



Moberg Pharma AB (Publ) INTERIM REPORT JANUARY – SEPTEMBER 2015

CONTINUED GROWTH AND DOUBLING OF PROFIT

“Strong performance, with our distributor sales in Asia as a key driver, resulted in a third quarter with topline growth and continued improvement in profitability which doubled compared to last year”, comments Peter Wolpert, CEO Moberg Pharma

PERIOD (JAN-SEP 2015)

- Revenue MSEK 231.9 (155.7)
- EBITDA MSEK 42.4 (21.7)
- EBITDA for Commercial Operations MSEK 59.9 (34.2)
- Operating profit (EBIT) MSEK 34.1 (15.8)
- Net profit after tax MSEK 25.1 (12.5)
- Earnings per share SEK 1.76 (0.97)
- Operating cash flow per share SEK 2.03 (0.80)

THIRD QUARTER (JUL-SEP 2015)

- Revenue MSEK 66.6 (50.3)
- EBITDA MSEK 13.8 (7.3)
- EBITDA for Commercial Operations MSEK 18.1 (11.7)
- Operating profit (EBIT) MSEK 10.9 (5.3)
- Net profit after tax MSEK 8.8 (4.4)
- Earnings per share SEK 0.61 (0.31)
- Operating cash flow per share SEK 0.80 (0.49)

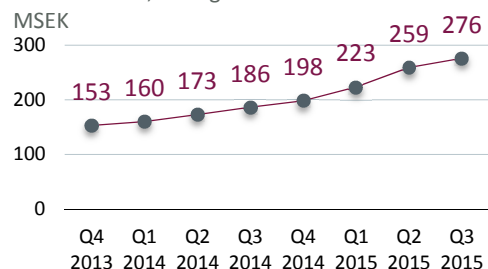
SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- The number of shares and votes rose 39,000 to 14,001,537 in July 2015 as a result of the exercise of warrants.

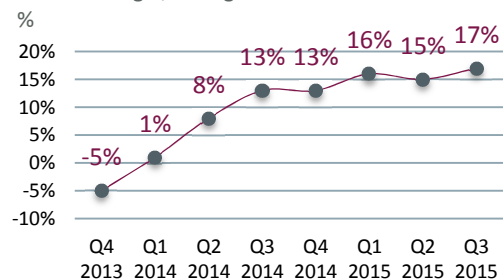
SIGNIFICANT EVENTS AFTER THE QUARTER

- Moberg Pharma and Colep entered a Development Agreement for MOB-015
- Moberg Pharma regains rights to Emtrix® in certain European markets, including UK and Poland

Sales revenue, rolling 12 months



EBITDA margin, rolling 12 months



TELEPHONE CONFERENCE

CEO Peter Wolpert will present the report at a teleconference today at 3:00 p.m. CET, November 10, 2015.

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CEO COMMENTARY

Strong performance, with our distributor sales in Asia as a key driver, resulted in a third quarter with topline growth and continued improvement in profitability. Year-on-year, net sales grew 32% (8% at fixed exchange rates) and EBITDA improved by 90%, representing an EBITDA margin of 21% for the quarter and 18% for the first nine months of the year. The gross margin remains strong at 73% (72%). The Commercial EBITDA margin was 27% for the third quarter and 26% for the first nine months. I am pleased to report that our operating profit and our profit after tax have doubled in the third quarter as well as in the first nine months of the year.

Balmex® contributes to growth in U.S. direct sales

U.S. direct sales grew 40% in the third quarter (10% at fixed exchange rates). Kerasal Nail® increased its market share to 24%¹. However, the line extensions launched earlier this year have performed below expectations and the category for branded fungal nail OTC products is still being impacted by heavy consumer advertising from prescription onychomycosis drugs. The total nail fungus market (Rx and OTC) continues to increase but the OTC category has declined 8% year-to-date. We are satisfied with the performance of Balmex® and the integration is progressing according to plan.

Asian launch strong growth driver

Distributor sales grew by 12% in the third quarter (2% at fixed exchange rates). The strong growth in RoW markets continues (+47%, 34% at fixed exchange rates), driven by the launches in Asia which continue to perform well. Preparations for launches in additional markets are progressing on or ahead of plan.

Certain rights in Europe regained

Sales to European distributors were down y/y considerably in the third quarter (following a strong Q3 last year) and were flat (+1%) for the first nine months. We see additional potential in Europe for the nail product and have therefore regained rights in some European markets, including UK and Poland. We are evaluating options to launch by ourselves or through other distributors in the released markets to further leverage the potential of Emtrix® in Europe.

Innovation engine – Focus on MOB-015 and M&A opportunities

Phase III preparations for MOB-015 are proceeding at full speed. We closed a risk sharing and development agreement with our supply partner Colep, which is important for the phase III program as well as securing future supply at competitive terms. The agreement will enable significant synergies with our current products in material procurement and manufacturing processes. We recently met with the FDA in a pre-IND meeting and received valuable guidance regarding the development plan to approval for MOB-015. Many of the key items will be further discussed under an IND. During Q4 we expect additional guidance through advisory meetings with three regulatory agencies in Europe.

The phase II trial for BUPI is progressing according to plan. Patient inclusion is almost completed and provided that the last few patients are included in November, we expect to get topline data before the end of the year.

We are continuously working on M&A opportunities and refining financing structures to be able to primarily debt-finance potential acquisitions.

Positioned to drive further growth and value creation

We continue to focus on our long-term goal of becoming the leading player in nail fungus and driving growth organically as well as through targeted acquisitions. We are now entering the low season for our main product but long term, our growing base business, increased profitability and cash flow provide an excellent position to pursue further growth opportunities.

Peter Wolpert, CEO Moberg Pharma

¹ U.S. retail sales of nail fungus products excluding private label in Multioutlet Stores over the last 52 weeks ending September 30, 2015 as reported by SymphonyIRI

ABOUT MOBERG PHARMA

Moberg Pharma AB (publ.) is a rapidly growing Swedish pharmaceutical company. The company develops, acquires and licenses products that are subsequently commercialized via a direct sales organization in the U.S. and through distributors in more than 40 countries. Internal product development is based on Moberg Pharma's unique expertise in using innovative pharmaceutical formulations to develop improved products based on proven compounds. This approach reduces time to market, development costs and risk.

Launched products

	PRODUCT	INDICATION	STATUS
	Kerasal Nail® Emtrix® Nalox™	Damaged nails	Direct sales in the U.S. Launched by 10 partners in about 30 markets
	Kerasal®	Dry feet and cracked heels Foot pain	Direct sales in the U.S. Launched by 13 partners in 15 markets
	Domeboro®	Itching and irritated skin	Direct sales in the U.S.
	Balmex®	Diaper rash	Direct sales in the U.S.
	Jointflex®	Joint and muscle pain	Direct sales in the U.S. Launched by 14 partners in 22 markets
	Vanquish®	Headache, menstrual pain, back and muscle pain	Direct sales in the U.S.
	Fergon®	Iron supplement	Direct sales in the U.S.

Nalox™/Kerasal Nail®

Clinically proven for the treatment of nail fungus. The product was launched in the Nordic region in autumn 2010 and quickly became market leader. The international launch is under way via a direct sales organization in the U.S. and ten partners that have contracted rights for more than 60 markets, including the major EU markets, Canada, China, and South East Asia. Nalox™ is a prescription-free, over the counter product sold under the names Naloc™ and Emtrix® in certain markets and Kerasal Nail® in the U.S.² Efficacy and safety have been documented in several clinical trials encompassing more than 600 patients. Nalox™ has a unique and rapid mechanism of action, demonstrating very competitive results, which brings visible improvements within 2-4 weeks of treatment.

Kerasal®

Kerasal® is a product line for the effective treatment of common and difficult-to-treat foot problems. Podiatrists recommend Kerasal® products for the treatment of dry feet, cracked heels and foot pain. A number of clinical studies have been published that document the efficacy of Kerasal®.

Domeboro®

Domeboro® is a topical drug for the treatment of itching and irritated skin, for example, caused by phytotoxins, insect bites or reaction from washing detergent/cosmetics. The product has a drying and astringent effect (contributes to the contraction of blood cells in the skin), which reduces inflammation.

Balmex®

Balmex® has been a well-known brand for many years, offering products for diaper rash, primarily for children. A product line for skin irritation among adults was launched in 2013. The products were acquired from Chattem (Sanofi) in April 2015.

JointFlex®

JointFlex® is a topical treatment for joint and muscle pain. The product provides long-term cooling pain relief and contains natural pain-relieving ingredients.

Vanquish®

Vanquish® is an analgesic for the treatment of headaches, menstrual pains, back and muscle aches and cold pains.

Fergon®

Fergon® is an iron supplement marketed primarily to women.

²The Nalox™ and Naloc™ brands are owned by the company's partners and Moberg Pharma has no ownership rights in relation to these brands.

Development projects

MOB-015 – Phase III preparations under way

MOB-015 is a new topical treatment for onychomycosis with fungicidal, keratolytic and emollient properties. Moberg Pharma's patent-pending formulation technology enables the transportation of high concentrations of a fungicidal substance (terbinafine) in and through nail tissue. As MOB-015 is applied locally, the side effects associated with oral treatment are avoided. The company estimates the peak sales potential of the product to MUSD 250-500. Data from an earlier Phase II study provided crucial information for the continued development program and, in December 2012, a new Phase II study of an improved formulation of MOB-015 was initiated jointly with leading expertise from Sahlgrenska University Hospital in Gothenburg. Patients with 25-75% of a large toenail affected by nail fungus were treated for 12 months and monitored for an additional three months with respect to the endpoints that the FDA and EMA normally accept for the medical indication. Positive results from this study were reported in September 2014 and presented at the American Academy of Dermatology in March 2015. The primary treatment objective, mycological cure, was achieved in 13 of the 24 patients (54%) who completed the study. The secondary treatment objective, mycological cure and excellent clinical improvement or cure, was achieved by seven of the 24 patients (29%). Biopsies confirmed high levels of terbinafine in the nail plate and nail bed. MOB015 also displayed a favorable side-effect profile. This study included patients with more severe onychomycosis than recently published studies of topical treatment alternatives.

BUPI – Bupivacaine lozenge – Phase II studies under way

An innovative and patent-pending lozenge formulation of the proven compound bupivacaine for treatment of oral pain. As the initial indication, Moberg Pharma has chosen pain management for patients suffering from oral mucositis during cancer therapy. Promising clinical data supporting safety and efficacy has been shown in several pilot studies – most importantly that the novel lozenge formulation provides significantly longer and better pain relief than currently available non-opioid treatment alternatives for patients with oral mucositis. Moberg Pharma initiated a Phase II study of oral mucositis during the fourth quarter 2014. Moberg Pharma has also identified several additional potential indications for the product, such as Sjögren's Syndrome, Burning Mouth Syndrome, endoscopic procedures, oral intubations and long-term OTC use for sore throat. The company estimates the peak sales potential of the product to MUSD 50-100 assuming successful commercialization in oral mucositis and at least one additional medical indication.

BUSINESS DEVELOPMENT DURING THE PERIOD

Kerasal Nail® approved and launched in China

In January 2015, Moberg Pharma's partner, Menarini Asia-Pacific, obtained approval for Kerasal Nail® in China. The launch in China, including television commercials and other marketing, commenced in May.

Moberg Pharma and Menarini Group expanded collaboration to include Russia and Ukraine

In February 2015, Berlin-Chemie AG, part of Menarini Group, was granted exclusive rights to market and sell Emtrix® in Russia and Ukraine.

Approved patents in the U.S. and Europe

The USPTO approved U.S. patent number 8,952,070, and the EPO issued European patent number 2,672,962 applying to MOB-015, with expected patent term until 2032. The USPTO also issued a U.S. patent number 8,987,330, and the EPO also issued European patent number 2,777,689 for Kerasal Nail®, with expected patent terms until 2034.

Launch of new Kerasal® product in the U.S.

In February, deliveries to Walgreens started of Kerasal® Complete Care, a new foot care product in a duo-pack comprising two effective treatments that restore healthy appearance to nails suffering from nail fungus and treat athlete's foot. The product is targeted at the large group of patients who suffer from both nail fungus and athlete's foot.

Acquisition of OTC products in the U.S.

Balmex®, a well-established U.S. brand featuring a number of non-prescription products from Chattem, Inc, the Sanofi division for OTC products in the U.S., was acquired in April 2015. Sales of the constituent products exceed MUSD 4 annually. The consideration amounted to MSEK 33.3 (MUSD 3.9) and was financed by using existing funds. Balmex® has been a well-known brand for many years, offering products for diaper rash, primarily for children. A product line for skin irritation among adults was launched in 2013. Balmex is sold via Moberg's established sales channels in the U.S., via such drugstore chains as CVS, Walgreens and RiteAid and in mass retailers such as Walmart and toy stores such as Toys "R" Us and buybuyBABY.

Eurostars awarded a research grant of MSEK 8.4

Eurostars decided to award a research grant of MSEK 8.4 (MEUR 0.9) for further product development and clinical study of BUPI. The project will be led by Moberg Pharma and carried out in collaboration with six external partners in Sweden and Denmark: Oracain ApS, TFS Trial Form Support ApS, Aarhus University Hospital, Herlev Hospital, PCG Clinical Services AB and Skåne University Hospital. The grant from Eurostars will be used to co-finance the continued development of the products including a clinical Phase III study.

Higher number of shares

The number of shares and votes rose 39,000 to 14,001,537 in July 2015. The change was due to warrants in Moberg Pharma being exercised under the framework of the company's share-based incentive schemes.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Moberg Pharma and Colep entered a Development Agreement for MOB-015

Under the agreement, Colep's Healthcare Division will share funding by conducting a pharmaceutical development program which will include scale-up of manufacturing processes, stability programs and supply of clinical trial material for the Phase 3 program for MOB-015 as well as the documentation required to file for marketing authorization in the U.S. and EU. Moberg has appointed Colep the exclusive commercial supplier of MOB-015 for the agreed territories. Moberg will own all data and documentation generated from the pharmaceutical development program and plans to initiate a clinical phase 3 program in 2016.

Moberg Pharma took back rights for certain European markets

In November, Moberg Pharma took back rights to Emtrix® in six European markets, including UK and Poland.

CONSOLIDATED REVENUE AND EARNINGS

Sales

Third quarter (July-September 2015)

In the third quarter of 2015, revenue amounted to MSEK 66.6 (50.3), up 32% year-on-year. Of total product sales, revenue for Nalox™/Kerasal Nail® accounted for MSEK 30.1 (27.4), while Kerasal® and JointFlex® accounted for MSEK 7.9 (6.8) and MSEK 9.4 (9.2), respectively. Other products contributed MSEK 18.9 (6.8). Other operating income primarily comprises exchange-rate fluctuations associated with operating receivables.

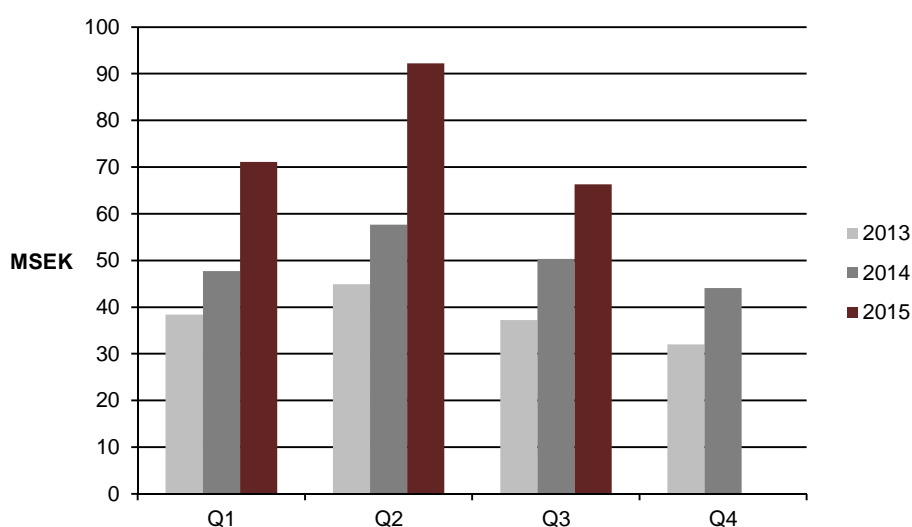
The company is affected by the trend in the USD and EUR in relation to the SEK, since the USD and EUR account for the predominant portion of sales. During the third quarter of 2015, USD revenue was booked at an average exchange rate of SEK 8.41, compared with SEK 6.67 in the third quarter of 2014. The corresponding figure for EUR was an average exchange rate of SEK 9.37, compared with SEK 9.04 in the prior year period. Accordingly, exchange rates had a positive impact on revenue. At fixed exchange rates, revenue would have risen 8% year-on-year.

Interim period (January-September 2015)

During the period January-September 2015, revenue amounted to MSEK 231.9 (155.7), up 49%. The majority, MSEK 131.7 (89.1), derived from product sales of Nalox™/Kerasal Nail®. Product sales revenue amounted to MSEK 26.3 (23.5) for Kerasal®, MSEK 28.2 (22.2) for JointFlex® and MSEK 43.1 (19.2) for other products. The Balmex® product was acquired from Chattem, Inc, Sanofi's division for OTC products in the U.S., on April 27, 2015 and sales of Balmex are included in the income statement from this date. Sales amounted to MSEK 28.3 (28.6) in Europe, MSEK 166.8 (115.3) in the U.S. and MSEK 36.8 (11.9) in the rest of the world.

Distribution of revenue (KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Sales of products	66,329	50,261	229,311	153,952	198,011
Milestone payments	237	-	2,583	1,762	2,169
Revenue	66,566	50,261	231,894	155,714	200,180
Other operating income	1,017	1,746	6,221	2,284	5,791
Total revenue	67,583	52,007	238,115	157,998	205,971

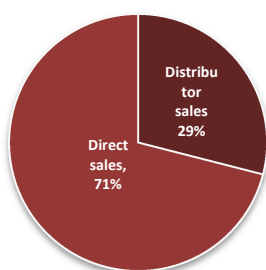
Revenue from product sales per quarter



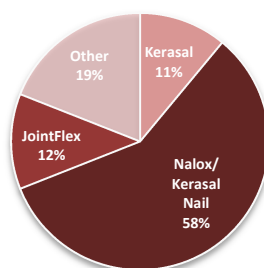
Revenue by channel (KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Direct sales	51,602	36,939	165,411	108,913	138,918
Sales of products to distributors	14,727	13,322	63,900	45,039	59,093
Milestone payments	237	-	2,583	1,762	2,169
TOTAL	66,566	50,261	231,894	155,714	200,180

Revenue by product category (KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Nalox/Kerasal Nail®, sales of products	30,140	27,397	131,737	89,099	112,709
Nalox/Kerasal Nail®, milestone payments	237	-	2,583	1,762	2,169
Kerasal®	7,881	6,809	26,291	23,532	29,035
JointFlex®	9,392	9,217	28,160	22,150	30,908
Other products	18,916	6,838	43,123	19,171	25,359
TOTAL	66,566	50,261	231,894	155,714	200,180

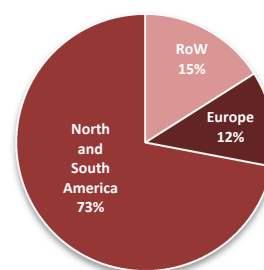
Distribution of revenue as a percentage, January - September 2015



Channels



Products



Geography

Revenue by geographical market (KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Europe	2,915	5,928	28,802	28,549	30,115
North and South America	52,625	36,824	169,838	115,252	148,112
Rest of the world	11,026	7,509	33,254	11,913	21,953
TOTAL	66,566	50,261	231,894	155,714	200,180

Earnings

Third quarter (July-September 2015)

Operating profit for the third quarter of 2015 doubled to MSEK 10.9 (5.3). The cost of goods sold was MSEK 17.9 (14.1), corresponding to a gross margin on product sales of 73% (72). Operating expenses, excluding cost of goods sold during the quarter, amounted to MSEK 38.7 (32.6), most of which comprised selling expenses of MSEK 30.7 (22.5).

The Group's employee stock option costs (including estimated costs for social security contributions) increased in 2015 due to the higher share price. The revaluation of estimated costs for social security contributions for employee stock options (not affecting cash flow) of MSEK 1.8 was charged to operating profit for January-September 2015, whereas the result was strengthened by MSEK 2.7 for the third quarter.

EBITDA for the quarter amounted to 21% (14), 17% excluding accounting provisions related to the incentive schemes. Adjusted for R&D expenses for future products, EBITDA for the existing product portfolio was 27% (23).

Interim period (January-September 2015)

Operating profit for January to September 2015 was MSEK 34.1 (15.8). The cost of goods sold was MSEK 55.0 (36.8). Operating expenses, excluding the cost of goods sold, amounted to MSEK 149.0, compared with MSEK 105.3 in the prior year period.

Profit after financial items amounted to MSEK 33.6, compared with MSEK 15.4 for the January to September 2014 period. The earnings improvement was primarily due to higher sales with retained/improved margins, whereby sales revenue increased 49% during the period and the cost of goods sold rose 49%, while operating expenses increased 41%.

Profit for the period after tax was MSEK 25.1 (12.5) and comprehensive income was MSEK 39.1 (31.2). The improvement in comprehensive income includes currency translation gains of MSEK 13.9 due to the stronger USD.

EBITDA for January to September 2015 amounted to 18% (14), 19% excluding accounting provisions related to the incentive schemes. Adjusted for R&D expenses for future products, EBITDA for the existing product portfolio was 26% (22). The fact that the EBITDA margin is higher for the third quarter than for January-September is reflected in the seasonal effects and the intensified marketing for our brands in the peak season (second quarter).

EBITDA summary (KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Revenue	66,566	50,261	231,894	155,714	200,180
Cost of goods sold	-17,901	-14,091	-54,970	-36,833	-49,064
Gross profit	48,665	36,170	176,924	118,881	151,116
%	73%	72%	76%	76%	75%
Selling expenses	-27,988	-20,744	-102,776	-66,624	-85,648
Administrative expenses	-2,883	-3,651	-13,224	-14,539	-20,622
Research and development expenses - commercial operations ¹⁾	-743	-1,860	-4,530	-5,763	-7,251
Other operating income/operating expenses	1,017	1,746	3,543	2,284	5,791
EBITDA Commercial Operations	18,068	11,662	59,937	34,238	43,387
%	27%	23%	26%	22%	22%
Research and development expenses - future products ²⁾	-2,110	-3,073	-12,081	-8,289	-12,283
Business development expenses	-2,111	-1,310	-5,490	-4,236	-5,809
EBITDA	13,847	7,279	42,366	21,713	25,295
%	21%	14%	18%	14%	13%
Depreciation/amortization	-2,911	-1,984	-8,249	-5,888	-8,068
Operating profit (EBIT)	10,936	5,295	34,117	15,825	17,227

1) Research and development expenses – commercial operations 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 completely new product candidates, for example, BUPI.

FINANCIAL POSITION

Cash flow

Third quarter (July-September 2015)

Cash flow from operating activities amounted to MSEK 11.6 (6.9) for the third quarter.

Interim period (January-September 2015)

Operating cash flow before changes in working capital improved substantially during the period to MSEK 42.8 (21.4). The company has a season-related increase in tied-up capital through the direct sales operation, which generates higher marketing investments and inventories. Cash flow from operating activities amounted to MSEK 28.3 (10.2) for the January to September 2015 period. Cash and cash equivalents were MSEK 42.7 (61.3) at the end of the period.

Capital expenditures

Capital expenditures in intangible fixed assets primarily pertain to the acquisition of product rights for MSEK 33.3 for Balmex® in April 2015.

In addition to the Balmex® acquisition, the company's investments in intangible fixed assets in 2015 in the form of computer systems totaled MSEK 1.6 (1.1) and capitalized expenditure for research and development work totaled MSEK 5.0 (2.4). From Q2 in 2015, phase III preparations for MOB-015 were initiated, which means that direct development expenses for MOB-015 will be capitalized from this quarter. In addition to capitalized expenditure for R&D, Moberg Pharma also had R&D costs of MSEK 17.2 (14.9) that were expensed directly in the statement of comprehensive income, of which MSEK 12.1 (8.3) was related to future products.

Liabilities

Interest-bearing liabilities comprise a loan to Swedbank of MSEK 6.7, of which MSEK 10.0 (10.0) was amortized during the period.

Pledged assets and contingent liabilities

Moberg Pharma has no contingent liabilities. All pledged assets remain unchanged from those reported in the 2014 Annual Report.

CHANGES IN EQUITY

Shares

The number of shares and votes rose 39,000 to 14,001,537 in July 2015. The change was due to warrants in Moberg Pharma being exercised under the framework of the company's share-based incentive schemes.

At the end of the period, share capital amounted to SEK 1,400,153.70 (1,396,253.70), and the total number of shares outstanding was 14,001,537 (13,962,537) ordinary shares with a nominal value of SEK 0.10.

Stock options

On May 11, 2015, the Annual General Meeting of Moberg Pharma AB resolved to implement a private placement of 326,739 warrants (equivalent to 326,739 shares) to the company's wholly owned subsidiary Moberg Derma Incentives AB and to introduce the employee stock option scheme 2015:1. In the employee stock option scheme 2015:1, 288,500 stock options were allotted and 38,239 warrants reserved to cover future social security expenses for the employee stock options. The terms and conditions of the employee stock option scheme 2015:1 comply with the terms and conditions of the employee stock option scheme 2014:1, with the following exceptions: employee stock options in the 2015:1 scheme vest on June 30, 2018 at the earliest, the exercise price is SEK 65.47 per option and the last day for subscription is December 31, 2019. For a description of the terms and conditions of the employee stock option scheme 2014:1, refer to the 2014 Annual Report on page 48.

At September 30, 2015, there were a total of 1,178,869 warrants outstanding. If all warrants were exercised for shares, the number of shares would increase by 1,424,724, from 14,001,537 shares to 15,426,261 shares at the end of the period.

Disclosure of ownership

Company's largest shareholders at September 30, 2015:

Shareholders	No. of shares	% of votes and capital
THE BALTIC SEA FOUNDATION	2,274,179	16.2
HANDELSBANKEN FONDER AB RE JPMEL	1,186,099	8.5
INSURANCE COMPANY, AVANZA PENSION	1,004,881	7.2
J P MORGAN CLEARING CORP, W9	701,000	5.0
WOLCO INVEST AB ³	600,000	4.3
GRANDEUR PEAK INTERNATIONAL	371,800	2.7
BANQUE CARNEGIE LUXEMBOURG S.A, (FUNDS)	298,394	2.1
SOCIETE GENERALE	280,740	2.0
NORDNET PENSIONSFÖRSÄKRING AB	250,555	1.8
GRANDEUR PEAK GLOBAL, OPPORTUNITIES	245,880	1.8
BNY GCM CLIENT ACCOUNTS (E) BD	200,000	1.4
ML, PIERCE, FENNER & SMITH INC	172,414	1.2
SYNSKADADES STIFTELSE	172,201	1.2
STATE STREET BANK & TRUST COM., BOSTON	160,000	1.1
MORGAN STANLEY & CO LLC, W9	152,231	1.1
STATE STREET BANK & TRUST COM., BOSTON	150,000	1.1
LUNDMARK, ANDERS	147,000	1.1
EUROCLEAR BANK S.A/N.V, W8-IMY	126,247	0.9
SECOND SWEDISH NATIONAL PENSION FUND	125,999	0.9
GRANDEUR PEAK GLOBAL REACH, FUND	111,100	0.8
TOTAL, 20 LARGEST SHAREHOLDERS	8,730,720	62.4
Other shareholders	5,270,817	37.6
TOTAL	14,001,537	100

ORGANIZATION

At September 30, 2015, the Moberg Pharma Group had 33 employees, of whom 64% were women. Of these, 23 were employed in the Parent Company, of whom 65% were women.

PARENT COMPANY

Moberg Pharma AB (Publ), Corp. Reg. No. 556697-7426, is the Parent Company of the Group. Group operations are conducted primarily in the Parent Company (in addition to the sales organization in the U.S.) and comprise research and development, sales, marketing and administrative functions. Parent Company revenue amounted to MSEK 86.1 for the period January to September 2015, compared with MSEK 77.7 in 2014. Operating expenses, excluding the cost of goods sold, amounted to MSEK 45.2 (34.9) and profit after financial items to MSEK 20.0 (22.8). Cash and cash equivalents were MSEK 26.4 (52.5) at the end of the period.

³ Owned by Moberg Pharma's CEO, Peter Wolpert

RISK FACTORS

Commercialization and development of drugs are capital-intensive activities exposed to significant risks. Risk factors considered to be of particular relevance for Moberg Pharma's future development are linked to competitors and pricing, production, partners' and distributors' performance, the results of clinical trials, regulatory actions, product liability and insurance, patents and trademarks, key personnel, sensitivity to economic fluctuations, future capital requirements and financial risk factors. A description of these risks can be found in the company's 2014 Annual Report on page 23.

Over the next 12 months, the most significant risk factors for the company are deemed to be associated with market development, the development of established partnerships, integration of acquisitions and the results of clinical trials.

OUTLOOK

Moberg Pharma aims to create shareholder value and generate a solid return through a focus on profitable growth, targeting a long-term EBITDA margin of at least 25% from 2016 and onwards. The company's growth strategy includes organic sales growth, acquisitions/in-licensing of new products and commercialization of development projects.

In 2015, the focus will be on sales growth and improved earnings. Significant components are identifying further business opportunities, discussions with partners concerning development programs and supporting the company's distributors and retailers.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Revenue	66,566	50,261	231,894	155,714	200,180
Cost of goods sold	-17,901	-14,091	-54,970	-36,833	-49,064
Gross profit	48,665	36,170	176,924	118,881	151,116
Selling expenses ¹⁾	-30,654	-22,475	-110,232	-71,420	-93,198
Business development and administrative expenses	-5,019	-4,737	-18,882	-19,056	-26,552
Research and development expenses	-3,073	-5,409	-17,236	-14,864	-19,930
Other operating income	1,017	1,746	6,221	2,284	5,791
Other operating expenses	-	-	-2,678	-	-
Operating profit (EBIT)	10,936	5,295	34,117	15,825	17,227
Interest income and similar items	0	-295	20	747	905
Interest expense and similar items	-140	869	-550	-1,153	-1,555
Profit after financial items (EBT)	10,796	5,869	33,587	15,419	16,577
Tax on profit for the period	-2,019	-1,476	-8,442	-2,887	-4,309
PROFIT FOR THE PERIOD	8,777	4,393	25,145	12,532	12,268
Items that will be reclassified					
Translation differences of foreign operations	3,670	13,645	13,939	18,697	33,046
Other comprehensive income	3,670	13,645	13,939	18,697	33,046
COMPREHENSIVE INCOME FOR THE PERIOD	12,447	18,038	39,084	31,229	45,314
Profit for the period attributable to PC shareholders	8,777	4,393	25,145	12,532	12,268
Profit for the period attributable to minority interests	-	-	-	-	-
Comprehensive income att. to PC shareholders	12,447	18,038	39,084	31,229	45,314
Total comprehensive income attributable to minority interests	-	-	-	-	-
Earnings per share before dilution	0.63	0.31	1.80	0.99	0.96
Earnings per share after dilution	0.61	0.31	1.76	0.97	0.95
¹⁾ Of which amortization of product rights	-2,688	-2,382	-7,287	-5,323	-7,198
EBITDA	13,847	7,279	42,366	21,713	25,295
Depreciation/amortization of product rights	-2,688	-2,382	-7,287	-5,323	-7,198
Other depreciation/amortization	-223	398	-962	-565	-870
Operating profit (EBIT)	10,936	5,295	34,117	15,825	17,227
EBITDA excluding acquisition-related costs	13,847	7,279	42,366	21,713	25,295

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(KSEK)	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
Assets			
Intangible assets	261,158	204,063	216,362
Property, plant and equipment	704	955	934
Financial assets	1	70	76
Deferred tax assets	16,840	28,238	24,903
Total non-current assets	278,703	233,326	242,275
Inventories	18,625	10,972	13,135
Trade receivables and other receivables	64,783	43,558	41,847
Cash and bank balances	42,718	61,318	62,463
Total current assets	126,126	115,848	117,445
TOTAL ASSETS	404,829	349,174	359,720
Equity and liabilities			
Equity (attributable to Parent Company shareholders)	345,249	289,537	303,749
Long-term interest-bearing liabilities	-	6,667	3,333
Long-term non-interest-bearing liabilities	-	2,081	-
Current interest-bearing liabilities	6,667	13,008	13,333
Current non-interest-bearing liabilities	52,913	37,881	39,305
TOTAL EQUITY AND LIABILITIES	404,829	349,174	359,720

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Operating activities					
Operating profit before financial items	10,936	5,294	34,121	15,825	17,231
Financial items, received and paid	-116	60	-480	-474	-1,350
Taxes paid	-	-	-18	3	3
<i>Adjustments for non-cash items:</i>					
Depreciation/amortization	2,911	1,984	8,249	5,888	8,068
Employee stock option costs ⁴	342	-134	958	144	112
Cash flow before changes in working capital	14,073	7,204	42,830	21,386	24,064
Change in working capital					
Increase (-)/Decrease (+) in inventories	-4,552	44	-5,490	-2,166	-2,529
Increase (-)/Decrease (+) in operating receivables	24,828	8,480	-21,242	-15,834	-13,259
Increase (+)/Decrease (-) in operating liabilities	-22,823	-8,871	12,242	6,830	7,886
CASH FLOW FROM OPERATING ACTIVITIES	11,526	6,857	28,340	10,216	16,162
Investing activities					
Net investments in intangible assets	-1,865	-1,272	-39,910	-5,582	-7,230
Net investments in equipment	1	-	-57	-	-42
Net investments in subsidiaries	-	-17,225	-	-17,225	-17,225
CASH FLOW FROM INVESTING ACTIVITIES	-1,864	-18,497	-39,967	-22,807	-24,497
Financing activities					
Borrowings (+) / Loan amortization (-)	-3,333	-3,333	-10,000	-10,000	-13,333
New share issue after transaction costs	1,445	-	1,445	55,937	55,937
CASH FLOW FROM FINANCING ACTIVITIES	-1,888	-3,333	-8,555	45,937	42,604
Change in cash and cash equivalents	7,774	-14,973	-20,182	33,346	34,269
Cash and cash equivalents at the start of the period	34,613	75,596	62,463	27,138	27,138
Exchange-rate difference in cash and cash equivalents	331	695	437	834	1,056
Cash and cash equivalents at the end of the period	42,718	61,318	42,718	61,318	62,463

⁴ Note that revaluation of estimated costs for social security contributions for employee stock options is reported in change in operating liabilities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other capital contributions	Translation reserve	Accumulated deficit	Total equity
(KSEK)					
January 1, 2015 – September 30, 2015					
Opening balance, January 1, 2015	1,396	357,305	29,490	-84,442	303,749
<i>Comprehensive income</i>					
Results for the period				25,145	25,145
Other comprehensive income – translation differences on translation of foreign operations			13,939		13,939
<i>Transactions with shareholders</i>					
New share issue	4	1,495			1,499
Transaction costs, new share issue		-42			-42
Employee stock options		959			959
CLOSING BALANCE, SEPTEMBER 30, 2015	1,400	359,717	43,429	-59,297	345,249
January 1, 2014 – September 30, 2014					
Opening balance, January 1, 2014	1,189	300,569	-3,554	-96,710	201,494
<i>Comprehensive income</i>					
Results for the period				12,532	12,532
Other comprehensive income – translation differences on translation of foreign operations			18,697		18,697
<i>Transactions with shareholders</i>					
New share issue	207	59,793			60,000
Transaction costs, new share issue		-3,169			-3,169
Employee stock options		-17			-17
CLOSING BALANCE, SEPTEMBER 30, 2014	1,396	357,176	15,143	-84,178	289,537
January 1, 2013 – December 31, 2014					
Opening balance, January 1, 2014	1,189	300,569	-3,554	-96,710	201,494
<i>Comprehensive income</i>					
Results for the period				12,268	12,268
Other comprehensive income – translation differences attributable to translation of foreign operations			33,044		33,044
<i>Transactions with shareholders</i>					
New share issue	207	59,793			60,000
Transaction costs, new share issue		-3,169			-3,169
Employee stock options		112			112
CLOSING BALANCE, DECEMBER 31, 2014	1,396	357,305	29,490	-84,442	303,749

KEY FIGURES FOR THE GROUP

(KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Revenue	66,566	50,261	231,894	155,714	200,180
Gross margin, %	73%	72%	76%	76%	75%
Gross margin on product sales, % excluding acquisition-related costs and items affecting comparability	73%	72%	76%	76%	75%
EBITDA excluding acquisition-related costs	13,847	7,279	42,366	21,713	25,295
EBITDA % excluding acquisition-related costs	21%	14%	18%	14%	13%
EBITDA	13,847	7,279	42,366	21,713	25,295
Operating profit (EBIT)	10,936	5,295	34,117	15,825	17,227
Profit after tax	8,777	4,393	25,145	12,532	12,268
Profit margin, %	13%	9%	11%	8%	6%
Total assets	404,829	349,174	404,829	349,174	359,720
Net receivables	36,051	41,643	36,051	41,643	45,797
Debt/equity ratio	2%	7%	2%	7%	5%
Equity/assets ratio	85%	83%	85%	83%	84%
Return on equity	3%	2%	7%	4%	4%
Earnings per share, SEK	0.61	0.31	1.76	0.97	0.95
Operating cash flow per share, SEK	0.80	0.49	1.99	0.80	1.27
Equity per share, SEK	24.66	20.74	24.66	20.74	21.75
Average number of shares before dilution	14,001,108	13,962,537	13,975,394	12,719,642	12,719,642
Average number of shares after dilution	14,331,508	14,102,525	14,251,433	12,859,979	12,859,499
Number of shares at end of period	14,001,537	13,962,537	14,001,537	13,962,537	13,962,537
Share price on the closing date, SEK	47.90	33.10	47.90	33.10	38.00
Market capitalization on the closing date, MSEK	671	462	671	462	531

Definitions of key figures

Net receivables	Cash and cash equivalents less interest-bearing liabilities
Debt/equity ratio	Interest-bearing liabilities in relation to equity
Equity/assets ratio	Equity at year-end in relation to total assets
Return on equity	Profit/loss for the period divided by equity
Earnings per share*	Profit after tax divided by the average number of shares outstanding after dilution
Operating cash flow per share*	Cash flow from operating activities divided by the average number of shares outstanding after dilution
Equity per share	Equity divided by the number of shares outstanding at the end of the period

* In periods during which the Group reported a loss, no dilution effect has occurred. This is because dilution is recognized only when a potential conversion to ordinary shares would mean that earnings per share would be lower.

CONDENSED PARENT COMPANY INCOME STATEMENT

(KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Revenue	9,126	21,925	86,068	77,675	93,775
Cost of goods sold	-7,508	-8,406	-26,937	-22,716	-29,322
Gross profit	1,618	13,519	59,131	54,959	64,453
Selling expenses	-2,346	-2,747	-10,523	-7,823	-13,293
Business development and administrative expenses	-3,782	-2,743	-15,492	-12,222	-16,746
Research and development expenses	-2,950	-5,409	-16,552	-14,864	-19,930
Other operating income	945	1,746	6,111	2,284	5,791
Other operating expenses	-	-	-2,673	-	-
Operating profit/loss	-6,515	4,366	20,002	22,334	20,275
Interest income	-	502	516	1,711	2,122
Interest expense	-138	295	-540	-1,225	-1,546
Profit/loss after financial items	-6,653	5,163	19,978	22,820	20,851
Tax on profit for the period	1,997	-1,215	-4,923	-5,123	-4,822
PROFIT/LOSS	-4,656	3,948	15,055	17,697	16,029

CONDENSED PARENT COMPANY BALANCE SHEET

(KSEK)	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
Assets			
Intangible assets	80,506	41,764	42,966
Property, plant and equipment	343	485	470
Financial assets	178,107	178,107	178,107
Deferred tax assets	12,948	17,558	17,859
Total non-current assets	271,904	237,914	239,402
Inventories	506	-	155
Trade receivables and other receivables	19,091	20,076	20,047
Receivables to Group companies	24,924	30,796	23,914
Cash and bank balances	26,351	52,522	56,062
Total current assets	70,872	103,394	100,178
TOTAL ASSETS	342,776	341,308	339,580
Equity and liabilities			
Shareholders' equity	315,991	299,854	298,283
Long-term interest-bearing liabilities	-	6,667	3,333
Current interest-bearing liabilities	6,667	13,333	13,333
Current non-interest-bearing liabilities	20,118	21,454	24,631
TOTAL EQUITY AND LIABILITIES	342,776	341,308	339,580

CONDENSED PARENT COMPANY CASH-FLOW STATEMENT

(KSEK)	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Operating activities					
Operating profit/loss before financial items	-6,515	4,366	20,002	22,334	20,275
Financial items, received and paid	-113	755	-482	221	-123
Taxes paid	-	-	-	-	-
<i>Adjustments for non-cash items:</i>					
Depreciation/amortization	997	417	2,554	1,374	1,878
Employee stock option costs	148	110	433	170	267
Cash flow before changes in working capital	-5,483	5,648	22,507	24,099	22,297
Change in working capital					
Increase (-)/Decrease (+) in inventories	1,590	-	-352	-	-155
Increase (-)/Decrease (+) in operating receivables	29,899	245	1,226	-19,710	-12,394
Increase (+)/Decrease (-) in operating liabilities	-9,680	-2,749	-4,570	2,759	5,963
CASH FLOW FROM OPERATING ACTIVITIES	16,326	3,144	18,811	7,148	15,711
Investing activities					
Net investments in intangible assets	-1,865	-1,272	-39,910	-5,582	-7,230
Net investments in equipment	-	-	-58	-	-42
Net investments in subsidiaries	-	-17,225	-	-17,225	-17,225
CASH FLOW FROM INVESTING ACTIVITIES	-1,865	-18,497	-39,968	-22,807	-24,497
Financing activities					
Borrowings (+) / Loan amortization (-)	-3,333	-3,333	-10,000	-10,000	-13,333
New share issue after transaction costs	1,446	-	1,446	55,937	55,937
CASH FLOW FROM FINANCING ACTIVITIES	-1,887	-3,333	-8,554	45,937	42,604
Change in cash and cash equivalents	12,574	-18,686	-29,711	30,278	33,818
Cash and cash equivalents at the start of the period	13,777	71,208	56,062	22,244	22,244
Cash and cash equivalents at the end of the period	26,351	52,522	26,351	52,522	56,062

ACCOUNTING AND VALUATION POLICIES

This interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements have, in common with the annual accounts for 2014, been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The Group applies the same accounting policies and calculation methods as described in the 2014 Annual Report. A number of new or revised standards, interpretations and improvements have been adopted by the EU and are to be applied from January 1, 2015. These changes have not had any significant effect on the Group.

Amounts are expressed in SEK rounded to the nearest thousand unless otherwise stated. Due to the rounding component, totals may not tally. MSEK is an abbreviation of million Swedish Kronor. Amounts and figures in parentheses are comparative figures from the preceding year.

SEGMENT REPORTING

Since Moberg Pharma's operations comprise only one area of operation, the commercialization and development of medical products, the consolidated statement of comprehensive income and statement of financial position as a whole comprise one operating segment.

RELATED-PARTY TRANSACTIONS

No significant changes have occurred in relations and transactions with related parties.

FINANCIAL INSTRUMENTS

As on December 31, 2014, the fair value of financial instruments approximates to their carrying amount.

FUTURE REPORTING DATES

Year-end report for 2015 financial year	February 17, 2016
Interim report for January – March 2016	May 10, 2016
Interim report for January – June 2016	August 9, 2016
Interim report for January – September 2016	November 8, 2016

The Annual General Meeting for Moberg Pharma will be held on May 18, 2016 at 5:00 p.m. at the company's premises. Shareholders may submit proposed items of business for the Annual General Meeting no later than March 30, 2016.

FOR MORE INFORMATION, PLEASE CONTACT

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Anna Ljung, CFO, tel. +46 (0)8-522 307 01, anna.ljung@mobergpharma.se

For more information about Moberg Pharma's operations, please visit the company's website at www.mobergpharma.com

This interim report has been reviewed by the company's auditors.

BOARD DECLARATION

The undersigned certify that the Interim Report provides a fair overview of the operations, financial position and results of the Parent Company and Group, as well as a fair description of significant risks and uncertainties faced by the Parent Company and Group companies.

Bromma, November 9, 2015

Mats Pettersson
Chairman

Wenche Rolfsen
Board member

Torbjörn Koivisto
Board member

Thomas Thomsen
Board member

Geert Cauwenbergh
Board member

Thomas Eklund
Board member

Mattias Klintemar
Board member

Peter Wolpert
CEO

AUDITOR'S REVIEW

To the Board of Directors of Moberg Pharma AB (publ), Corp. Reg. No. 556697-7426

Introduction

We have reviewed the consolidated financial interim information (interim report) of Moberg Pharma AB (publ) as at September 30, 2015 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, November 9, 2015
Ernst & Young AB

Björn Ohlsson
Authorized Public Accountant