A different kind of pharma company

Moberg Pharma AB (Publ)
Interim report January – March

STRONG FIRST QUARTER

"We got an excellent start to the year, with strong growth and improved profitability. Our direct sales in the U.S. grew by 115 percent, which was the primary driver combined with cost reductions," comments Peter Wolpert, CEO of Moberg Pharma

FIRST QUARTER (JAN-MAR 2014)

- Revenue MSEK 47.4 (38.4)
- EBITDA MSEK 7.5 (loss: 2.2)
- EBITDA for Commercial Operations*) MSEK 11.6 (5.3)
- Operating profit (EBIT) MSEK 5.7 (loss: 3.7)
- Net profit after tax MSEK 4.1 (loss: 2.8).
- Earnings per share SEK 0.34 (loss: 0.25)
- Operating cash flow per share negative SEK 0.24 (neg: 0.04)

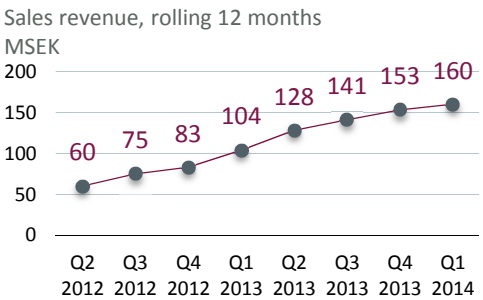
*) Commercial Operations include existing portfolio of marketed products including development of line extensions, but not development projects or business development for new products.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Moberg Pharma launched a new patent-pending formulation of Kerasal Nail™ in the U.S.
- Distribution agreement with Menarini for Kerasal Nail™ extended to South East Asia.

SIGNIFICANT EVENTS AFTER THE QUARTER

- Moberg Pharma acquired the global rights to a topical formulation for the treatment of oral pain.



TELEPHONE CONFERENCE

CEO Peter Wolpert will present the report at a teleconference today at 10:30 a.m., May 13, 2014
Telephone: +46 (0)8-50626900, and enter the code 409017

CEO COMMENTARY

We got an excellent start to the year, with strong growth and improved profitability. Our direct sales in the U.S. grew by 115 percent, which was the primary driver combined with cost reductions. The gross margin increased to 79 percent. To increase transparency, we also report the EBITDA margin for our commercial operations (adjusted for R&D and business development costs related to future products), which totaled 24 percent during the first quarter. The long-term financial objectives for the company as a whole are to achieve continued healthy growth and an EBITDA margin of at least 25 percent within three years.

U.S. continued to perform well

The integration of the products we acquired from Bayer has progressed well. All major customers have placed new orders and the products contributed to both sales and earnings. We continue to expand the distribution of Kerasal Nail™ and took a major step into the food retail segment with launches at Safeway (second largest food retail chain in North America) and regional chains Publix and Wegmans. Kerasal Nail™ consumer sales increased by double digits in the first 12 weeks of the year[1] and led to strong replenishment orders. Additionally, sales of Kerasal NeuroCream™, launched in the autumn, developed well and Walgreens expanded distribution of the product from 1,000 to more than 7,000 stores. The combination of organic growth, acquisitions and early orders in advance of the summer nail fungus season, including pipeline orders from several new customers, contributed to a strong and profitable quarter.

Prerequisites for improvement in Europe, Asia progresses according to plan

Sales in the EU remained low compared with the strong first quarter of 2013. Together with our partners we have worked hard to improve the situation. We recently obtained approval to expand the indication for Nalox, which improves possibilities for our distributors to claim the advantages of the product in their marketing and a new market campaign was recently launched. In February, we signed a distribution agreement with Menarini for South East Asia, which we expect to contribute to future growth. The registration work in China and eight markets in South East Asia is proceeding at full intensity.

Profitability of commercial operations clarified by supplementary accounting

The rapid growth of our commercial operations (existing product portfolio) - in parallel with R&D investments in future pharmaceuticals - has made it difficult to analyze Moberg Pharma's underlying profitability. To facilitate transparency, we are supplementing our accounts so that the earnings contribution from the commercial operations is visible. I am convinced that our R&D and forward-looking business development will prove to be valuable for the company's shareholders, just as Kerasal Nail™/Nalox™ have been.

Balance between investments and cost reductions

We were disappointed with last year's profit and initiated cost reductions, which contributed to improving earnings in the first quarter. We are continuing this work in parallel with targeted investments in marketing and selected areas.

Acquisitions of development projects with significant potential and limited risk

In April, we acquired the rights to a Phase II product candidate, with pain relief for oral mucositis as the first indication. The acquisition is an attractive addition to our development portfolio and was completed on favorable terms, with low initial costs until the product delivers profitability. What particularly captured our interest was the pressing medical need, the product's ease of use and the extended pain relief compared with alternatives. In addition to the relatively low development risk, we envisage opportunities to generate revenue in the foreseeable future with long-term sales potential estimated at MUSD 50-100. We also see opportunities for larger indications in oral and throat pain relief.

Favorable prospects for the year

I am very satisfied with the start to the year and the positive contribution from strong early order volumes. While this may have some effect on future quarters, the Board has set the goal of improving earnings compared with the preceding year, something which we see as highly achievable. We continue our work to achieve organic growth and to evaluate opportunities for additional acquisitions.

Peter Wolpert, CEO Moberg Pharma

[1] Retail sales as reported by IRI at MULO, includes food, drug, and mass retail stores, including Walmart, for the 12 week period ending March 24, 2014

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 formulation, such as technologies for improving drug delivery, to improve the properties of proven compounds. This approach reduces time to market, development costs and risk.

Launched products

	PRODUCT	INDICATION	STATUS
	**Nalox™** [1)] **Kerasal Nail™**	Damaged nails	Direct sales in the U.S. Launched by 10 partners in 25 markets
	**Kerasal®**	Dry and cracked feet Foot pain	Direct sales in the U.S. Launched by 13 partners in 15 markets
	**Jointflex®**	Joint and muscle pain	Direct sales in the U.S. Launched by 14 partners in 20 markets
	**Domeboro®**	Itching and irritated skin	Direct sales in the U.S.
	**Vanquish®**	Headache, menstrual pain, back and muscle pain and cold pain	Direct sales in the U.S.
	**Fergon®**	Iron supplement	Direct sales in the U.S.

Nalox™ / Kerasal Nail™

Used to treat nail discoloration and damage caused by nail fungus or psoriasis. 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 hold rights for 60 markets, including the major EU markets, Turkey and Russia. Nalox™ is a non-prescription 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 with more than 600 patients. Nalox™ has a unique and rapid mechanism of action, demonstrating highly competitive results, including the achievement of visible improvement 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 cracked heals, calluses and foot pain, and to soften and moisturize dry feet. Kerasal® contains salicylic acid, an effective agent for softening the stratum corneum, and urea (carbamide), which moisturizes the skin and helps to retain moisture in new cell layers. The manufacturing process is patented. Several clinical trials have been published confirming the efficacy of Kerasal® for the treatment of extremely dry and damaged skin on the feet. The non-prescription product is sold at pharmacies and various retailers across the U.S. The series also include products for resale only by specialists. During autumn 2013, the product line was expanded with Kerasal NeuroCream™, a non-prescription analgesic foot cream.

JointFlex®

JointFlex® is a topical treatment for joint and muscle pain. The products are produced using FUSOME™ technology, which improves the skin's absorption of the analgesic ingredients. The product provides long-term cooling pain relief and contains natural pain-relieving ingredients. JointFlex® has been evaluated in a placebo-controlled clinical trial of knee pain (osteoarthritis), which showed that patients experienced significant and rapid pain relief. The trial also showed that the majority of users of JointFlex® gained long-term pain relief. The non-prescription product is available in the U.S., primarily through the same sales channels as Kerasal®.

Domeboro®

Domeboro® is a topical drug for the treatment of itching and irritated skin, for example, caused by poison ivy, 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. The product has been on the market for over 50 years and has nationwide distribution in the U.S. at CVS, Walgreens, Rite Aid and Walmart along with several regional chains. Moberg Pharma acquired Domeboro® from Bayer Healthcare in December 2013.

Vanquish®

Vanquish® is an analgesic for the treatment of headaches, menstrual pains, back and muscle aches and cold pains. Vanquish® contains the active ingredients paracetamol (called acetaminophen in the U.S.), acacetylsalicylic acid and caffeine. The product was launched in 1964 and has nationwide distribution in the U.S. at Walgreens and Walmart, as well as regional distribution at several smaller retail chains. Vanquish® was included in the product portfolio that Moberg Pharma acquired from Bayer Healthcare in December 2013.

Fergon®

Fergon® is an iron supplement that is marketed primarily for women. The product is sold nationally at Rite Aid stores and through wholesalers to independent pharmacies and retailers. Fergon® was included in the product portfolio that Moberg Pharma acquired from Bayer Healthcare in December 2013.

[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.

Development projects

MOB-015

MOB-015 is a topical treatment for nail fungus with fungicidal, keratolytic and emollient properties. The company's patent-pending formulation technology enables the delivery of high concentrations of a fungicidal substance (terbinafine) in and through nail tissue. As MOB-015 is applied locally, the side effects that can be observed with tablet treatment are avoided. Data from an earlier Phase II study provided key information for the continued development program and, in December 2012, a new Phase II study of an improved formulation of MOB-015 was initiated to confirm the product concept and provide a basis for a Phase III study and discussions with potential partners. In May 2013, patient enrollment for the study, which is being conducted with the help of leading expertise at Sahlgrenska University Hospital in Gothenburg, Sweden, was completed. Patients are treated for 12 months and monitored for additional three months with respect to the endpoints that the FDA and EMA normally accept for the indication nail fungus. If the current study provides the expected results, this will mark a major advance in the treatment of nail fungus. Positive interim results were published in December 2013. After six months of treatment with MOB-015, 40 percent of the patients were mycologically cured (free from fungus). The results from the study are expected during the second half of 2014.

Bupivacaine lozenge

An innovative and patent-pending oral lozenge formulation of the proven compound bupivacaine for treatment of oral pain. The initial indication is pain management for patients suffering from oral mucositis during cancer therapy. Promising clinical data from pilot studies support safety and efficacy – 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 plans to gain additional efficacy data through a phase II study during this year, to be followed by pivotal studies and registration. Moberg Pharma has 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. 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 indication.

BUSINESS DEVELOPMENT DURING THE QUARTER

Expanded distribution

Distribution agreement with Menarini for Kerasal Nail™ expanded to South East Asia.
In February, the company announced that Menarini Asia-Pacific, part of the Menarini Group – one of the 40 largest global pharmaceutical companies – had been granted exclusive rights to market and sell Kerasal Nail™ in eight countries in South East Asia. The companies now intend to apply for product approval in the Chinese market.

The expanded distribution agreement is based on an existing partnership between the two companies, which resulted in the successful launch of the product in Italy and a previous distribution agreement for China. Menarini is a leading regional pharmaceutical company in the Asia-Pacific region, with more than 3,500 employees in 13 markets and with a documented successful ability to launch and market brands in the consumer health area. The expansion encompasses eight countries in South East Asia: Singapore, Taiwan, Indonesia, The Philippines, Malaysia, Hong Kong, Thailand and Vietnam. These countries comprise a market of more than 550 million people in one of the fastest growing regions, and represent a significant long-term growth opportunity for Moberg Pharma. Moberg Pharma believes that Menarini Asia-Pacific's in-depth insight into local market conditions makes it an ideal partner to manage the challenges existing in these various markets.

Product and project development

Launch of new patent-pending formulation of Kerasal Nail™ in the U.S.
In March, the company announced the start of deliveries of a new, improved patent-pending formulation of the company's market leading product Kerasal Nail™ to customers in the U.S.

The new product is being delivered under existing agreements and will gradually replace the previous product at all retailers, including major pharmacy chains, such as CVS, Walgreens and Rite-Aid, mass retailers such as Walmart and Target and leading grocery chains such as Safeway and Publix. Kerasal Nail™ is now available at more than 30,000 sales outlets in the U.S.

Kerasal Nail™ is the market leading product in the OTC fungal nail category with a 20 percent market share in the U.S. (as per the end of 2013). The new formula provides benefits to consumers by improving user-friendliness, facilitating nail penetration and improving product stability. Moberg Pharma has applied for patent protection for the new product with a projected expiry date in 2034.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Acquisition of global rights to innovative topical formulation for the treatment of oral pain
In April 2014, the company announced that it had entered into an agreement with Oracain II Aps to acquire the global rights to a novel and patent-pending oral formulation of the proven substance bupivacaine for the treatment of pain in the oral cavity. The initial indication is for pain management for patients suffering from oral mucositis during cancer therapy. Oracain is entitled to an initial payment after positive phase II data and a royalty on future sales after gross profit generated from these sales has exceeded Moberg Pharma's accumulated development costs incurred prior to launch.

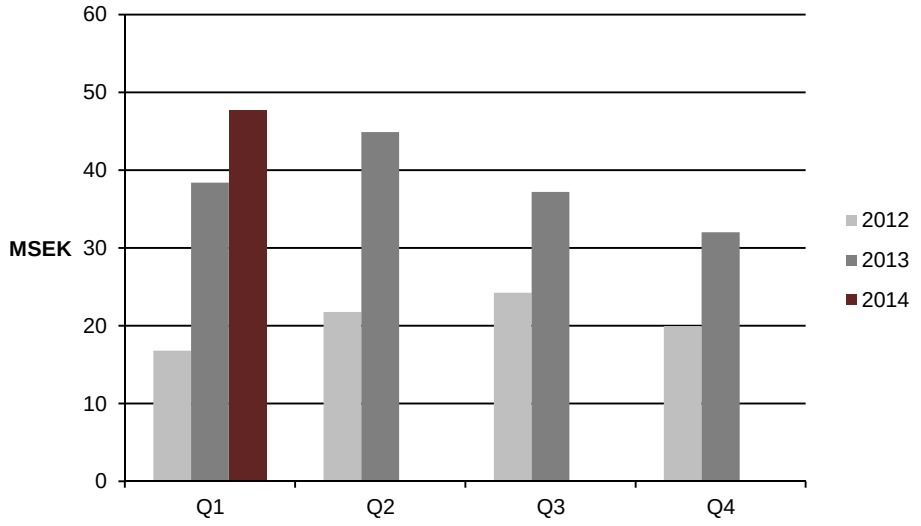
CONSOLIDATED REVENUE AND EARNINGS

Sales

In the first quarter of 2014, revenue amounted to MSEK 47.7 (38.4), up 24 percent compared with the first quarter of 2013. Of total product sales, revenue for Nalox™/Kerasal Nail® accounted for MSEK 25.8 (24.6), Kerasal® and JointFlex® for MSEK 9.1 (4.6) and MSEK 5.8 (9.2), respectively, while the newly acquired products of Domeboro®, Vanquish® and Fergon® contributed MSEK 5.2. Other operating income primarily comprised exchange-rate fluctuations.

Distribution of operating income (KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Sales of products	45,985	38,423	152,576
Milestone payments	1,762	-	4,813
Revenue	**47,747**	**38,423**	**157,389**
Other operating income	377	149	1,068
Total operating income	**48,124**	**38,572**	**158,457**

Revenue from product sales per quarter

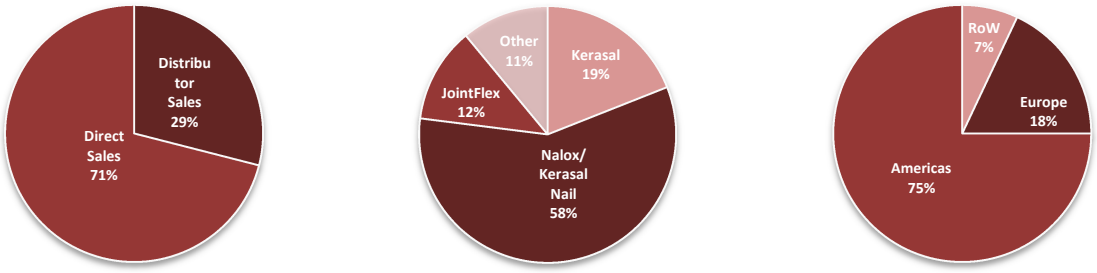


Revenue by channel (KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Direct sales	33,920	15,699	94,064
Sales of products to distributors	12,065	22,724	58,512
Milestone payments	1,762	-	4,813
TOTAL	**47,747**	**38,423**	**157,389**

Revenue by product category (KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Nalox/Kerasal Nail™, sales of products	25,827	24,564	93,152
Nalox/Kerasal Nail™, milestone payments	1,762	-	4,813
Kerasal®	9,127	4,642	26,263
JointFlex®	5,828	9,217	32,726
Other products	5,202	-	435
TOTAL	**47,747**	**38,423**	**157,389**

Revenue by geographical market (KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Europe	8,799	17,644	43,494
Americas	35,599	16,123	94,250
Rest of the world	3,349	4,656	19,645
TOTAL	**47,747**	**38,423**	**157,389**

Distribution of revenue as a percentage, January - March 2014



Channels **Products** **Geography**

Earnings

Operating profit for the first quarter of 2014 was MSEK 5.7 (loss: 3.7). The cost of goods sold was MSEK 9.8 (13.0), corresponding to a gross margin on product sales of 79 percent. Operating expenses, excluding cost of goods sold during the quarter, amounted to MSEK 32.6 (29.2), most of which was for selling expenses of MSEK 21.2 (14.2). The year-on-year increase of 49 percent mainly comprised increased marketing in the U.S., at the same time as direct sales in the U.S. increased 116 percent.

Profit after financial items amounted to MSEK 5.2, compared with the loss of MSEK 4.3 for January – March 2013. The earnings improvement was mainly due to higher sales, improved gross margin[3] and lower R&D expenses for future products. Sales revenue increased 24 percent during the period, while operating expenses in the first quarter were the same in 2014 as in 2013. Profit for the period after tax was MSEK 4.1 (loss: 2.8) and total comprehensive income was MSEK 5.0 (loss: 2.2).

EBITDA for the quarter amounted to 16 percent (-6). Adjusted for R&D expenses for future products, EBITDA for the commercial operations (existing product portfolio) amounted to 24 percent (14).

[3] Cost of goods sold in the first quarter of 2013 included nonrecurring costs of MSEK 3.1.

EBITDA Summary (KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Revenue	47,747	38,423	157,389
Cost of goods sold	-9,824	-13,045	-39,967
Gross profit	**37,923**	**25,378**	**117,422**
%	79%	66%	75%
Selling expenses	-19,773	-12,709	-69,813
Administrative expenses	-4,740	-4,852	-21,022
Research and development expenses – commercial operations[1)]	-2,149	-2,644	-10,249
Other operating income/operating expenses	377	149	1,068
EBITDA Commercial Operations[2)]	**11,638**	**5,322**	**17,406**
%	24%	14%	11%
Research and development expenses - future products[3)]	-2,423	-6,310	-18,790
Business development expenses	-1,680	-1,219	-6,566
EBITDA	**7,535**	**-2,207**	**-7,950**
%	16%	-6%	-5%
Depreciation/amortization	-1,838	-1,513	-6,105
Operating profit/loss (EBIT)	**5,697**	**-3,720**	**-14,055**

1) Research and development expenses – commercial operations includes R&D expenses for new product variants under existing brands, regulatory work and quality.
2) Commercial Operations include existing portfolio of launched brands including line extensions, but not development projects for new products.
3) Research and development expenses - future products includes R&D expenses for new products, for example, MOB-015.

FINANCIAL POSITION

Cash flow

Operating cash flow before changes in working capital improved substantially during the quarter to MSEK 7.2 (-1.8). The company has a season-related increase in working capital through market investments and higher orders for the peak season. Cash flow from operating activities was negative at MSEK 2.9 (neg: 0.4) for the first quarter. Cash and cash equivalents were MSEK 19.2 (36.6) at the end of the period.

Investments

Investments in intangible fixed assets pertain to capitalized expenditure for research and development work totaling MSEK 1.8 (0). In addition to capitalized expenditure for research and development work, Moberg Pharma also had costs of MSEK 4.6 (9.0) that were attributable to research and development that were expensed directly in the statement of comprehensive income, of which MSEK 2.4 (6.3) was related to future products.

Liabilities

Interest-bearing liabilities comprise a loan to Swedbank in the amount of MSEK 26.7, of which MSEK 3.3 (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 2013 annual report and there have been no significant changes during the period in relation to equity in the subsidiary Moberg Pharma North America LLC.

CHANGES IN EQUITY

Shares

At the end of the period, share capital amounted to SEK 1,189,357.20 (1,081,257.20), and the total number of shares outstanding was 11,893,572 (10,812,572) ordinary shares with a nominal value of SEK 0.10.

Disclosure of ownership

The Company's largest shareholders at March 31, 2013:

Shareholders	No. of shares	% of votes and capital
The Baltic Sea Foundation	2,274,179	19.1
Six Sis Ag, W8imy	1,032,495	8.7
JPM Chase NA	825,652	6.9
Bure Equity Ab (Publ)	814,533	6.8
Insurance company, Avanza Pension	706,090	5.9
Wolco Invest AB[4]	600,000	5.0
Handelsbanken Fonder AB Re Jpmel	571,423	4.8
Grandeur Peak	512,700	4.3
Third AP Fund	486,000	4.1
Mobederm AB	330,012	2.8
Deutsche Bank Ag Ldn-Prime Broker, Age Full Tax	238,888	2.0
Deutsche Bank AG, London Branch	176,141	1.5
Synskadades Stiftelse	172,201	1.4
Kaufmann, Peter	120,800	1.0
Tolvplus4 AB	116,636	1.0
Lundmark, Anders	105,500	0.9
Mattsson, Hans Rudolf Michael	100,846	0.8
Jakobsson, Ulf	90,100	0.8
Eklund, Thomas	73,366	0.6
Eccenovo AB	62,026	0.5
TOTAL, 20 LARGEST SHAREHOLDERS	**9,409,588**	**79.1**
Other shareholders	2,483,984	20.9
TOTAL	**11,893,572**	**100.0**

Stock options

At March 31, 2014, there were a total of 654,779 warrants outstanding. If all warrants were exercised for shares, the number of shares would increase by 900,634, from 11,893,572 shares to 12,794,206 shares.

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

ORGANIZATION

At March 31, 2014, the Moberg Pharma Group had 29 employees, of whom 59 percent were women. Of these, 20 were employed in the Parent Company, of whom 60 percent 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 22.5 for the period January to March 2014, compared with MSEK 21.5 in 2013. Operating expenses, excluding the cost of goods sold, amounted to MSEK 11.4 (MSEK 18.3) and profit after financial items to MSEK 5.4 (loss: 2.4). Cash and cash equivalents were MSEK 9.6 (31.3) 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 2013 Annual Report on page 35.

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 for shareholders through profitable growth from organic sales growth, acquisitions and in-licensing of new products. The ability to commercialize new products, enter into partnerships for its projects and to successfully develop the company's projects to market launch and sales is crucial to Moberg Pharma's future success. The company's financial objectives are to achieve continued healthy growth and an operating margin (EBITDA margin) of at least 25 percent within three years.

In 2014, the focus will be on sales growth and improved earnings. Significant components are integrating acquisitions, identifying further business opportunities and supporting the company's distributors and retailers.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Revenue	47,747	38,423	157,389
Cost of goods sold	-9,824	-13,045	-39,967
Gross profit	**37,923**	**25,378**	**117,422**
Selling expenses[1)]	-21,228	-14,162	-75,674
Business development and administrative expenses	-6,803	-6,131	-27,832
Research and development expenses	-4,572	-8,954	-29,039
Other operating income	377	149	1,068
Other operating expenses	0	-	-
Operating profit/loss (EBIT)	**5,697**	**-3,720**	**-14,055**
Interest income and similar items	133	106	545
Interest expense and similar items	-582	-693	-2,665
Profit/loss after financial items (EBT)	**5,248**	**-4,307**	**-16,175**
Tax on profit for the period	-1,178	1,556	4,817
PROFIT/LOSS FOR THE PERIOD	**4,070**	**-2,751**	**-11,358**
Items that will be reclassified into the income statement			
Translation differences on translation of foreign operations	891	513	-724
Other comprehensive income/loss	891	**513**	-724
COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	**4,961**	**-2,238**	**-12,078**
Profit/loss for the period attributable to Parent Company shareholders	4,070	-2,751	-11,358
Profit/loss for the period attributable to minority interests	-	-	-
Comprehensive income/loss attributable to Parent Company shareholders	4,961	-2,238	-12,082
Total comprehensive income attributable to minority interests	-	-	-
Earnings/loss per share before dilution	**0.34**	**-0.25**	**-1.01**
Earnings per share after dilution[2)]	**0.34**	**-0.25**	**-1.01**
[1)]Of which amortization of product rights	-1,455	-1,453	-5,861
EBITDA	**7,535**	**-2,207**	**-7,950**
Depreciation/amortization of product rights	-1,455	-1,453	-5,861
Other depreciation/amortization	-383	-60	-244
Operating profit/loss (EBIT)	**5,697**	**-3,720**	**-14,055**
EBITDA excluding acquisition-related costs	**7,535**	**864**	**-4,879**

[2)] *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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(KSEK)	March 31, 2014	March 31, 2013	December 31, 2013
Assets			
Intangible fixed assets	182,695	155,010	181,820
Tangible fixed assets	1,091	1,350	1,180
Financial fixed assets	63	63	63
Deferred tax assets	28,183	23,765	29,327
Total fixed assets	**212,032**	**180,188**	**212,390**
Inventories	7,892	7,496	6,968
Accounts receivable and other receivables	41,874	41,982	25,113
Cash and bank balances	19,227	36,275	27,138
Total current assets	**68,993**	**85,753**	**59,219**
TOTAL ASSETS	**281,025**	**265,941**	**271,609**
Equity and liabilities			
Equity (attributable to Parent Company shareholders)	206,588	176,295	201,494
Long-term interest-bearing liabilities	13,333	24,444	16,667
Long-term non-interest-bearing liabilities	1,871	14,835	1,860
Current interest-bearing liabilities	13,333	15,556	13,333
Current non-interest-bearing liabilities	45,900	34,811	38,255
TOTAL EQUITY AND LIABILITIES	**281,025**	**265,941**	**271,609**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Operating activities			
Operating profit/loss before financial items	5,697	-3,720	-14,056
Financial items, received and paid	-465	111	-1,123
Taxes paid	3	-	16
Adjustments for non-cash items:			
Depreciation/amortization	1,838	1,513	6,105
Employee stock option costs	140	299	808
Cash flow before changes in working capital	**7,213**	**-1,797**	**-8,250**
Change in working capital			
Increase (-)/Decrease (+) in inventories	-854	2,244	2,708
Increase (-)/Decrease (+) in operating receivables	-4,623	96	12,597
Increase (+)/Decrease (-) in operating liabilities	-4,590	-953	-10,205
CASH FLOW FROM OPERATING ACTIVITIES	**-2,854**	**-410**	**-3,150**
Investing activities			
Net investments in intangible fixed assets	-1,782	-	-30,299
Net investments in equipment	-	-87	-201
Net investments in subsidiaries	-	-16,658	-16,658
CASH FLOW FROM INVESTING ACTIVITIES	**-1,782**	**-16,745**	**-47,158**
Financing activities			
Borrowings (+) / Loan amortization (-)	-3,333	-	-10,000
New share issue after transaction costs	-	-	34,049
CASH FLOW FROM FINANCING ACTIVITIES	**-3,333**	-	**24,049**
Change in cash and cash equivalents	**-7,969**	**-17,155**	**-26,259**
Cash and cash equivalents at the start of the period	27,138	53,423	53,423
Exchange-rate difference in cash and cash equivalents	58	7	-26
Cash and cash equivalents at the end of the period	19,227	36,275	27,138

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(KSEK)	Share capital	Other capital contributions	Translation reserve	Accumulated deficit	Total equity
January 1, 2014 - March 31, 2014					
Opening balance, January 1, 2014	**1,189**	**300,569**	**-3,554**	**-96,710**	**201,494**
Comprehensive income					
Results for the period				4,070	4,070
Other comprehensive income - translation differences on translation of foreign operations			891		891
Transactions with shareholders					
Employee stock options		133			133
CLOSING BALANCE, MARCH 31, 2014	**1,189**	**300,702**	**-2,663**	**-92,640**	**206,588**
January 1, 2013 - March 31, 2013					
Opening balance, January 1, 2013	**1,081**	**265,334**	**-2,829**	**-85,352**	**178,234**
Comprehensive income					
Results for the period				-2,751	-2,751
Other comprehensive income – translation differences attributable to translation of foreign operations			513		513
Transactions with shareholders					
Employee stock options		299			299
CLOSING BALANCE, MARCH 31, 2013	**1,081**	**265,633**	**-2,316**	**-88,103**	**176,295**
January 1, 2013 – December 31, 2013					
Opening balance, January 1, 2013	**1,081**	**265,334**	**-2,829**	**-85,352**	**178,234**
Comprehensive income					
Results for the period				-11,358	-11,358
Other comprehensive income – translation differences attributable to translation of foreign operations			-725		-725
Transactions with shareholders					
New share issue	108	36,149			36,257
Transaction costs, new share issue		-1,722			-1,722
Employee stock options		808			808
CLOSING BALANCE, DECEMBER 31, 2013	**1,189**	**300,569**	**-3,554**	**-96,710**	**201,494**

KEY FIGURES FOR THE GROUP

(KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Revenue	47,747	38,423	157,389
Gross margin %	79%	66%	75%
Gross margin on product sales %, excluding acquisition-related costs and items affecting comparability	79%	74%	77%
EBITDA excluding acquisition-related costs	7,535	864	-4,879
EBITDA % excluding acquisition-related costs	16%	2%	neg.
EBITDA	7,535	-2,207	-7,950
Operating profit/loss (EBIT)	5,697	-3,720	-14,055
Profit/loss after tax	4,070	-2,238	-11,358
Profit margin %	9%	neg.	neg.
Total assets	281,025	265,941	271,609
Net receivables	-7,439	-3,725	-2,862
Debt/equity ratio	13%	23%	15%
Equity/assets ratio	74%	66%	74%
Return on equity	2%	-2%	-6%
Earnings per share, SEK	0.34	-0.25	-1.01
Operating cash flow per share, SEK	-0.24	-0.04	-0.28
Equity per share, SEK	17.37	16.30	16.94
Average number of shares before dilution	11,893,572	10,812,572	11,265,704
Average number of shares after dilution	12,034,568	11,230,372	11,735,821
Number of shares at end of period	11,893,572	10,812,572	11,893,572
Share price on the closing date, SEK	29.40	34.90	31.60
Market capitalization on the closing date, MSEK	350	377	376

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
Equity per share*	Profit/loss after tax divided by the average number of shares outstanding
Operating cash flow per share	Cash flow from operating activities divided by the average number of shares outstanding
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 2014	Jan-Mar 2013	Full-year 2013
Revenue	22,481	21,448	82,296
Cost of goods sold	-5,943	-5,180	-19,063
Gross profit	**16,538**	**16,268**	**63,233**
Selling expenses	-2,399	-5,626	-14,363
Business development and administrative expenses	-4,404	-3,714	-17,407
Research and development expenses	-4,572	-8,954	-29,039
Other operating income	377	149	1,068
Other operating expenses	-	-	-
Operating profit/loss	**5,540**	**-1,877**	**3,492**
Interest income	413	128	832
Interest expense	-578	-693	-2,673
Profit/loss after financial items	**5,375**	**-2,442**	**1,651**
Tax on profit for the period	-1,253	519	-685
PROFIT/LOSS	**4,122**	**-1,923**	**966**

CONDENSED PARENT COMPANY BALANCE SHEET

(KSEK)	March 31, 2014	March 31, 2013	December 31, 2013
Assets			
Intangible fixed assets	33,968	239	32,509
Tangible fixed assets	597	714	653
Financial fixed assets	178,107	178,107	178,107
Deferred tax assets	20,533	22,533	21,787
Total fixed assets	**233,205**	**201,593**	**233,056**
Accounts receivable and other receivables	18,489	-	11,582
Receivables to Group companies	26,423	27,147	19,024
Cash and bank balances	9,567	31,329	22,244
Total current assets	**54,479**	**58,476**	**52,850**
TOTAL ASSETS	**287,684**	**260,069**	**285,906**
Equity and liabilities			
Shareholders' equity	229,319	187,501	225,156
Long-term interest-bearing liabilities	13,333	24,444	16,667
Long-term non-interest-bearing liabilities	-	16,300	-
Current interest-bearing liabilities	13,333	15,556	13,333
Current non-interest-bearing liabilities	31,699	16,268	30,750
TOTAL EQUITY AND LIABILITIES	**287,684**	**260,069**	**285,906**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(KSEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Operating activities			
Operating profit/loss before financial items	5,540	-1,877	3,492
Financial items, received and paid	-465	123	-836
Taxes paid	-	-	28
Adjustments for non-cash items:			
Depreciation/amortization	379	60	244
Employee stock option costs	41	212	443
Cash flow before changes in working capital	**5,495**	**-1,482**	**3,371**
Change in working capital			
Increase (-)/Decrease (+) in operating receivables and inventories	-13,927	4,489	626
Increase (+)/Decrease (-) in operating liabilities	870	-5,845	-9,558
CASH FLOW FROM OPERATING ACTIVITIES	**-7,562**	**-2,838**	**-5,561**
Investing activities			
Net investments in intangible fixed assets	-1,782	-	-30,299
Net investments in equipment	-	-13	-125
Net investments in subsidiaries	-	-16,658	-16,658
CASH FLOW FROM INVESTING ACTIVITIES	**-1,782**	**-16,671**	**-47,082**
Financing activities			
Borrowings (+) / Loan amortization (-)	-3,333	-	-10,000
New share issue after transaction costs	-	-	34,049
CASH FLOW FROM FINANCING ACTIVITIES	**-3,333**	-	**24,049**
Change in cash and cash equivalents	**-12,677**	**-19,509**	**-28,594**
Cash and cash equivalents at the start of the period	22,244	50,838	50,838
Cash and cash equivalents at the end of the period	9,567	31,329	22,244

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 2013, 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.

"IFRS" in this document refers to the application of both IASs and IFRSs as interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting principles and calculation methods as described in the 2013 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, 2014. 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 millions of 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

The acquisition of Moberg Pharma North America includes additional purchase considerations that are triggered if revenue for the acquired company reaches a certain amount. If the established targets are achieved, an additional consideration of a maximum of MUSD 2.5 per period, a total of a maximum of MUSD 5, is to be paid to the sellers of Moberg Pharma North America. The targets for the first additional consideration were achieved and MUSD 2.5 was paid in the first quarter of 2013.

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

FINANCIAL INSTRUMENTS

As on December 31, 2013, the fair value of financial instruments approximates to their carrying amount.

FUTURE REPORTING DATES

Interim report for January – June 2014	August 13, 2014
Interim report for January – September 2014	November 14, 2014

FOR MORE INFORMATION, PLEASE CONTACT

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

BOARD DECLARATION

This interim report is unaudited.

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 13, 2014

Mats Pettersson *Chairman*	Peter Wolpert *CEO and Board member*	Torbjörn Koivisto *Board member*
Wenche Rolfsen *Vice Chairman*	Geert Cauwenbergh *Board member*	George Aitken-Davies *Board member*
Peter Rothschild *Board member*	Gustaf Lindewald *Board member*	