

The Board of Directors' of Moberg Pharma AB (publ) (reg.no. 556697-7426) (the "Company") proposal for resolution regarding a) share split; b) reduction of the share capital through redemption of ordinary shares; and c) increase of the share capital through bonus issue

The Board of Directors' proposals pursuant items a) – c) are conditional upon each other and are to be resolved upon as one resolution. The Board of Directors' proposals pursuant to items (a) - (c) below are also conditional upon that the Annual General Meeting resolves in accordance with the Board of Directors' proposal for a resolution on payment of a waiver fee to the purchaser of the Company's OTC-business pursuant to item 16 of the agenda. However, if the proposal set out in item 16 is not approved by the Annual General Meeting, the Board of Directors' proposal pursuant to items a) - c) shall remain, but the proposal is to be adjusted so that an amount of SEK 45.03 shall be paid for each redeemed ordinary share instead. The resolution is valid only where supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the general meeting.

Background

In March 2019, the Company divested its OTC-business against a cash consideration of USD 155 million, adjusted for working capital. The transaction allows Moberg Pharma to distribute substantial proceeds to its shareholders. Payment of the so-called OTC-dividend requires that the Company has adopted the annual report for the previous financial year in order for Moberg Pharma to be able to demonstrate sufficient distributable profits. In order to be able to distribute the OTC-dividend in 2019, the Extraordinary General Meeting resolved, in March 2019, to abbreviate the previous financial year to the period 1 January – 30 June 2019.

In view of the above, the Board of Directors proposes that the Annual General Meeting, in order to make the OTC-dividend, resolves on an automatic redemption procedure in accordance with items a) – c) below. A special information brochure on the proposed automatic redemption procedure in accordance with this item 17 will be provided before the Annual General Meeting.

a) Share split

The Board of Directors proposes that the Annual General Meeting resolves on a split of the shares in the Company, a so-called share split (2:1). The proposal means that each existing share in the Company, ordinary shares as well as series B shares, is divided into two shares, of which one of the split ordinary shares is referred to as an ordinary redemption share and one of the split series B shares is referred to as a redemption share of series B in the Euroclear system. The ordinary redemption shares shall be redeemed in accordance with item b) below and the redemption shares of series B shall be redeemed in accordance with the Board of Directors' resolution to reduce the share capital through redemption of series B shares, pursuant to the redemption clause in the articles of association. The record date for the share split is proposed to be 5 November 2019. Following completion of the share split, the number of shares in the Company will increase from 18,853,510 to 37,707,020 and the quota value of each share will change from SEK 0.10 to SEK 0.05.

b) Reduction of the share capital by redemption of ordinary shares

The Board of Directors proposes that the Annual General Meeting resolves that the Company's share capital is reduced by SEK 909,633.35 through redemption of 18,192,667 ordinary shares. The shares that are to be redeemed are those ordinary shares that, following the share split pursuant to item a) above, are named ordinary redemption shares. The record date for the redemption of ordinary redemption shares is proposed to be 21 November 2019. The Company intends to promote arrangements for customary trade in the ordinary redemption shares from and including 6 November 2019 up to and including 19 November 2019.

The purpose of the reduction of the share capital is repayment to the Company's shareholders and, to the extent that the reduction of the share capital is made by redemption of ordinary shares held by the Company, for transfer to the Company's non-restricted equity.

For each redeemed ordinary share, a redemption price of SEK 46.50 (the redemption amount) will be paid, of which SEK 46.45 exceeds the quota value of the share after completion of the share split pursuant to item a) above. However, no payment shall be made in respect of redeemed ordinary redemption shares held by the Company. Payment of the redemption amount is estimated to be made through the agency of Euroclear on 26 November 2019. If the Company, at the time of redemption is still holder of the number of ordinary shares currently held by the Company, i.e. 184,746 ordinary shares, in total SEK 837,368,326.50 will be repaid to the holders of ordinary shares in the Company (corresponding to a share capital decrease of SEK 900,396.05) and SEK 9,237.30 will be transferred to the Company's non-restricted equity.

Simultaneously with the reduction of the share capital in accordance with this item b), a reduction of the share capital by an additional SEK 33,042.15 will be made through redemption of 660,843 series B shares, in accordance with the Board of Directors' resolution pursuant to the redemption clause in the articles of association. The shares that thereby are to be redeemed are those series B shares that, following the share split pursuant to item a) above, are named redemption series B shares. Pursuant to the redemption clause in the articles of association, the redemption shares of series B are redeemed at an amount of SEK 0.05 per share, equalling the quota value. Following a reduction according to both this item b) and the Board of Directors' above-mentioned resolution, the share capital of the Company will amount to SEK 942,675.50, divided into a total of 18,853,510 shares.

The reduction can be effected without obtaining the authorisation of the Swedish Companies Registration Office or a court of general jurisdiction, as the Company at the same time carries out a bonus issue pursuant to item c) below, resulting in no reduction of the restricted equity of the Company or its share capital.

c) Increase of the share capital through bonus issue

The Board of Directors proposes that the Annual General Meeting resolves to increase the share capital of the Company by SEK 942,675.50 by way of a bonus issue in order to restore the share capital to its original level after completed reduction of the share capital according to both item b) above and the resolution by Board of Directors. The amount by which the share capital is to be increased shall be transferred from the non-restricted equity of the Company and no new shares are to be issued in connection with the increase of the share capital. Following the completion of the bonus issue, the share capital of the Company will amount to SEK 1,885,351 and the quota value of each share will be changed from SEK 0.05 to SEK 0.10.

Authorisation

The Board of Directors further proposes that the Annual General Meeting authorises the Chief Executive Officer, or whom the Chief Executive Officer may appoint, to make any minor amendments and clarifications of the Annual General Meeting's resolutions that are required in connection with the filing with the Companies Registration Office and Euroclear.

Stockholm in September 2019

Moberg Pharma AB (publ)

The Board of Directors