A different kind of pharma company

POSITIVE PHASE 2 DATA FOR BUPI AND GROWTH FINANCING SECURED

"In the first quarter, we secured important components, including a strong cash position, to enable growth and acquisition initiatives", notes Peter Wolpert, CEO Moberg Pharma

FIRST QUARTER

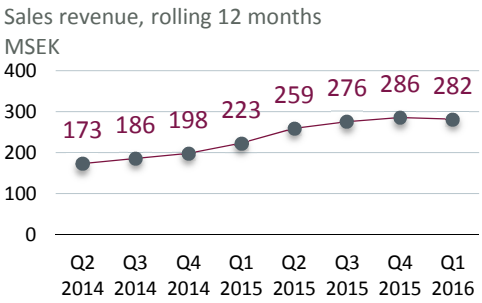
- Revenue MSEK 69.5 (73.2)
- EBITDA MSEK 3.4 (17.4)
- EBITDA for Commercial Operations MSEK 7.0 (25.6)
- Operating profit (EBIT) MSEK 0.5 (14.9)
- Net loss after tax MSEK 5.6 (profit: 10.9)
- Loss per share SEK 0.40 (earnings: 0.75)
- Operating cash flow per share SEK -0.25 (neg: 0.35)

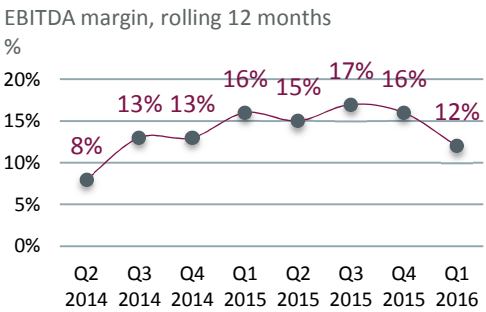
SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Positive Phase 2 data for BUPI in terms of pain treatment in cancer patients suffering from oral mucositis
- Agreement with Cadila Pharmaceuticals for Phase 3 development and regional commercialization of BUPI
- The issue of bond loans of MSEK 300 for financing growth and acquisitions
- Divestment of three brands for MUSD 10 (transaction completed in April)

SIGNIFICANT EVENTS AFTER THE QUARTER

- Divestment of Jointflex, Fergon and Vanquish completed





TELEPHONE CONFERENCE

CEO Peter Wolpert will present the report at a teleconference today at 3:00 p.m., May 10, 2016
Telephone: SE +46-8-566 426 95 US +1 646 502 51 20

CEO COMMENTARY

In Q1, although declining European sales impacted growth and profitability, key components to enable future growth were secured. Positive early consumer response to the relaunch of Kerasal Nail® drove increasing market share in the U.S. and the launch in Asia progressed well. Our Innovation Engine delivered positive phase 2 data and a partner agreement for BUPI as well as good progress in Phase 3 preparations for MOB-015. Significant funds were secured for growth and acquisition initiatives by closing a bond issue of SEK 300 million and divesting non-core brands for USD 10 million.

Sales grew in Asia and the U.S, but total net sales declined by 5% (decline by 6% at fixed exchange rates) due to lower European sales. As communicated, we invest significantly to reposition the Kerasal® brand in the U.S, which short-term affects profitability. The EBITDA margin decreased to 5% for the quarter and 12% for last 12 months. The gross margin in the quarter was 70% (78%) reflecting the change in product mix compared to last year and volume discounts to larger distributors enabling marketing investments for future growth. The Commercial EBITDA margin was 10% in the first quarter and 18% for the last 12 months.

Positive initial response to U.S. repositioning of Kerasal Nail
U.S. direct sales increased by 4% in the first quarter (3% at fixed exchange rates) thanks to the addition of Balmex. The main priority for our U.S operations has been to reverse negative trends by repositioning the Kerasal® brand to enable future growth. In March, pre-season support was initiated with new packaging on shelf and new TV campaign. Although not yet visible in net sales, early consumer response is promising. Last 12 weeks, market share increased by three points to 25%[1] and resulted in +9% value growth (in sales to consumers) in a declining category (-8%). On April 1, we divested three non-core brands for USD 10 million. The divestment resulted in a capital gain of USD 3 million (to be included in Q2 numbers) and enables us to redirect resources to our strategic brands and future acquisitions.

Distributor sales declined but Asian launch continues to progress well
Total distributor sales declined by 15% (decline by 14% at fixed exchange rates). European sales declined due to high incoming inventory levels and quarter-to-quarter variations. The launch in Asia continues to perform well with RoW sales growing at 31%. Emtrix® and Kerasal Nail® are reaching market leading positions in most countries/regions launched in Asia. Test launches are being initiated in additional key markets globally and are expected to drive long-term growth.

High activity level in our Innovation Engine
Phase 3 preparations for MOB-015 are continuing at full speed and according to plan - to start phase 3 trials in the second half of this year. For BUPI, we were highly pleased to report strong Phase 2 data - treatment with BUPI decreased pain with an additional 31% compared to standard pain treatment. The regional partner agreement with Cadila Pharma and grant funding from Eurostars is part of a derisked strategy which enables Moberg Pharma to generate Phase 3 data at a limited investment. We aim at starting enrollment of patients for Phase 3 in the first half of next year.

Both our pipeline assets have the potential to become major growth drivers for us in the next few years through a combination of license deals as well as a basis to start our own franchises in select territories.

We are accelerating our business development activities backed by a strong cash position of more than SEK 400 million, including the bond issue as well as the recent brand divestment. The focus for our BD efforts is to strengthen our commercial portfolio, e.g. for our U.S. OTC franchise.

Focus on value creation
This spring we celebrate our 10th anniversary! It is with pride I look back on the team's achievements in these years. Although we had lower growth/profitability this quarter, I am convinced we are on the right track to meet our long-term targets. Our focus remains to become the leading player in nail fungus and to drive growth organically as well as through acquisitions.

Peter Wolpert, CEO Moberg Pharma

[1] U.S. retail sales of nail fungus products excluding private label in Multioutlet Stores over the last 12 weeks ending April 17, 2016 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	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.

The products JointFlex®, Vanquish® and Fergon® were divested on April 1, 2016.

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.

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

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 heals 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 itch and skin irritations, for example, caused by phytotoxins, insect bites or reaction from washing detergent/cosmetics. The product has an astringent effect and reduces inflammation.

Balmex®

Balmex® is a well-known brand offering products for diaper rash, primarily for children. The products were acquired from Chattem (Sanofi) in April 2015.

Development projects

MOB-015 - Phase 3 preparations under way

A new topical treatment for onychomycosis with fungicidal, keratolytic and emollient properties. The company's patent-pending formulation transports high concentrations of the antifungal agent terbinafine into and through the nail. Since 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 annually. Positive results from this Phase 2 study were reported in March 2015 at the American Academy of Dermatology. The primary treatment objective, mycological cure, was achieved in 54% of the patients who completed the treatment. MOB-015 also resulted in excellent growth of healthy nail and displayed a favorable side-effect profile. Biopsies confirmed high levels of terbinafine in the nail plate and nail bed. This study included patients with more severe onychomycosis than recently published studies of competitive topical treatment alternatives. During the fourth quarter of 2015, Moberg Pharma signed a development agreement with the company's manufacturing partner, Colep Healthcare Division, and preparations for clinical Phase 3 trials are underway.

BUPI - Bupivacaine lozenge - Phase 3 preparations have begun

An innovative and patent-pending lozenge formulation of the proven compound bupivacaine for treatment of oral pain. As the initial indication, Moberg Pharma has selected pain management for patients suffering from oral mucositis during cancer therapy. Several earlier pilot studies displayed promising clinical data pertaining to safety and efficacy. In January 2016, Moberg Pharma reported positive results from a Phase 2 trial in which BUPI was evaluated for cancer patients with oral mucositis. The primary treatment objective was achieved - patients who received BUPI in addition to conventional pain treatment had 31% lower level of pain in general and 50% lower level of oral pain. Moberg Pharma 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. In addition to oral mucositis, further potential indications have been identified. During the first quarter of 2016, Moberg Pharma signed a development agreement with the Cadila Pharmaceuticals, and preparations for clinical Phase 3 trials have begun.

BUSINESS DEVELOPMENT DURING THE QUARTER

Positive Phase 2 results for BUPI

In January 2016, the company announced positive top-line results from a Phase 2 study with BUPI for pain relief in oral mucositis in patients with cancer in the head and throat regions. BUPI achieved a statistically significant reduction in oral pain. 32 patients completed the Phase 2 study, where the efficacy of BUPI was compared with standard treatment for oral pain. The open clinical study was conducted in two hospitals in Denmark. The primary effect variable was oral pain 60 minutes after ingesting BUPI compared with the average pain value during the day for the control group. The group that received BUPI had 31% lower level of pain (VAS* 35.14 for BUPI and 50.94 for the control group, p=0.0032). Both groups had access to standard pain treatment during the study. The control group also had access to locally administered oral anesthetic in the form of a lidocaine gel. The difference in the oral cavity (excluding the throat) was much more apparent, where BUPI reduced the pain by 50% compared with standard treatment (VAS 17.93 and 36.10, respectively, p=0.0002). No serious side effects were reported in the group that received BUPI. Following positive Phase 2 results, the Board approved a risk-minimizing strategy for continuing the development through Phase 3. The development program includes a Phase 3 study that will be conducted in Europe and partially financed by grants from Eurostars. Another Phase 3 study will be conducted in India and financed in its entirety by Moberg's partner, Cadila Pharmaceuticals.

Issue of bond loans of MSEK 300 in the Nordic bond market to finance growth, acquisitions and to update financial objectives

In January 2016, Moberg Pharma announced that the company had decided to issue a five-year unsecured bond loan of MSEK 300 to mature on January 29, 2021. The bond loan carries a variable interest rate of Stibor 3m + 6% and carries a total framework amount of MSEK 600. The bond loan was listed on Nasdaq Stockholm in February 2016. To enable future growth, Moberg Pharma intends to make significant investments in 2016, focusing on strengthening brand platforms for the company's strategic brands in the U.S., increasing international distribution, the acquisition of additional products and initiating proprietary Phase 3 studies for MOB-015. Due to the decision on investments and growth initiatives, the EBITDA margin for 2016 will be lower than the previously announced margin of at least 25%. The long-term objective for an EBITDA margin of at least 25% remains.

Moberg Pharma divests three brands for MUSD 10

In March 2016, Moberg Pharma announced that the company had signed an agreement with Strides Pharma Inc to divest the brands Jointflex, Fergon and Vanquish for a total consideration of MUSD 10 plus the stock value at takeover. The three divested brands had total sales of MUSD 6.1 in 2015 and were included in previous acquisitions of strategic assets.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Moberg Pharma completed the divestment of three bands to Strides Pharma Inc

In April 2016, Moberg Pharma announced that the company had completed the divestment of the brands Jointflex, Fergon and Vanquish for a total consideration of MUSD 10 plus the stock value of MUSD 0.4. The divestments have provided a capital gain of MUSD 3 and enable Moberg Pharma to focus more on its core operations.

CONSOLIDATED REVENUE AND EARNINGS

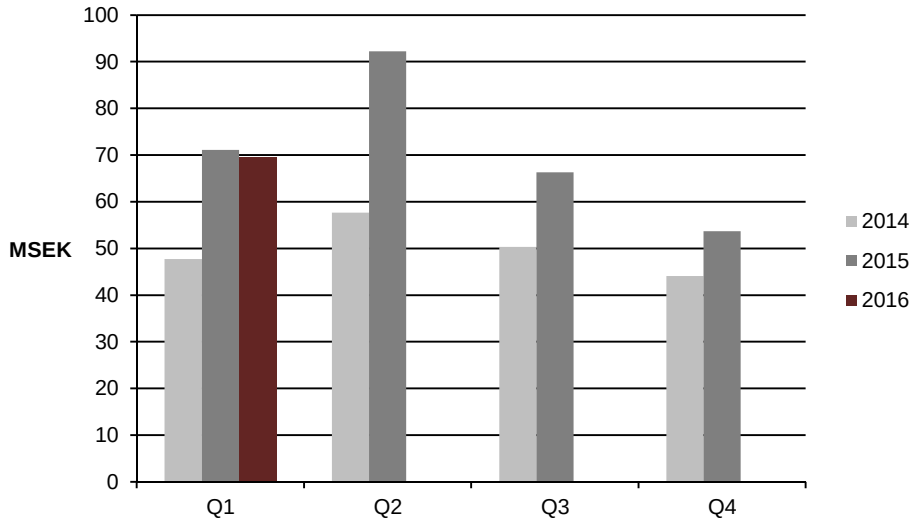
Sales

In the first quarter of 2016, revenue amounted to MSEK 69.5 (73.2), down 5% compared with the first quarter of 2015. The majority, MSEK 32.1 (41.0), derived from product sales of Nalox™/ Kerasal Nail®. Product sales revenue for the products divested in April 2016 (JointFlex®, Vanquish® and Fergon®) amounted to MSEK 16.3 (16.1) and MSEK 21.0 (14.0) for other products. The Balmex® product was acquired from Chattem Inc, the Sanofi 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 50.9 (49.4) in the U.S., MSEK 5.3 (13.6) in Europe and MSEK 13.3 (10.2) in the rest of the world.

The company is influenced by the trend in USD and EUR in relation to SEK, since the USD and EUR account for the predominant portion of sales. During the first quarter of 2016, USD revenue was booked at an average exchange rate of SEK 8.46, compared with SEK 8.34 in the year-earlier period. The corresponding figure for EUR was an average exchange rate of SEK 9.32, compared with SEK 9.42 in the year-earlier period. Accordingly, exchange rates had a slightly positive impact on revenue. At fixed exchange rates, revenue would have decreased 6% year-on-year.

Distribution of revenue (KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Sales of products	69 452	71 064	282 983
Milestone payments	-	2 114	2 583
Revenue	**69 452**	**73 178**	**285 566**
Other operating income	-	4 977	6 709
Total revenue	**69 452**	**78 155**	**292 275**

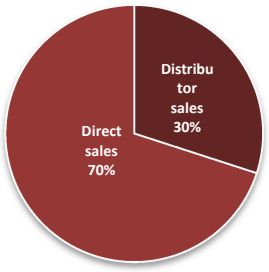
Revenue from product sales per quarter



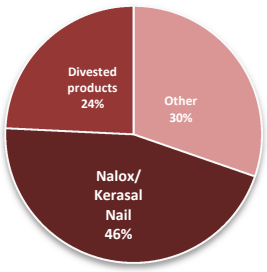
Revenue by channel (KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Direct sales	48 766	46 749	206 602
Sales of products to distributors	20 686	24 315	76 381
Milestone payments	-	2 114	2 583
TOTAL	**69 452**	**73 178**	**285 566**

Revenue by product category (KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Nalox/Kerasal Nail®, sales of products	32 085	41 026	154 510
Nalox/Kerasal Nail®, milestone payments	-	2 114	2 583
Jointflex®, Fergon®, Vanquish® (divested April 1, 2016)	16 321	16 074	51 901
Other products	21 045	13 964	76 572
TOTAL	**69 452**	**73 178**	**285 566**

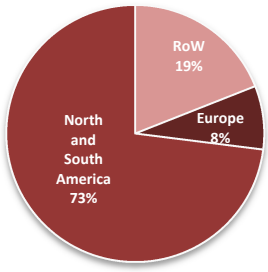
Distribution of revenue as a percentage, January - March 2016



Channels



Products



Geography

Revenue by geographical market (KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Europe	5 281	13 625	32 244
North and South America	50 864	49 370	211 343
Rest of the world	13 306	10 183	41 979
TOTAL	**69 452**	**73 178**	**285 566**

Earnings

Operating profit for the first quarter of 2016 was MSEK 0.5 (14.9). The cost of goods sold was MSEK 20.6 (16.4), corresponding to a gross margin on product sales of 70% (77). Operating expenses, excluding cost of goods sold, was MSEK 48.3 compared to MSEK 46.8 the year before.

The loss after financial items amounted to MSEK 7.3, compared with a profit of MSEK 14.7 for the first quarter of 2015. The decline in earnings was primarily due to lower sales with a different product mix, leading to a lower gross margin whereby sales revenue declined 5% during the first quarter of 2016 and the cost of goods sold rose 25%, while operating expenses increased 3%. The largest item in operating expenses comprised selling expenses, which amounted to MSEK 37.5 (31.7) for the period. The increase is primarily attributable to the investment in re-positioning of the Kerasal® brand being carried out in the U.S.

The loss after tax was MSEK 5.6 (profit: 10.9) and the total comprehensive loss was MSEK 10.7 (profit: 30.9) Currency translation losses of MSEK 5.1 are included in the comprehensive income due to the weaker USD at the end of March compared with the end of 2015.

EBITDA for the quarter amounted to 5% (24). Adjusted for R&D expenses for future products, EBITDA for the commercial operations was 10% (35).

EBITDA summary (KSEK)	**Jan-Mar 2016**	**Jan-Mar 2015**	**Full-year 2015**
Revenue	69 452	73 178	285 566
Cost of goods sold	-20 603	-16 425	-71 920
Gross profit	**48 849**	**56 753**	**213 646**
%	70%	78%	75%
Selling expenses	-34 865	-29 450	-123 087
Administrative expenses	-5 005	-5 018	-19 274
Research and development expenses - commercial operations[1)]	-1 596	-1 251	-6 397
Other operating income/operating expenses	-366	4 523	3 605
EBITDA Commercial Operations	**7 017**	**25 557**	**68 493**
%	10%	35%	24%
Research and development expenses - future products[2)]	-1 622	-6 478	-15 956
Business development expenses	-1 969	-1 708	-6 138
EBITDA	**3 426**	**17 371**	**46 399**
%	5%	24%	16%
Depreciation/amortization	-2 923	-2 472	-11 216
Operating profit (EBIT)	**503**	**14 899**	**35 183**

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

Operating cash flow before changes in working capital amounted to MSEK 3.9 (17.3) during the quarter. The company's tied-up capital through the direct sales operation increased as a result of higher market investments. Cash flow from operating activities was negative at MSEK 3.6 (neg: 5.1) for the first quarter of 2016.

Cash flow from investment activities amounted to MSEK 102.8 (2.2) and consists mainly of investments in corporate bonds in USD.

Cash flow from investment activities amounted to MSEK 290 (3.3) and consists mainly of cash received from the bond loan.

Cash and cash equivalents amounted to MSEK 228.8 (52.7) at the end of the period.

Capital expenditure

The company's investments in intangible fixed assets in 2016 refer to computer systems totaling MSEK 0.1 (1.4) and capitalized expenditure for research and development work totaling MSEK 3.8 (0.8). From the first quarter of 2016, Phase 3 preparations for BUPI were initiated, which mean that direct development expenses for BUPI will be capitalized from this quarter. The company has had two ongoing development projects for some time, firstly, the next generation of Kerasal Nail™/Nalox™ and, secondly, MOB-015, which will be capitalized. In addition to capitalized expenditure for R&D, Moberg Pharma also had R&D costs of MSEK 3.2 (7.7) that were expensed directly in the statement of comprehensive income, of which MSEK 1.6 (6.5) was related to future products.

R&D expenditure (expenses and investments) (KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
R&D expenses – current products	-1 596	-1 251	-6 397
R&D expenses – future products	-1 622	-6 478	-15 956
Amortization of R&D investments	-256	-179	-902
R&D expenses (in statement of comprehensive income)	**-3 474**	**-7 908**	**-23 255**
Capital expenditure in capitalized R&D	-3 827	-772	-8 439
Amortization of capitalized R&D investments	110	54	350
Amortization of other R&D investments	146	125	552
Change in R&D investments (in statement of financial position)	**-3 571**	**-593**	**-7 537**
Total R&D expenditure	**-7 045**	**-8 501**	**-30 792**

Liabilities

Interest-bearing liabilities consist of one bond loan of MSEK 300 to mature on January 29, 2021. The loan carries a variable interest rate of Stibor 3m + 6% and carries a total framework amount of MSEK 600. The bond loan has no maintenance covenants. Covenants will only apply if the company wants to increase the loan within the framework amount. In accordance with IAS 39, the bond loan is recognized less any transaction costs allocated over the term of the loan, which explains the difference between MSEK 300 and the amount in the statement of financial position. The full terms governing the bond loan are available on the company's website www.mobergpharma.com

The loan to Swedbank was finally settled during the first quarter of 2016, with repayments of MSEK 3.3 (3.3) during the period.

Pledged assets and contingent liabilities

Moberg Pharma has no contingent liabilities. The chattel mortgages totaling MSEK 20 and shares pledged in the subsidiary Moberg Pharma North America LLC at the beginning of the year expired in connection with the final settlement of the loan to Swedbank. Pledged assets therefore consist only of blocked bank funds totaling MSEK 0.7.

CHANGES IN EQUITY

Shares

At the end of the period, share capital amounted to SEK 1,421,752.20 (1,396,253.70), and the total number of shares outstanding was 14,217,522 (13,962,537) ordinary shares with a nominal value of SEK 0.10.

Disclosure of ownership

Company's largest shareholders at March 31, 2016:

Shareholders	No. of shares	% of voting rights and capital
THE BALTIC SEA FOUNDATION	2 259 220	15,9
HANDELSBANKEN FONDER AB RE JPMEL	1 182 591	8,3
INSURANCE COMPANY, AVANZA PENSION	968 202	6,8
BANQUE CARNEGIE LUXEMBOURG S.A, (FUNDS)	619 394	4,4
WOLCO INVEST AB[3]	600 000	4,2
GRANDEUR PEAK INTERNATIONAL	457 200	3,2
FONDITA NORDIC MICRO CAP SR	404 000	2,8
FONDITA 2000+	300 822	2,1
GRANDEUR PEAK GLOBAL, OPPORTUNITIES	280 180	2,0
NORDNET PENSIONSFÖRSÄKRING AB	269 263	1,9
SOCIETE GENERALE	265 206	1,9
MORGAN STANLEY & CO LLC, W9	209 048	1,5
STATE STREET BANK & TRUST COM., BOSTON	200 000	1,4
DEUTSCHE BANK AG, LONDON BRANCH, W-8BEN	177 750	1,3
SYNSKADADES STIFTELSE	172 201	1,2
DEUTSCHE BANK AG LDN-PRIME, BROKERAGE	153 612	1,1
LUNDMARK, ANDERS	149 708	1,1
ML, PIERCE, FENNER & SMITH INC	147 414	1,0
STATE STREET BANK & TRUST COM., BOSTON	140 000	1,0
HYVÄT LEHDET RSM OY	131 603	0,9
TOTAL, 20 LARGEST SHAREHOLDERS	**9 087 038**	**63,9**
Other shareholders	5 130 484	36,1
TOTAL	**14 217 522**	**100**

[3] Owned by Moberg Pharma's CEO, Peter Wolpert

Stock options

At the beginning of the year, there were 979,969 outstanding warrants. In February 2016, warrants previously reserved to cover costs for future social security contributions were cancelled, along with warrants issued to employees who left before the warrants were vested. At March 31, 2016, there were a total of 674,326 warrants outstanding. If all warrants were exercised for shares, the number of shares would increase by 848,402 from 14,217,522 shares to 15,058,424 shares at the end of the period.

ORGANIZATION

At March 31, 2016, the Moberg Pharma Group had 34 employees, of whom 64% were women. Of these, 25 were employed in the Parent Company, of whom 68% 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 for the first quarter of 2016 amounted to MSEK 17.4, compared with MSEK 42.7 in 2015. Operating expenses, excluding cost of goods sold, amounted to MSEK 13.1 (15.7) and loss after financial items was MSEK 8.3 (profit: 20.7). Cash and cash equivalents were MSEK 215.7 (40.8) at the end of the period.

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 2015 Annual Report on page 18.

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 value and generate a solid return to shareholders through profitable growth, with a long-term EBITDA margin of at least 25%. The company's growth strategy includes organic sales growth, acquisitions/in-licensing of new products and commercialization of development projects.

During 2016, considerable focus will be placed on identifying further business opportunities, advancing the company's development programs and supporting the company's distributors and retailers. To enable future growth, Moberg Pharma intends to make significant investments in 2016, with a focus on strengthening brand platforms for the company's strategic brands in the U.S., broadening international distribution, acquiring additional products, as well as starting phase 3 studies for MOB-015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Revenue	69 452	73 178	285 566
Cost of goods sold	-20 603	-16 425	-71 920
Gross profit	**48 849**	**56 753**	**213 646**
Selling expenses[1)]	-37 472	-31 691	-133 171
Business development and administrative expenses	-7 034	-6 778	-25 642
Research and development expenses	-3 474	-7 908	-23 255
Other operating income	-	4 977	6 709
Other operating expenses	-366	-454	-3 104
Operating profit (EBIT)	**503**	**14 899**	**35 183**
Interest income and similar items	71	17	37
Interest expense and similar items	-7 846	-231	-654
Profit/loss after financial items (EBT)	**-7 272**	**14 685**	**34 566**
Tax on profit for the period	1 624	-3 774	-9 030
PROFIT/LOSS FOR THE PERIOD	**-5 648**	**10 911**	**25 536**
Items that will be reclassified into the income statement			
Translation differences of foreign operations	-5 101	19 948	13 045
Other comprehensive income/loss	-5 101	19 948	13 045
COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	**-10 749**	**30 859**	**38 581**
Profit/loss for the period attributable to PC shareholders	-5 648	10 911	25 536
Profit for the period attributable to minority interests			
Comprehensive income/loss att. to PC shareholders	-10 749	30 859	38 581
Total comprehensive income attributable to minority interests			
Earnings per share before dilution	**-0,40**	**0,78**	**1,80**
Earnings/loss per share after dilution	**-0,40**	**0,75**	**1,77**
[1)] Of which amortization of product rights	-2 514	-2 217	-9 703
EBITDA	**3 426**	**17 371**	**46 399**
Amortization of product rights	-2 514	-2 217	-9 703
Other depreciation/amortization	-409	-255	-1 513
Operating profit (EBIT)	**503**	**14 899**	**35 183**
EBITDA excluding acquisition-related costs	**3 426**	**17 371**	**46 399**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(KSEK)	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015
Assets			
Intangible fixed assets	257 959	234 128	261 193
Property, plant and equipment	872	931	878
Financial assets	1	84	1
Deferred tax asset	17 850	21 624	16 269
Total non-current assets	**276 682**	**256 767**	**278 341**
Inventories	23 256	18 089	22 200
Trade receivables and other receivables	63 583	77 665	51 557
Current financial assets	94 425	-	-
Cash and bank balances	228 790	52 655	45 356
Total current assets	**410 054**	**148 409**	**119 113**
TOTAL ASSETS	**686 736**	**405 176**	**397 454**
Equity and liabilities			
Equity (attributable to Parent Company shareholders)	342 622	334 727	352 823
Long-term interest-bearing liabilities	293 658	-	-
Current interest-bearing liabilities	-	13 333	3 333
Current non-interest-bearing liabilities	50 456	57 116	41 298
TOTAL EQUITY AND LIABILITIES	**686 736**	**405 176**	**397 454**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Operating activities			
Operating profit before financial items	502	14 903	35 183
Financial items, received and paid	-35	-210	-399
Taxes paid	-26	-17	-18
Adjustments for non-cash items:			
Depreciation/amortization	2 923	2 472	11 216
Employee stock option costs[4]	562	118	1 333
Cash flow before changes in working capital	**3 926**	**17 266**	**47 315**
Change in working capital			
Increase (-)/Decrease (+) in inventories	-1 056	-2 186	-9 065
Increase (-)/Decrease (+) in operating receivables	-9 571	-30 482	-8 124
Increase (-) / Decrease (+) in operating liabilities	3 074	10 351	592
CASH FLOW FROM OPERATING ACTIVITIES	**-3 627**	**-5 051**	**30 718**
Investing activities			
Net investments in intangible fixed assets	-3 891	-2 182	-43 529
Net investments in equipment	-104	-58	-354
Net investments in financial fixed assets	-98 854	-	-
CASH FLOW FROM INVESTING ACTIVITIES	**-102 849**	**-2 240**	**-43 883**
Financing activities			
Borrowings (+) / Loan amortization (-)	290 106	-3 333	-13 333
New share issue after transaction costs	-	-	9 122
CASH FLOW FROM FINANCING ACTIVITIES	**290 106**	**-3 333**	**-4 211**
Change in cash and cash equivalents	**183 630**	**-10 624**	**-17 376**
Cash and cash equivalents at the start of the period	45 356	62 463	62 463
Exchange-rate difference in cash and cash equivalents	-196	816	269
Cash and cash equivalents at the end of the period	228 790	52 655	45 356

[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

(KSEK)	Share capital	Other capital contributions	Translation reserve	Accumulated deficit	Total equity
January 1 - March 31, 2016					
Opening balance, January 1, 2016	**1 422**	**367 772**	**42 535**	**-58 906**	**352 823**
Comprehensive income					
Results for the period				-5 648	-5 648
Other comprehensive income - translation differences on translation of foreign operations			-5 101		-5 101
Transactions with shareholders					
Employee stock options		549			549
CLOSING BALANCE, MARCH 31, 2016	**1 422**	**368 321**	**37 434**	**-64 554**	**342 622**
January 1 - March 31, 2015					
Opening balance, January 1, 2015	**1 396**	**357 305**	**29 490**	**-84 442**	**303 749**
Comprehensive income					
Results for the period				10 912	10 912
Other comprehensive income – translation differences on translation of foreign operations			19 948		19 948
Transactions with shareholders					
Employee stock options		118			118
CLOSING BALANCE, MARCH 31, 2015	**1 396**	**357 423**	**49 438**	**-73 530**	**334 727**

January 1 – December 30, 2015					
Opening balance, January 1, 2015	**1 396**	**357 305**	**29 490**	**-84 442**	**303 749**
Comprehensive income					
Results for the period				25 536	25 536
Other comprehensive income - translation differences on translation of foreign operations			13 045		13 045
Transactions with shareholders					
New share issue	26	9 271			9 297
Transaction costs, new share issue		-137			-137
Employee stock options		1 333			1 333
CLOSING BALANCE, DECEMBER 30, 2015	**1 422**	**367 772**	**42 535**	**-58 906**	**352 823**

KEY FIGURES FOR THE GROUP

(KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Revenue	69 452	73 178	285 566
Gross margin, %	70%	78%	75%
EBITDA	3 426	17 371	46 399
EBITDA %	5%	24%	16%
Operating profit (EBIT)	503	14 899	35 183
Profit/loss after tax	-5 648	10 911	25 536
Profit margin, %	neg.	15%	9%
Total assets	686 736	405 176	397 454
Net receivables	-64 868	39 322	42 023
Debt/equity ratio	86%	4%	1%
Equity/assets ratio	50%	83%	89%
Return on equity	neg.	3%	7%
Earnings per share, SEK	-0,40	0,75	1,77
Operating cash flow per share, SEK	-0,25	-0,35	2,14
Equity per share, SEK	24,10	23,97	24,82
Average number of shares before dilution	14 172 130	13 962 537	14 172 130
Average number of shares after dilution	14 388 450	14 545 321	14 386 605
Number of shares at end of period	14 217 522	13 962 537	14 217 522
Share price on the closing date, SEK	52,50	49,40	66,00
Market capitalization on the closing date, MSEK	746	690	938

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)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Revenue	17 400	42 684	106 510
Cost of goods sold	-4 827	-9 650	-30 997
Gross profit	**12 573**	**33 034**	**75 513**
Selling expenses	-3 573	-3 557	-15 224
Business development and administrative expenses	-5 822	-5 609	-21 188
Research and development expenses	-3 395	-7 735	-22 371
Other operating income	-	4 852	6 584
Other operating expenses	-342	-454	-3 082
Operating profit/loss	**-559**	**20 531**	**20 232**
Interest income	70	373	533
Interest expense	-7 845	-222	-642
Profit/loss after financial items	**-8 334**	**20 682**	**20 123**
Tax on profit for the period	2 065	-4 975	-5 137
PROFIT/LOSS	**-6 269**	**15 707**	**14 986**

CONDENSED PARENT COMPANY BALANCE SHEET

(KSEK)	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015
Assets			
Intangible fixed assets	86 084	44 619	83 151
Property, plant and equipment	610	466	574
Financial assets	178 107	178 107	178 107
Deferred tax asset	14 827	12 884	12 761
Total non-current assets	**279 628**	**236 076**	**274 593**
Inventories	406	205	406
Trade receivables and other receivables	23 215	24 215	20 016
Receivables to Group companies	25 648	50 696	35 264
Current financial assets	94 425	-	-
Cash and bank balances	215 714	40 765	21 500
Total current assets	**359 408**	**115 881**	**77 186**
TOTAL ASSETS	**639 036**	**351 957**	**351 779**
Equity and liabilities			
Shareholders' equity	318 280	314 086	324 000
Long-term interest-bearing liabilities	293 658	-	-
Current interest-bearing liabilities	-	13 333	3 333
Current non-interest-bearing liabilities	27 098	24 538	24 446
TOTAL EQUITY AND LIABILITIES	**639 036**	**351 957**	**351 779**

CONDENSED PARENT COMPANY CASH-FLOW STATEMENT

(KSEK)	Jan-Mar 2016	Jan-Mar 2015	Full-year 2015
Operating activities			
Operating profit before financial items	-559	20 531	20 232
Financial items, received and paid	-35	-211	-401
Adjustments for non-cash items:			
Depreciation/amortization	1 026	591	3 594
Employee stock option costs	194	97	626
Cash flow before changes in working capital	**626**	**21 008**	**24 051**
Change in working capital			
Increase (-)/Decrease (+) in inventories	-	-50	-251
Increase (-)/Decrease (+) in operating receivables	6 770	-30 576	-9 859
Increase (-) / Decrease (+) in operating liabilities	-439	-106	-409
CASH FLOW FROM OPERATING ACTIVITIES	**6 957**	**-9 724**	**13 532**
Investing activities			
Net investments in intangible fixed assets	-3 891	-2 182	-43 529
Net investments in equipment	-104	-58	-354
Net investments in financial fixed assets	-98 854	-	-
CASH FLOW FROM INVESTING ACTIVITIES	**-102 849**	**-2 240**	**-43 883**
Financing activities			
Borrowings (+) / Loan amortization (-)	290 106	-3 333	-13 333
New share issue after transaction costs	-	-	9 122
CASH FLOW FROM FINANCING ACTIVITIES	**290 106**	**-3 333**	**-4 211**
Change in cash and cash equivalents	**194 214**	**-15 297**	**-34 562**
Cash and cash equivalents at the start of the period	21 500	56 062	56 062
Cash and cash equivalents at the end of the period	215 714	40 765	21 500

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 2015, 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 2015 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, 2016. 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

With the exception of the bond loan, the fair value of financial instruments approximates to their carrying amount as of March 31st 2016.
The fair value of the bond loan, according to level 2 in IFRS 13 fair value measurement hierarchy, amounted to approximately 302 MSEK (based on trade) as of March 31st 2016.

FUTURE REPORTING DATES

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. The Annual Report and notice of the AGM are available on the company's website www.mobergpharma.com

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 is unaudited.

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, May 9, 2016

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*	