL CURRENCY\*

**25.4**<sub>MSEK</sub>  
EBITDA

**>2x**  
GROWTH

**18** %  
EBITDA MARGIN

\* Current portfolio only, Adjusted for acquisitions and divestments

# P&L – Strong gross margin and EBITDA



Q2 2018

P&L Summary	Apr-June		Jan-June		Full-year
(MSEK)	2018	2017	2018	2017	2017
Revenue	142	136	234	241	439
<b>Gross profit</b>	<b>110</b>	<b>99</b>	<b>178</b>	<b>172</b>	<b>314</b>
%	78%	73%	76%	71%	71%
SG & A	-85	-81	-125	-131	-214
R&D - existing product portfolio <sup>1)</sup>	-2	-1	-4	-3	-6
Other operating income/operating expenses	8	-1	9	-2	13
<b>EBITDA Commercial Operations</b>	<b>31</b>	<b>15</b>	<b>58</b>	<b>36</b>	<b>106</b>
%	22%	11%	25%	15%	24%
R&D & BD - future products <sup>2)</sup>	-5	-5	-11	-9	-17
<b>EBITDA</b>	<b>25</b>	<b>10</b>	<b>47</b>	<b>26</b>	<b>89</b>
%	18%	7%	20%	11%	20%
Depreciation/amortization	-9	-10	-19	-20	-38
<b>Operating profit (EBIT)</b>	<b>16</b>	<b>-</b>	<b>29</b>	<b>7</b>	<b>51</b>

Due to the rounding component, totals may not tally.

- 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.

# 27% organic growth of current portfolio in local currency



Net revenue by product (SEK thousand)	Apr-Jun					Jan-Jun				
	2018	2017	Percentage changes			2018	2017	Percentage changes		
			Fixed Rate	FX effect	Total			Fixed Rate	FX effect	Total
Kerasal Nail®	63,108	53,246	20	-1	19	98,857	85,949	19	-4	15
- of which direct sales	56,444	40,923	43	-5	38	78,393	60,750	37	-8	29
- of which to distributors	6,664	12,323	-48	2	-46	20,464	25,199	-21	2	-19
Dermoplast®	33,185	26,015	31	-3	28	54,861	47,283	23	-7	16
New Skin®	28,246	22,427	29	-3	26	49,063	41,848	24	-7	17
Other products	15,076	10,971	42	-5	37	22,221	18,850	25	-7	18
<b>CURRENT PORTFOLIO</b>	<b>139,615</b>	<b>112,659</b>	<b>27</b>	<b>-3</b>	<b>24</b>	<b>225,002</b>	<b>193,930</b>	<b>21</b>	<b>-5</b>	<b>16</b>
Divested products	2,266	23,413	-91	1	-90	8,382	46,692	-81	-1	-82
<b>TOTAL NET REVENUE</b>	<b>141,881</b>	<b>136,072</b>	<b>7</b>	<b>-3</b>	<b>4</b>	<b>233,384</b>	<b>240,622</b>	<b>2</b>	<b>-5</b>	<b>-3</b>

\* Fiber Choice® divested Aug 28, 2017 and Balmex® divested April 27, 2018

Moberg Pharma in brief

**Commercial business**

Pipeline assets

Focus next 12 months



# Highly attractive commercial portfolio with double-digit growth of key brands



## Direct sales – driving organic growth for key brands

Main growth drivers are Kerasal Nail®, New Skin®, and Dermoplast®, accounting for 88% of net sales and an even higher share of profitability

- Kerasal Nail® has delivered outstanding sales performance over ten consecutive quarters. Consumption growth over the prior two seasons of +37% is indicative of the brands' strength in the U.S. where Kerasal Nail® continues to strengthen its #1 position
- Both Dermoplast® and New Skin® continue to expand their market leading positions, following successful campaigns and enhanced digital marketing including social media
- Excellent response to Kerasal Intensive Foot Repair re-launch in May. Double digit-growth (+20.6%, L4W) in retail sales and driving 42% growth in Net revenue of Other Products



## Distributor sales – sales in 30+ markets

- Market leader or Top 3-positions in Nordics, several EU and Asian countries
- Focus to stabilize revenues going forward, pending commercialization of MOB-015

# Kerasal Nail®: Outstanding performance over ten consecutive quarters

## #1 Brand in the Fungal Nail category in the U.S.

- Continuing to outperform key competitors across the Nail Fungal Segment
- Growth of +37%\* over the prior two seasons and growth of 43% in local currency in Q2, following the recent campaign “Toes for Fingers”
- Kerasal Nail Psoriasis launched in late May exclusively on Amazon, representing our first new product introduction through e-commerce only
- Distributor sales low in Q2, target to stabilize sales levels for full year remains

76%

VISIBLE IMPROVEMENT  
AFTER 1 WEEKS



94%

VISIBLE IMPROVEMENT  
AFTER 8 WEEKS



\*Source: Symphony IRI, MULO, 4, 12 and 52 weeks through June 17, 2018.

# Excellent impact from 2018 Kerasal Nail TV spot



# New Skin®: expanding the leading position in the Liquid Bandage category



## The #1 OTC liquid bandage brand in the U.S.

- An antiseptic which kills germs and dries rapidly to form a clear protective cover
- Liquid and Spray available
- Distribution for Spray expanded in 2017 to Walmart and Walgreens

## Net revenue grew 29% in Q2 following resumed marketing

- In Q2 net sales increased by 29% while retail sales increased by 23%\*
- Nationwide television campaign “Mr Cut” was launched in June 2017, and has delivered strong growth over the last year. (L52W: +25.8%\*)
- Television support resumed in the second quarter and immediately drove brand growth with retail sales +23.4%\*, supplemented with expanded digital marketing investment including social media.



Please note that there is about a one-month lag before increased consumer sales produce an effect on net sales.

\*Source: Symphony IRI, MULO, 52 and 12 weeks through June 17, 2018



# “Mr Cut” – High impact TV spot for New Skin



Traditional adhesive bandage

# Dermoplast®: Double-digit growth after positive response to growth plan

## The #1 pain relieving spray in U.S. retail

- Contains maximum strength Benzocaine
- No touch application, available with and without an antibacterial
- 60% of sales to Hospitals and 40% in Retail. Used for skin-related pain and itch problems
- Acquired Jan 1, 2017. Distribution expanded at Walmart and CVS

## Net revenue grew by 31% in Q2 responding well to the launch of a growth plan

- Net revenue increased by 31% while retail sales increased by 14%\* (L52W: +14.3%, L12W: 14.4%)
- In Q2, a growth plan was launched including new consumer and healthcare professional marketing communications with awareness building campaigns targeting mothers, hospital and retail pharmacists, OB/GYN nurses and nurse-midwives



Please note that IRI only track retail sales and ca 60% of the sales for Dermoplast are in Hospitals.

\*Source: Symphony IRI, MULO, 52 and 12 weeks through June 17, 2018

Moberg Pharma in brief

Commercial business

**Pipeline assets**

Focus next 12 months



# MOB-015 – targeting leadership in onychomycosis



- **Target profile: Better cure rates, fast visible improvement and shorter treatment**
- Topical delivering high concentrations of terbinafine through the nail
- Efficacy and safety demonstrated in Phase 2, including high levels of terbinafine in nail bed and nail.



- Two Phase-3 studies ongoing in North America and Europe (n = 750 - 800)
- The screening for the North American study was recently completed, and the last patient is expected to be randomized around the turn of the month of August. Recruitment in Europe is expected to be finalized before the year-end.



- Patent protection until 2032, granted in USA, EU, and Japan



- Estimated annual sales potential: USD 250 - 500 million
- 5 million TRx in the U.S., assuming ca \$1,700 for 10 ml unit and industry standard gross-to-net discounts
- Strong preference by prescribers for MOB-015 meeting Phase 3 targets, shortening treatment time in post-marketing studies would further strengthen profile

54%

MYCOLOGICAL CURE AT 60 W

100%

NEGATIVE CULTURE AT 60 W

>40x

MORE TERBINAFINE IN NAIL BED  
VS ORAL THERAPY

# Prescribers prefer MOB-015 target profile vs competition



## Superior Cure Rates, Rapid Visible Improvement and Safety are key factors for prescribers (n=89)\*\*:

- **62%** would prefer MOB-015 vs 6-15% for other topicals
- **65%** would prefer MOB-015 alone or in combination with oral terbinafine, vs 24% oral terbinafine only
- **72%** try to avoid using oral terbinafine due to patient concerns over liver toxicities

Target Product Profile, mild-moderate nails vs Jublia	Mycological cure		Complete cure	Visible improvement
	24W	52W	52W	4W
MOB-015 Target	>50%	60-70%	20-30%	>50%
Jublia	-	54%	15-18%	N/A
Penlac & Current OTCs*		Ca 30%	6-8% or less	N/A

Note: For MOB-015, the above describes the Target Product Profile for mild/moderated patients meeting inclusion criteria in ongoing Phase 3 trials.

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

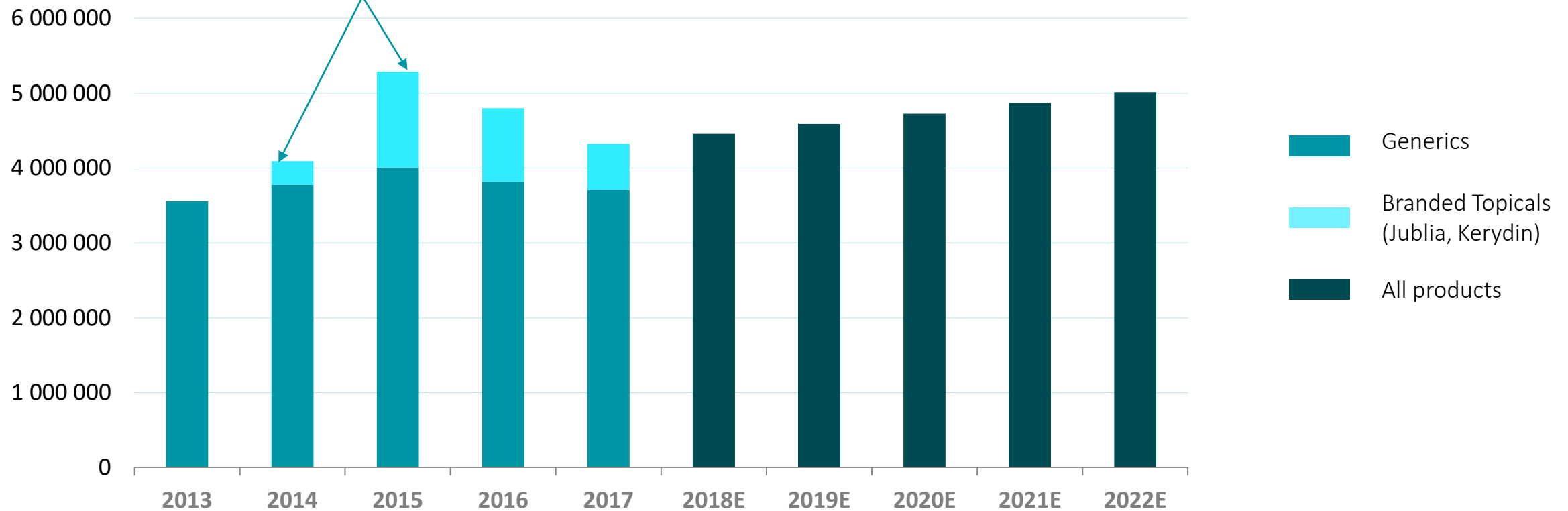
\* Refers to publications on ciclopirox and amorolfine. Many other OTC products have not conducted or published 52w trials

\*\* Source: HCP survey with 89 prescribers, dermatologists and podiatrists in the U.S., April 4, 2017

# 5m TRx expected in US Rx Onychomycosis market by 2022



Jublia & Kerydin launched in 2014 and peaked in 2015 with extensive promotion, Jublia at \$338m



Source: Symphony Health, Moberg Pharma analysis, assuming 3% growth 2018E-2022E

# MOB-015 – Net Sales potential of \$250-500 million



## Market potential for target profile: Better cure rates, fast visible improvement and shorter treatment

- US Rx potential: \$170-300+ million (WAC \$1700/unit, branded topicals before discount)
- Other Rx markets, e.g. Japan and Canada: \$50-100 million
- OTC markets in EU and RoW: Ca \$50-100 million (3.5-7 million units à \$15/unit)

Gross-to-Net discount

Market share, TRx	\$million	Gross-to-Net discount			
		60%	50%	40%	30%
5%		170	213	255	298
7.5%		255	319	383	446
10%		340	425	510	595
15%		510	638	765	893

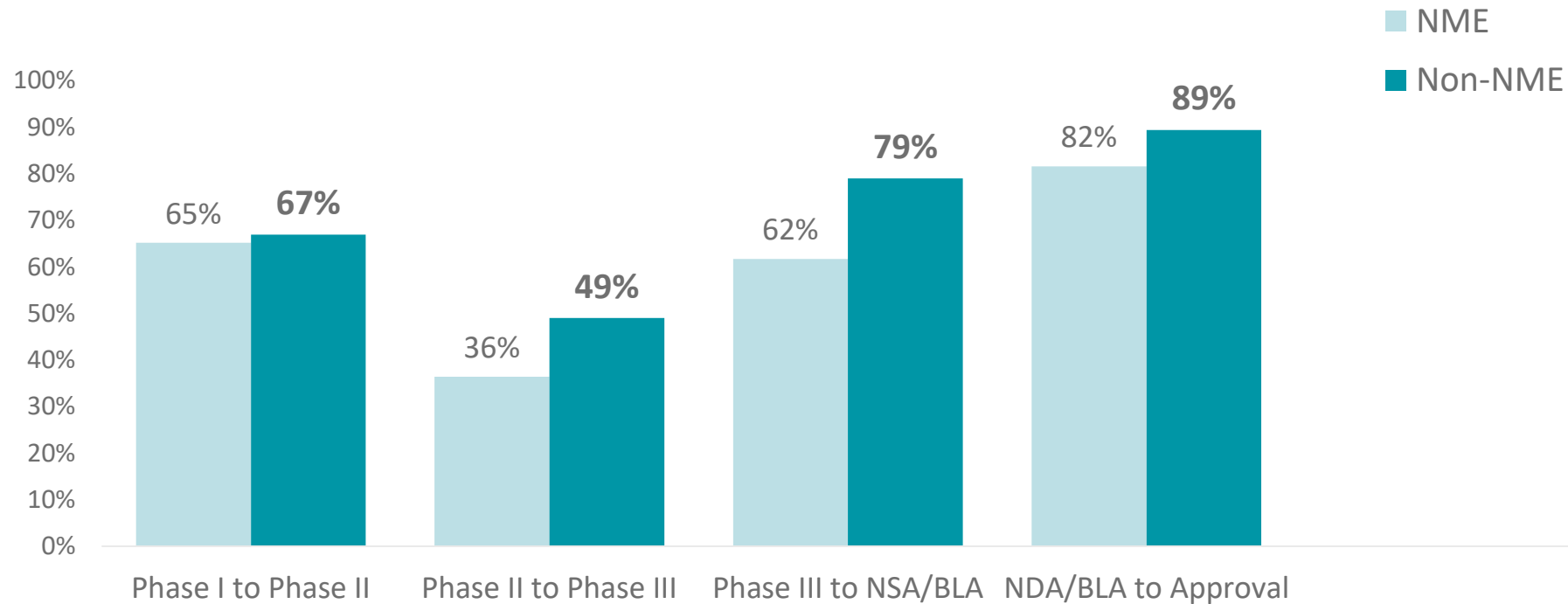


5-7.5% market share of 5m units x \$1700  
with 50-60% discount  
→ \$170-300+ million in net sales for the US market

# Phase 3 – higher probability of success for proven molecules (Non-NME) than for new molecules (NME)



## Probability of Success Non-NME vs. NME





# BUPI - Providing better pain relief in the oral cavity



Lead indication is Oral Mucositis after radio- or chemotherapy



- BUPI: Lozenge with bupivacaine, taste-masked
- Target profile: Better and longer pain relief than existing products



- Phase 3 application submitted by partner Cadila Pharmaceuticals. Issues raised by DCGI under discussion. Expanding partnering effort



- Patent protection until 2031-2032, granted in USA, EU and Canada



- Estimated annual sales potential: USD 100 – 200 million
- Cadila to fund one Phase 3 trial

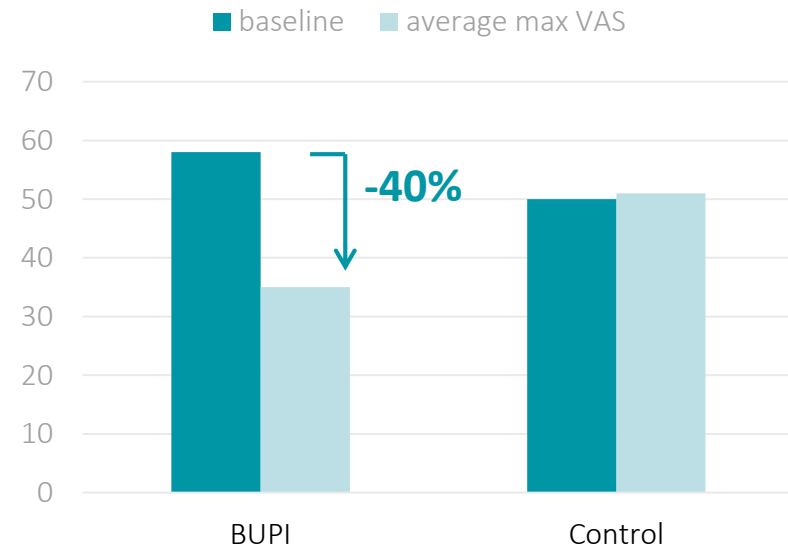
# BUPI demonstrated efficacy and safety in Phase 2



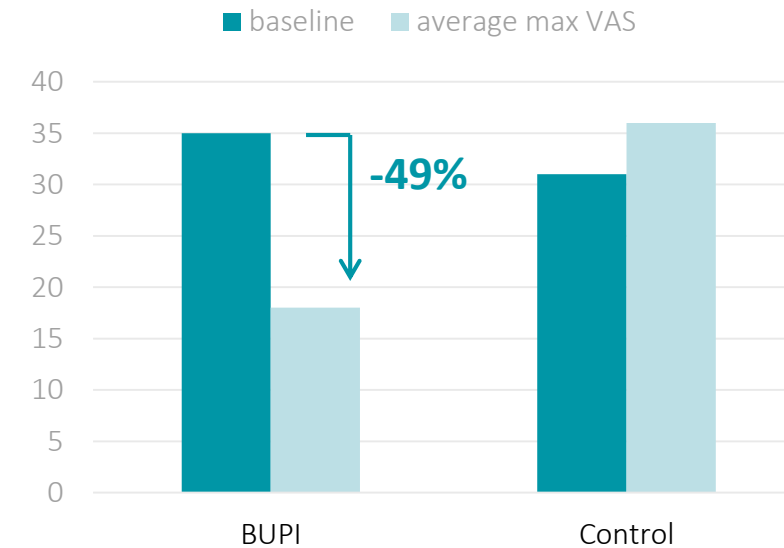
**Strong Phase 2 data recently published, significantly better pain relief than standard treatment, n=39**

- 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



**Q4 2017 - Highlights**

**Commercial Operations  
and Innovation Engine**

**Focus going forward**



# Continued focus to drive growth and deliver pipeline value



We focus on maximizing the potential in our portfolio; through organic growth as well as realizing the substantial value of our pipeline

## Commercial

- Building on the strong momentum for all key brands
- Fine-tune and continue to improve execution of growth and launch plans for Dermoplast®, Kerasal® Intensive Foot Repair and Kerasal® Nail Psoriasis
- Continue and develop digital growth initiatives for key brands

## Pipeline assets

- MOB-015 – Finalizing Phase 3 studies and preparing commercialization
- BUPI – Broaden dialogues with current and new partners



# Creating shareholder value – investment case



Commercial niche player



Growing and profitable business



Late-stage pipeline



Strong team and track record





---

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