

N.B. This is an in-house translation of the original Swedish text. In case of any discrepancies, the Swedish version shall prevail.

PRO FORMA FINANCIAL INFORMATION

*Moberg Pharma AB (publ) ("**Moberg Pharma**" or the "**Company**") has prepared a pro forma income statement for the period from 1 January 2018 to 31 December 2018 in order to show the hypothetical effects that certain elements of the transaction described in the information document published and announced by the Company on 4 March 2019 (the "**Transaction**"), namely (i) the divestment of the OTC-business, (ii) the redemption of the Company's outstanding bonds, and (iii) the funding of the MOB-015 pipeline program by way of the issue of series B shares and the extension of the loan, would have had on Moberg Pharma's profit/loss for 2018 if the Transaction had been completed on 1 January 2018. The pro forma financial information also shows the hypothetical effect that the Transaction would have had on Moberg Pharma's balance sheet as of 31 December 2018 if the Transaction had been completed on 31 December 2018. The proposed Transaction, which is expected to close by the end of March 2019 provided that all conditions for the Transaction are fulfilled, including the extraordinary general meeting to be held on 15 March 2019 approving the Transaction, is deemed to have a material effect on Moberg Pharma's financial position and results.*

The pro forma financial information has been prepared according to the accounting policies, International Financial Reporting Standards (IFRS) as adopted by the EU, applied by Moberg Pharma and the Company's auditor has delivered a report in respect of the pro forma financial information. The pro forma financial information has been prepared for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and therefore does not represent Moberg Pharma's actual financial position or results. Furthermore, the pro forma financial information should not be considered to be an indication of Moberg Pharma's profit/loss for any future period. Potential investors should thus exercise caution when attaching importance to the pro forma financial information.

The pro forma financial information should be considered together with the other information in the information document describing the Transaction and its effects on Moberg Pharma's business, which is available on the Company's website, www.mobergpharma.se. The information document is available in Swedish only.

Background

THE DIVESTMENT OF THE OTC-BUSINESS

The business of the Company may be separated into two main branches: the sale of finalised products which are sold in commercial channels (the OTC-business) and the development of new pharmaceutical products that the Company intends to commercialize later on.

On 11 February 2019, the Company entered into a share purchase agreement with a holding company owned by RoundTable Healthcare Partners and Signet Healthcare Partners (the "**Purchaser**") to divest its entire OTC-business. The divestment is structured as a transfer of shares, whereby the Company transfers its subsidiaries MPJ OTC AB and Moberg Pharma North America LLC, which at closing will hold Moberg Pharma's entire OTC-business. The divestment of the OTC-business, as well other elements of the Transaction, are among other things conditional upon approval at a general meeting in Moberg Pharma. The divestment is expected to be completed by the end of March 2019, whereupon the Company will receive a cash consideration of USD 155 million.

BOND REDEMPTION

The Company shall, pursuant to the share purchase agreement, use part of the cash consideration received for the sale of the OTC-business to redeem its outstanding SEK 600 million bonds due 2021 with ISIN SE0007953989 in full in accordance with the terms and conditions for the bonds. The early



redemption of the bonds entails a penalty fee amounting to 4 per cent of the nominal amount of the bonds to be paid, in addition to the nominal amount and accrued unpaid interest, by the Company to the bondholders as compensation for the bonds being redeemed before the original maturity date. The redemption is expected to take place by the end of April 2019.

FUNDING OF THE MOB-015 PIPELINE PROGRAM

In addition to purchasing the OTC-business, the Purchaser has undertaken to invest in the Company's remaining business by subscribing for new series B shares in the Company and by extending a loan (the MOB-015 loan). The aggregate subscription amount for the new series B shares will amount to USD 2.5 million (SEK 22.43 million by applying the USD/SEK exchange rate as of 31 December 2018 of 8.971), with a subscription price of SEK 35.16 per each new series B share. The MOB-015 loan has a principal amount of USD 2.5 million and accrues PIK interest at a rate of 3 months LIBOR + 5.50 per cent and will mature on 31 March 2023. The Purchaser shall subscribe for the new shares and advance the loan by closing, which is expected by the end of March 2019.

Bases for the pro forma financial information

ACCOUNTING POLICIES

The pro forma financial information has been prepared according to the accounting policies, International Financial Reporting Standards (IFRS) as adopted by the EU, applied by Moberg Pharma.

SUPPORTING DOCUMENTS

The supporting documents on which the pro forma financial information is based are derived from:

- **Moberg Pharma:** Unaudited year-end report as of 31 December 2018 and for the period from 1 January to 31 December 2018, prepared in accordance with IAS 34.
- **The OTC-business:** Moberg Pharma's unaudited management accounts as of 31 December 2018 and for the period from 1 January to 31 December 2018, prepared in accordance with accounting principles applied by the Company.

Assumptions for pro forma

The following assumptions were made in the preparation of the pro forma financial information.

PRINCIPLES FOR PREPARATION OF THE PRO FORMA INCOME STATEMENT

- Net revenue, cost of goods sold, selling expenses, business development and administrative expenses, research and development costs, other operating income and other operating expenses as well as tax expenses are based on management accounts.
- Financial income and expensive items are allocated in their entirety to the remaining business as the OTC-business will be fully owned by a company outside of the Moberg Pharma group and no financial assets or liabilities will be transferred to this company.

PRINCIPLES FOR PREPARATION OF THE PRO FORMA STATEMENT OF FINANCIAL POSITION

- All intangible assets, apart from SEK 216.8 million pertaining to capitalized research and development and SEK 6.9 million pertaining to patents, have been allocated entirely to the OTC-business, as these assets are included in the divested business.
- Tangible assets of a value of SEK 0.268 million, the entire stock as well as trade receivables and other current assets of a value of SEK 72 million have, in accordance with the transaction agreements, been allocated to the OTC-business.
- Deferred tax liability has been allocated in its entirety to the OTC-business, as it is attributable to this business.



- Current non-interest-bearing-liabilities have been allocated based on the transaction agreements with the Purchaser.

PURCHASE CONSIDERATION

The purchase price for the OTC-business amounts to USD 155 million.

Pro forma adjustments

The following descriptions are of a general nature. Pro forma adjustments are described in more detail in the pro forma financial information with pertaining notes. Unless otherwise indicated, the adjustments are recurrent.

DIVESTMENT-RELATED ADJUSTMENTS

- **Transactions:** There were no transactions between the remaining business and the OTC-business during 2018, with the exception of allocation of group of expenses for group-wide functions. As described above, these expenses were allocated in accordance with the management accounts.
- **Purchase consideration:** The purchase price for the OTC-business amounts to USD 155 million (SEK 1,347.28 million based on the average USD/SEK exchange rate for 2018 of 8.6921 and SEK 1,390.51 million based on the USD/SEK exchange rate as of 31 December 2018 of 8.971). The purchase price is paid with cash.
- **Capital gain:** Based on the purchase price for the OTC-business of SEK 1,347.28 million and SEK 1,390.51 million, respectively, in accordance with the aforementioned recalculation, and group-wise value of net assets in the divested business of SEK 873.15 million, the capital gain before taxes in the income statement amounts to SEK +512.66 million. The equivalent effect on the balance sheet amounts to SEK 517.35 million. Furthermore, no tax is levied upon the capital gain as it pertains to a sale of trade-contingent shares. In order to complete the Transaction, the Company has incurred transaction costs of SEK -41.22 million (to which a presumed tax effect of 22 per cent of the transaction costs, *i.e.* SEK +9.1 million, is added).



Pro forma income statement 1 January–31 December 2018

The consolidated pro forma income statement for the period 1 January–31 December 2018 has been prepared as if the divestment of the OTC-business, the redemption of the bonds and the extension of the MOB-015 loan took place on 1 January 2018.

(TSEK)	Unaudited ¹⁾ Moberg Pharma AB (publ)	Unaudited ²⁾ OTC-business	Total Adjustments	Note	Pro forma Moberg Pharma AB (publ)
	IFRS (TSEK)	IFRS (TSEK)	(TSEK)		IFRS (TSEK)
Net revenue	439,041	-434,489	-		4,552
Cost of goods sold	-104,436	104,436	-		-
Gross profit	334,605	-330,053	-		4,552
Selling expenses	-226,962	226,108	-		-854
Business development and administrative expenses	-41,010	16,823	-41,219	8	-65,406
Research and development costs	-17,321	11,234	-		-6,087
Other operating income	16,644	-16,644	512,664	8	512,664
Other operating expenses	-1,137	1,137	-		-
Operating profit (EBIT)	64,819	-91,395	471,445		444,869
Interest income and similar items	1	-1	-		-
Interest expenses and similar items	-38,974	-	4,736	3, 4, 7	-34,238
Profit after financial items (EBT)	25,846	-91,396	476,181		410,631
Tax on profit for the period	-6,008	20,107	8,026	3, 4, 7, 8	22,125
PROFIT FOR THE PERIOD	19,838	-71,289	484,207		432,756

¹⁾ The numbers are derived from the Company's year-end report for 2018, which has not been reviewed or audited by the Company's auditor.

²⁾ The numbers are derived from unaudited management accounts.

NOTE 3

The Company pays a penalty fee to the bondholders of 4 per cent of the total nominal amount of the loan due to its early redemption (4 per cent of SEK 600 million, equivalent of SEK -24 million) and carries as an expense the opening loan arrangement fee of SEK -8.23 million, to which a tax effect pursuant to Swedish tax rate (SEK +7.09 million) is added. The adjustment does not have a continuing impact.

NOTE 4

The Company pays interest (LIBOR + 550 basis points) in respect of 2018 of SEK -1.70 million on its new loan of USD 2.5 million to the Purchaser, to which a tax effect pursuant to Swedish tax rate (SEK +0.37 million) is added.

NOTE 7

The Company reverses its old interest expenses in respect of 2018 on the bonds, which amounts to SEK +36 million with an interest rate of 6 per cent, and reverses this year's share of the issue expenses for the bonds (SEK +2.66 million) with an added tax effect pursuant to Swedish tax rate (SEK -8.51 million). The adjustment does not have a continuing impact.

NOTE 8

The Company's capital gain pertaining to the divestment of the OTC-business is in the income statement calculated to SEK 512.66 million before taxes (USD 155 million × 8.6921)-(873.15-38.54). In addition hereto, there are incurred transaction costs of SEK -41.22 million, to which a tax effect pursuant to Swedish tax rate of SEK +9.1 million is added. The adjustment does not have a continuing impact.



Pro forma balance sheet as of 31 December 2018

The consolidated pro forma balance sheet as of 31 December 2018 has been prepared as if the divestment of the OTC-business, the redemption of the bonds, the issue of new series B shares and the extension of the MOB-015 loan took place on 31 December 2018.

(TSEK)	Unaudited ¹⁾ Moberg Pharma AB (publ)	Unaudited ²⁾ OTC-business	Total Adjustments	Note	Pro forma Moberg Pharma AB (publ)
	IFRS (TSEK)	IFRS (TSEK)	(TSEK)		IFRS (TSEK)
ASSETS					
Intangible assets	1,034,218	-810,563	-		223,655
Capitalized research and development	237,624	-20,819	-		216,805
Computer systems	2,359	-2,359	-		-
Goodwill	97,088	-97,088	-		-
Acquired product rights	690,297	-690,297	-		-
Patents	6,850	-	-		6,850
Tangible assets	382	-268	-		114
Non-current financial assets	-	-	-		-
Deferred tax asset	5,064	-	-		5,064
Total non-current assets	1,039,664	-810,831	-		228,833
Inventories	24,976	-24,976	-		-
Trade receivables and other receivables	76,189	-71,989	15,569	3, 6, 8, 9	19,769
Cash and cash equivalents	110,785	-	805,460	1, 2, 3, 5, 8	916,245
Total current assets	211,950	-96,965	821,029		936,014
TOTAL ASSETS	1,251,614	-907,796	821,029		1,164,847
EQUITY AND LIABILITIES					
Equity attributable to parent company's shareholders	594,018	-873,154	1,357,734	1, 5, 6, 9	1,078,598
Non-current interest-bearing liabilities	594,451	-	-572,024	2, 5, 6	22,427
Non-current non-interest-bearing liabilities	65	-	-		65
Deferred tax liability	6,916	-6,916	-		-
Total non-current liabilities	601,432	-6,916	-572,024		22,492
Current non-interest-bearing liabilities	56,164	-27,726	35,319	8, 9	63,757
Total current liabilities	56,164	-27,726	35,319		63,757
TOTAL EQUITY AND LIABILITIES	1,251,614	-907,796	821,029		1,164,847

¹⁾ The numbers are derived from the Company's year-end report for 2018, which has not been reviewed or audited by the Company's auditor.

²⁾ The numbers are derived from unaudited management accounts.

NOTE 1

The Company has, in accordance with agreement with the Purchaser, received funding by way of a share issue of USD 2.5 million (equivalent of SEK 22.43 million)¹ from the Purchaser to finance the MOB-015 pipeline program.

NOTE 2

The Company has, in accordance with agreement with the Purchaser, received funding by way of a loan of USD 2.5 million (equivalent of SEK 22.43 million)² from the Purchaser to finance the MOB-015 pipeline program.

¹ The USD/SEK exchange rate as of 31 December 2018, 8.971, has been applied.

² The USD/SEK exchange rate as of 31 December 2018, 8.971, has been applied.



NOTE 3

The Company pays a penalty fee to the bondholders of 4 per cent of the total nominal amount of the loan due to its early redemption (4 per cent of SEK 600 million, equivalent of SEK -24 million), to which a tax effect pursuant to Swedish tax rate (SEK +5.28 million) is added.

NOTE 5

The Company redeems its SEK 600 million bonds with cash.

NOTE 6

The Company reverses its issue expenses for the bonds, which is booked against equity in the balance sheet (SEK -5.55 million), to which a tax effect pursuant to Swedish tax rate (SEK +1.22 million) is added.

NOTE 8

The Company's capital gain pertaining to the divestment is in the balance sheet calculated to SEK 517.35 million ((USD 155 million × 8.971)-873.15). In addition hereto, there are incurred transaction costs of SEK -41.22 million, to which a tax effect pursuant to Swedish tax rate of SEK +9.1 million is added. The adjustment does not have a continuing impact.

NOTE 9

The Company adjusts for an outstanding payment of interests, which, as of 31 December 2018, is recorded on the row *Current non-interest-bearing liabilities* of an amount of SEK 5.9 million, due to the redemption of the bonds pursuant to the share purchase agreement. The adjustment does not have a continuing impact.



The Auditor's Report on Pro Forma Financial Information

To the Board of Directors in Moberg Pharma AB (publ), corporate identity number 556697-7426

The Auditor's Report on Pro Forma Financial Information

We have audited the pro forma financial information set out on pages 44–49 in Moberg Pharma AB's (publ) information document dated 4 March 2019.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how the divestment of the OTC-business might have affected the consolidated balance sheet for Moberg Pharma AB (publ) as of 31 December 2018 and the consolidated income statement for Moberg Pharma AB (publ) for the year ended 31 December 2018.

The Board of Directors' responsibility

It is the Board of Directors' responsibility to prepare the pro forma financial information.

The auditor's responsibility

It is our responsibility to provide an opinion. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. In particular, we do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor's reports regarding historical financial information issued in the past.

Work performed

We performed our work based on FAR's Recommendation RevR 5 *Examination of Financial Information in Prospectuses*. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Moberg Pharma AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on pages 45–46, and in accordance with the accounting principles applied by the company.



Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated on pages 45–46 and in accordance with the accounting principles applied by the company.

Stockholm 4 March 2019

Ernst & Young AB

Andreas Troberg

Authorized Public Accountant