



PRESS RELEASE

## **Moberg Pharma enters into a definitive agreement to acquire three U.S. OTC brands from Prestige Brands**

**STOCKHOLM, June 30, 2016.** Moberg Pharma AB (OMX: MOB) has signed an agreement to acquire New Skin<sup>®</sup>, Fiber Choice<sup>®</sup> and PediaCare<sup>®</sup>, three well-established Over-The-Counter brands in the U.S. from Prestige Brands, Inc. In the latest 12 months ending March 31, 2016, the Net sales of these brands was approximately \$24.4 million. The purchase price is \$40 million and Moberg Pharma expects the acquired brands to contribute to its EBITDA with approximately \$5 million for the 12 months following closing of the transaction. The acquisition is financed by available cash resources and a tap issue to Moberg's outstanding bond loan.

The acquired brands will be sold through Moberg's current OTC channel in the U.S, primarily in chain drugstores, such as CVS, Walgreens and Rite Aid and in mass retailers, such as Walmart and Target.

New Skin<sup>®</sup> is the main profitability contributor in the acquired portfolio and is well aligned with Moberg's strategic focus on topical dermatology. New Skin is the #1 OTC liquid bandage brand in the U.S. It is an antiseptic which kills germs and dries rapidly to form a clear protective cover.

In addition to New Skin<sup>®</sup>, the acquired portfolio also contains two mature brands, Fiber Choice<sup>®</sup> and PediaCare<sup>®</sup>. Fiber Choice<sup>®</sup> is focusing on digestive health with a compelling line up of product options for daily fiber supplementation. PediaCare<sup>®</sup> has a strong equity amongst moms based on highly effective products for children, primarily within cough cold and analgesics segments.

Based on Moberg Pharma's cost structure and accounting principles, the purchase price corresponds to approximately 8 times expected EBITDA for the three acquired brands for the 12 months following the closing of the transaction. The transaction is expected to be completed in July 2016.

Moberg finances the acquisition through available cash and a tap issue to its outstanding bond loan. The outstanding bond loan has a framework amount of SEK 600 million, out of which SEK 300 million was utilized through an initial issue in January 2016. The nominal amount of the tap issue in conjunction with the acquisition is expected to amount to a maximum of SEK 85 million. The bond loan is listed on Nasdaq Stockholm.

*"This acquisition is in line with our strategy to add critical mass to Moberg's U.S. operations as well as a leading topical brand to our core dermatology franchise. This transaction is an excellent use of the proceeds from the bond loan issue earlier this year and the funds released in the recent divestment of non-core brands to Strides Pharma Inc. The acquired brands will immediately contribute significantly to our sales and earnings and also to our long term financial goal of delivering profitable growth and an EBITDA margin of 25%. In three recent transactions, we have established relationships with major OTC players - Bayer, Chattem and now Prestige - which also will facilitate future transactions",* said Peter Wolpert, CEO of Moberg Pharma AB.

*"We see excellent opportunities to build on the brand equity of New Skin. This a market leading brand with exciting prospects for growth. We will leverage our Innovation Engine to further strengthen the future value proposition of this brand as well as Fiber Choice and PediaCare to consumers and retailers",* said Jeff Vernimb, GM of Moberg Pharma North America.

Hansen Law has been engaged as legal advisor for the acquisition. Carnegie Investment Bank and Swedbank have been engaged as financial advisors and Gernandt & Danielsson as legal advisor in conjunction with the tap issue.

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**About this information**

Moberg Pharma discloses this information pursuant to the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 8.00 a.m. (CET) on June 30, 2016.

**About Moberg Pharma, [www.mobergpharma.com](http://www.mobergpharma.com)**

Moberg Pharma AB (publ) is a rapidly growing Swedish pharmaceutical company with OTC sales operations in the U.S. and a distributor network in more than 40 countries. The company's portfolio includes the OTC brands Kerasal<sup>®</sup>, Kerasal Nail<sup>®</sup>, Balmex<sup>®</sup> and Domeboro<sup>®</sup>. Kerasal Nail<sup>®</sup> (Emtrix<sup>®</sup> or Nalox<sup>™</sup> in certain markets) is a leading OTC treatment of nail disorders in the U.S., Canada and several EU markets and is currently being launched in Southeast Asia. The company is growing organically as well as through acquisitions. Internal development programs focuses on innovative drug delivery of proven compounds and include two clinical stage assets, MOB-015 (onychomycosis) and BUPI (pain management in oral mucositis). Moberg Pharma has offices in Stockholm and New Jersey and the company's shares are listed on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm (OMX: MOB).