A different kind of pharma company

SUCCESSFUL FOURTH QUARTER AND THE FIRST PROFITABLE FULL YEAR

"*After a strong fourth quarter with 38% growth in product sales, we achieved two major milestones for the full year – revenue over SEK 200 million and MSEK 25 in EBITDA*", comments Peter Wolpert, CEO of Moberg Pharma

PERIOD (JAN-DEC 2014)

- Revenue MSEK 200.2 (157.4)
- EBITDA MSEK 25.3 (loss: 7.9)
- EBITDA for existing product portfolio MSEK 43.4 (17.4)
- Operating profit (EBIT) MSEK 17.2 (loss: 14.1)
- Net profit after tax MSEK 12.3 (loss: 11.4)
- Earnings per share SEK 0.95 (loss: 1.01)
- Operating cash flow per share SEK 1.27 (neg: 0.27)
- The Board proposes that no dividend will be distributed for the 2014 financial year

FOURTH QUARTER (OCT-DEC 2014)

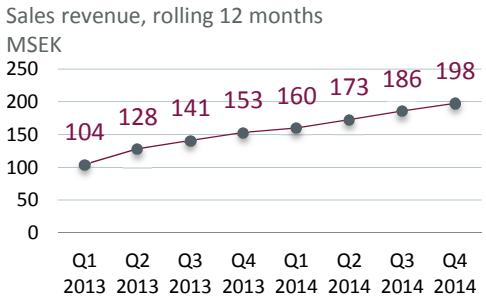
- Revenue MSEK 44.5 (36.8)
- EBITDA MSEK 3.6 (2.4)
- EBITDA for existing product portfolio MSEK 9.1 (6.9)
- Operating profit (EBIT) MSEK 1.4 (loss: 0.8)
- Net profit after tax, loss: MSEK 0.3M (loss: 0.4)
- Earnings per share, loss: SEK 0.02 (loss: 0.04)
- Operating cash flow per share SEK 0.42 (0.07)

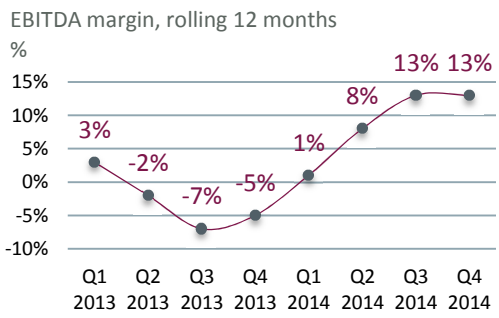
SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- First patient included in the BUPI oral mucositis Phase II study
- Expanded cooperation with the Emerson Group in the U.S.
- Jeff Vernimb appointed new General Manager for U.S. operations on December 15
- George Aitken-Davies resigned from the Board
- Launch of new line extension of Kerasal Nail at CVS, the second largest pharmacy chain in the U.S.

SIGNIFICANT EVENTS AFTER THE QUARTER

- Moberg Pharma and Menarini Group expand their collaboration concerning Emtrix to Russia and Ukraine
- Approval in China and launch activities have been initiated in Malaysia, Singapore and Hong Kong
- New Kerasal product launched in the U.S.
- Approved patent in the U.S. for MOB-015





TELEPHONE CONFERENCE

CEO Peter Wolpert will present the report at a teleconference at 2.00 p.m. (CET) on Monday, March 2, 2015.
Telephone: SE: +46 8 56642700, US: +1 8558315945

CEO's COMMENTS

After a strong fourth quarter with 38% growth in product sales (excluding milestone payments), we achieved two major objectives – reaching 200 MSEK in annual sales and completing our first full year of profitability from recurrent sales. For the year, we delivered an EBITDA of 25 MSEK, equaling 13% EBITDA margin, and held gross margin at 75% (72% in the fourth quarter). EBITDA for our commercial operations (which excludes R&D and business development costs related to future products) was 43 MSEK for the year, equaling 22% Commercial EBITDA margin (21% in the fourth quarter).

Strong growth in U.S. direct sales
Our U.S. sales grew by 35% in the fourth quarter (26%, at fixed exchange rates) with Kerasal Nail® as the key growth driver. Importantly, Kerasal Nail maintained a U.S. market share above 20%[1] despite lower marketing investments compared to last year, which was a key element in the 2014 profitability improvement plan. The extension of our partnership with the Emerson Group to include logistics will enable internal resources to focus on our core - managing our brands and executing marketing initiatives. The launches of two new products - Kerasal Nail Fungal Nail Repair at CVS in early 2015 and Kerasal Nail Complete Care at Walgreens and other retailers - should further drive sales growth in 2015.

Expansion into Asia drove distributor sales growth
Distributor sales grew by 44% in the fourth quarter excluding milestone payments. Continued growth in Canada and the launch in Asia were key growth drivers. The results in Malaysia, the first Asian market to launch, are excellent to date with product distribution secured in the pharmacies, positive responses to the first series of TV commercials and good reorder rates. The recent market approval in China and launches initiated in several Southeast Asian markets creates excellent opportunities to drive further growth. We expect most of the contracted markets in Asia to launch as planned during 2015.

Sales to European distributors were weak in the fourth quarter, partly due to seasonal variation between quarters. We are continuously evaluating ways to improve sales in prioritized markets and to that end we recently changed our distribution partner in Russia – a market yet to be launched but which we believe has significant long-term potential.

Innovation engine - MOB-015 US patent granted
As discussions for potential financial and industrial partners for MOB-015 continue, we marked another milestone in the quarter with key patent approval for MOB-015 in U.S. which strengthens the value of our MOB-015 asset. The clinical study for BUPI in oral mucositis patients is proceeding according to plan - we expect to announce topline results this summer. The innovation and launches of two new Kerasal Nail line extensions in the U.S. also demonstrate our continued commitment to becoming the leading player for nail fungus related problems.

Delivered on goal - and aiming for further growth
Early last year, we set out to make improved profitability our highest priority for 2014. By prioritizing profitability improvement ahead of maximizing sales growth, there were some tough choices that were required, such as reducing advertising for some of our mature brands and forgoing investments that would have maximized our growth for Kerasal Nail in the U.S. Those decisions paid off as we delivered significantly improved profitability in 2014.

I am very pleased with the last quarter as well as the full year. We have strengthened our financial position, delivered profitability from our base business, strengthened our leadership team and advanced our Innovation Engine with pipeline assets as well as line extensions for our key strategic brand. We are in a strong position to drive further growth in sales and earnings.

Peter Wolpert, VD Moberg Pharma

[1] U.S. retail sales of nail fungus products excluding private label in Multioutlet Stores over the last 52 weeks ending December 28, 2014 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 formulation 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 27 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 22 markets
	**Domeboro®**	Itching and irritated skin	Direct sales in the U.S.
	**Domeboro®**	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®

Clinically proven for the treatment of nail fungus. The product was launched in the Nordic region in the autumn of 2010 and quickly became the market leader. The international launch is ongoing via a direct sales organization in the U.S. and ten partners that hold rights for more than 60 markets, including the major EU markets, Canada, China, and South East Asia. Nalox™ is an 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 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 heels, calluses and foot pain, and to soften and moisturize dry feet. Kerasal® contains salicylic acid, an effective agent for softening the upper layer of the skin (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 includes products for resale only by specialists. During autumn 2013, the product line was expanded to include Kerasal® NeuroCream, a non-prescription analgesic foot cream.

JointFlex®

JointFlex® is a topical non-prescription 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 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 plant toxins, insect bites or reactions to detergents/cosmetics. The product has a drying and astringent effect (contributes to the contraction of superficial blood vessels 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.), aspirin 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 new topical treatment for nail fungus (onychomycosis) with fungicidal, keratolytic and moisturizing properties. The company'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 that can be observed with tablet 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 with the help of leading expertise at Sahlgrenska University Hospital in Gothenburg, Sweden. Patients with 25-75% of a large toenail affected by nail fungus was 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 indication of nail fungus. Positive results from this study were presented in mid-September 2014. The primary treatment objective, mycological cure, was achieved in 13 of the 24 patients (54%) who participated in 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 was generally well tolerated. This study included patients with more severe onychomycosis than recently published studies of topical treatment alternatives.

BUPI - Bupivacaine lozenge

BUPI is 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. Promising clinical data supporting safety and efficacy has been demonstrated 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 in oral mucositis during the fourth quarter of 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 sales potential of the product at MUSD 50-100 assuming successful commercialization in the treatment of oral mucositis and at least one additional indication.

BUSINESS DEVELOPMENT DURING 2014

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 - has been granted exclusive rights to market and sell Kerasal Nail® in eight countries in South East Asia.

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 exceeding 550 million inhabitants in one of the world's 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 opportunities and challenges existing in these various markets.

Intensified cooperation with the Emerson Group in the U.S.
In November, Moberg Pharma announced that the company had entered into a services agreement with Emerson Healthcare, a division of Emerson Group, which will provide certain logistical services and all order to settlement functions for retail and wholesale customers in the U.S. At the same time, a new Sales Representation Agreement was signed with the Emerson Group. The two agreements are expected to result in savings in sales and administrative expenses.

Product and project development

Positive results from Phase II clinical trial for MOB-015
In September, positive results were announced from the Phase II clinical trial of MOB-015. After 12 months of treatment with MOB-015 and a three-month follow-up period, 54% of the patients were mycologically cured (free from fungus). No side effects related to the product have been identified. MOB-015 is a topical formulation of terbinafine for the treatment of nail fungus. The study confirms the product concept underlying MOB-015 and provides a basis for a Phase III study and discussions with potential partners.

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. The new formula provides benefits to consumers by improving user-friendliness, facilitating nail penetration and improving stability. Moberg Pharma has applied for patent protection for the new product with a projected expiry date in 2034.

New line extension of Kerasal Nail® targeted at customers wishing to purchase beauty products
In December, deliveries commenced to CVS of Kerasal Nail® Fungal Nail Repair, a new line extension of Kerasal Nail®. CVS is the first pharmacy chain to sell the new product, which in its new packaging is specifically aimed at customers in the beauty segment.

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 the Danish company 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 royalties on future sales when gross profit generated from these sales exceeds Moberg Pharma's accumulated development costs incurred prior to launch.

First patient included in the Phase II study with BUPI
In October, Moberg Pharma announced that the first patient had been included in a randomized, controlled Phase II study of BUPI, a novel topical formulation for the treatment of oral pain. The aim is to confirm the promising results gained from several smaller pilot studies and to evaluate whether bupivacaine formulated as a lozenge can be an effective, safe and patient friendly treatment of oral pain. The results are expected in the first half of 2015.

Strengthened financial position

Private placement of MSEK 60 for continued expansion
In May 2014, the Board of Directors resolved, based on authorization from the 2014 Annual General Meeting, to disapply the shareholders´ preferential rights and issue 2,068,965 new shares to a limited group of Swedish and international institutional qualified investors at a price of SEK 29 per share through a private placement. The private placement generated approximately MSEK 60 before transaction costs, and the proceeds from the private placement will strengthen Moberg Pharma's balance sheet and enable value-creating investments, including acquisitions of additional brands/products as well as preparations for licensing and developing product candidates in the clinical phase.

Significant changes in organization

Moberg Pharma recruits new General Manager for U.S. operations

On December 15, 2014, Jeff Vernimb was appointed as the new CEO of the company's U.S. operations and a member of Moberg Pharma's management group. Jeff Vernimb has over 25 years 'experience in the marketing and selling of non-prescription pharmaceuticals in both multinational companies and small entrepreneurially managed companies.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Approval in China

In January 2015, Moberg Pharma's partner, Menarini Asia-Pacific, was granted approval for Moberg's nail product in China. Launch preparations in a number of markets in the region are progressing faster than planned and Menarini has initiated launch activities in Malaysia, Singapore and Hong Kong. Preparations are under way in other markets in the region.

Moberg Pharma and the Menarini Group are expanding their collaboration to Russia and Ukraine

In February 2015, Berlin-Chemie AG, part of the Menarini Group, was granted exclusive rights to market and sell Emtrix® in Russia and Ukraine. The product rights for Emtrix® in Russia were released from a previous distribution agreement under which the product was not launched.

Approved patent in the U.S.

The United States Patent and Trademark Office has approved the U.S. patent with number 8,952,070, concerning MOB-015 for the topical treatment of nail fungus. The patent will expire in 2032.

New Kerasal® product launched in the U.S.

In February, deliveries commenced to Walgreens of Kerasal® Complete Care, a new foot care product in a duo-pack with two effective treatments, which restore a healthy appearance to nails affected by nail fungus and treat foot fungus. The product is aimed at the large group of patients who have both nail fungus and foot fungus.

CONSOLIDATED REVENUE AND EARNINGS

Sales

Fourth quarter (October-December 2014)

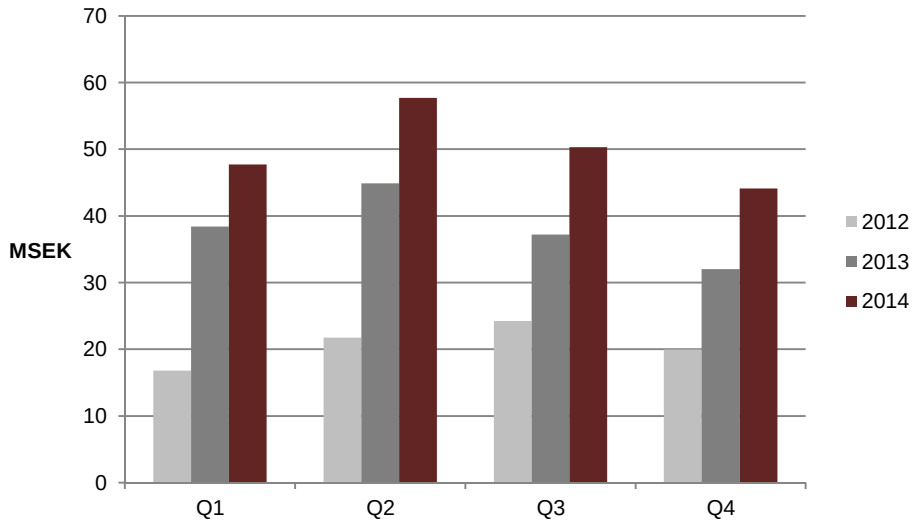
In the fourth quarter of 2014, revenue totaled MSEK 44.5 (36.8), up 21% compared with the fourth quarter of 2013; increase in product sales (excluding milestone payments) amounted to 38%. Of total product sales, revenue for Nalox™/Kerasal Nail® was MSEK 23.6, while Kerasal® and JointFlex® accounted for MSEK 5.5 and MSEK 8.8 respectively. Other products contributed MSEK 6.2. Other operating income primarily comprised exchange-rate fluctuations.

Full-year (January-December 2014)

During 2014, revenue amounted to MSEK 200.2 (157.4), up 27%. Adjusted for milestone payments, revenue increased 30%. The majority of revenue, MSEK 112.8 (93.2), was derived from product sales of Nalox™/ Kerasal Nail®. Product sales totaled MSEK 29.0 for Kerasal®, MSEK 30.9 for JointFlex® and MSEK 25.4 for other products. Sales growth primarily took place in the U.S., where sales rose by 57% to MSEK 148.1. Sales totaled MSEK 30.1 in Europe and MSEK 22.0 in the rest of the world.

Distribution of revenues (KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Sales of products	44,059	32,020	198,011	152,576
Milestone payments	407	4,813	2,169	4,813
Revenue	**44,466**	**36,833**	**200,180**	**157,389**
Other operating income	3,507	751	5,791	1,068
Total revenues	**47,973**	**37,584**	**205,971**	**158,457**

Revenue from product sales per quarter



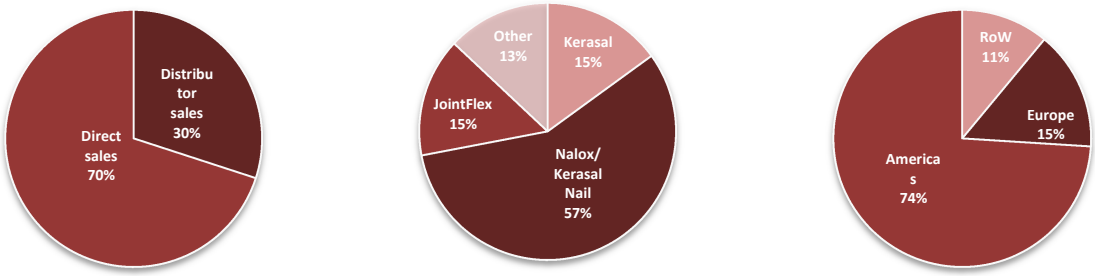
Revenue by channel (KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Direct sales	30,005	22,263	138,918	94,064
Sales of products to distributors	14,054	9,757	59,093	58,512
Milestone payments	407	4,813	2,169	4,813
TOTAL	**44,466**	**36,833**	**200,180**	**157,389**

Revenue by product category (KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Nalox™/Kerasal Nail®, sales of products	23,610	15,319	112,709	93,152
Nalox™/Kerasal Nail®, milestone payments	407	4,813	2,169	4,813
Kerasal®	5,503	6,611	29,035	26,263
JointFlex®	8,758	9,655	30,908	32,726
Other products	6,188	435	25,359	435
TOTAL	**44,466**	**36,833**	**200,180**	**157,389**

Revenue by geographical market (KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Europe	1,566	8 094[1)]	30,115	43,494
America	32,860	20,913	148,112	94,250
Rest of the world	10,040	7,826[2)]	21,953	19,645
TOTAL	**44,466**	**36,833**	**200,180**	**157,389**

[1)] *of which KSEK 2,243 were milestone payments*
[2)] *of which KSEK 2,570 were milestone payments*

Distribution of revenue in percent, January - December 2014



Channels **Products** **Geography**

Earnings

Fourth quarter (October-December 2014)
Operating profit for the fourth quarter of 2014 amounted to MSEK 1.4 (0.8). Cost of goods sold was MSEK 12.2 (9.6), corresponding to a gross margin on product sales of 72% (75%). Operating expenses, excluding cost of goods sold during the quarter, totaled MSEK 34.3 (27.2), which mainly comprised selling expenses of MSEK 21.8 (14.5).

EBITDA for the quarter was 8% (6%). Adjusted for R&D and Business Development expenses for future products, EBITDA for the existing product portfolio was 21% (19%).

Full-year 2014
Operating profit for 2014 was MSEK 17.2 (loss: 14.1). Cost of goods sold was MSEK 49.1 (40.0). Operating expenses, excluding cost of goods sold during the quarter, totaled MSEK 139.7, compared with MSEK 132.5 during the previous year.

Profit after financial items amounted to MSEK 16.6, compared with a loss of MSEK 16.2 for 2013. The earnings improvement was mainly attributable to higher sales, improved gross margin[3], lower marketing costs in relation to revenue and reduced R&D expenses for future products. Sales revenue increased 27% and cost of goods sold 23% during the period, while other operating expenses rose by 5% during 2014 compared with 2013. Profit for the period after tax was MSEK 12.3 (loss: 11.4) and total comprehensive income MSEK 45.3 (loss: 12.1). The improvement in total comprehensive income includes currency translation gains of MSEK 33.0 due to the stronger USD.

EBITDA 2014 was 13% (neg. 5%). Adjusted for R&D and Business Development expenses for future products, EBITDA for the existing product portfolio was 22% (11%).

EBITDA summary (KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Revenue	44,466	36,833	200,180	157,389
Cost of goods sold	-12,231	-9,561	-49,064	-39,967
Gross profit	**32,235**	**27,272**	**151,116**	**117,422**
%	72%	74%	75%	75%
Selling expenses	-19,024	-12,988	-85,648	-69,813
Administrative expenses	-6,082	-5,592	-20,622	-21,022
Research and development expenses - existing product portfolio[1)]	-1,488	-2,455	-7,251	-10,249
Other operating income/operating expenses	3,507	751	5,791	1,068
EBITDA existing product portfolio	**9,148**	**6,988**	**43,387**	**17,406**
%	21%	19%	22%	11%
Research and development expenses - future products[2)]	-3,994	-3,134	-12,283	-18,790
Business development expenses	-1,573	-1,495	-5,809	-6,566
EBITDA	**3,582**	**2,359**	**25,295**	**-7,950**
%	8%	6%	13%	-5%
Depreciation/amortization	-2,180	-1,533	-8,068	-6,105
Operating profit (EBIT)	**1,402**	**826**	**17,227**	**-14,055**

1) Research and development expenses –existing product portfolio 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 new product candidates, for example MOB-015.

FINANCIAL POSITION

Cash flow

Fourth quarter (October-December 2014)
Cash flow from operating activities was MSEK 5.9 (0.8) for the fourth quarter.

[3] Cost of goods sold in the first quarter of 2013 included a negative acquisition-related non-recurring effect of MSEK 3.1.

Full-year 2014
Operating cash flow before changes in working capital improved substantially during the year to MSEK 24.1 (neg: 8.2). Cash flow from operating activities was MSEK 16.2 (-3.1). Cash and cash equivalents were MSEK 62.5 (27.1) at the end of the period.

Investments

Investments in subsidiaries relate to the additional consideration paid for the acquisition of Moberg Pharma North America and totaled MSEK 17.2 (16.7). With this, the final additional consideration for the acquisition of the U.S. operations has now been paid.

Investments in intangible fixed assets pertain primarily to the acquisition from Oracain II Aps of the rights to a patent-pending formulation of the known substance bupivacaine for treatment of oral pain. The initial investment was MSEK 2.0, including transaction costs. In addition to the initial compensation, Oracain is entitled to a payment of MDKK 4 after positive Phase II data and a royalty on future sales as gross profit generated from these sales exceeds Moberg Pharma's accumulated development costs prior to launch.

In addition to the acquisition of Oracain, the company has made investments in intangible assets in information systems of MSEK 1.9 (0) and capitalized expenditure for development work totaling MSEK 3.3 (0.4). Moberg Pharma also had R&D costs of MSEK 19.9 (29.0) that were expensed directly in the statement of comprehensive income, of which MSEK 12.3 (18.8) was related to future products.

Liabilities

Interest-bearing liabilities comprise a loan from Swedbank in the amount of MSEK 16.7, of which MSEK 13.3 (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 2013 Annual Report.

CHANGES IN EQUITY

Shares

On May 27, 2014, the Board of Directors resolved, based on authorization from the 2014 Annual General Meeting, to by-pass the shareholders´ preferential rights and issue 2,068,965 new shares to a limited group of Swedish and international institutional qualified investors at a price of SEK 29 per share through a private placement procedure. The private placement generated approximately MSEK 60 before transaction costs, and the proceeds from the private placement will strengthen Moberg Pharma's balance sheet and enable value-creating investments, including acquisitions of additional brands/products as well as preparations for licensing and developing product candidates in the clinical phase.

As a result of the new share issue, the number of shares in Moberg Pharma increased 2,068,965 shares from 11,893,572 shares to 13,962,537 shares in total and the share capital increased by SEK 206,896.50 from SEK 1,189,357.20 to SEK 1,396,253.70 in total. The new share issue entailed dilution of approximately 15%.

At the end of the period, share capital totaled SEK 1,396,253.70 (1,189,357.20), and the total number of shares outstanding was 13,962,537 (11,893,572) ordinary shares with a nominal value of SEK 0.10.

Stock options

On May 13, 2014, the Annual General Meeting of Moberg Pharma AB resolved to implement a private placement of 236,351 warrants (equivalent to 236,351 shares) to the company's wholly owned subsidiary Moberg Derma Incentives AB and to introduce the employee stock option scheme 2014:1. In the employee stock option scheme 2014:1, 196,500 stock options were allotted and 39,851 warrants reserved to cover future social security expenses for the employee stock options. The terms and conditions of the employee stock option scheme 2014:1 comply with the terms and conditions of the employee stock option scheme 2013:1, with the following exceptions: employee stock options in the 2014:1 scheme vest on June 30, 2017, the exercise price is SEK 37.64 per option and the last day for subscription is December 31, 2018. For a description of the terms and conditions of the employee stock option scheme 2013:1, refer to the 2013 Annual Report on page 60.

At December 31, 2014, there were a total of 891,130 warrants outstanding. If all warrants were exercised for shares, the number of shares would increase by 1,136,985, from 13,962,537 shares to 15,099,522.

Disclosure of ownership

Company's largest shareholders at December 31, 2014:

Shareholders	No. of shares	% of votes and capital
The Baltic Sea Foundation	2,255,779	16.2
Insurance company, Avanza Pension	959,363	6.9
Handelsbanken Fonder AB RE JPMEL	846,526	6.1
JPM Chase NA	825,652	5.9
Third AP Fund	656,000	4.7
Wolco Invest AB[4]	600,000	4.3
Deutsche Bank AG LDN-Prime Broker, AGE Full tax	415,029	3.0
Grandeur Peak International	371,800	2.7
Societe Generale	359,557	2.6
Banque Carnegie Luxemburg s.a (funds)	341,494	2.5
Nordnet Pensionsförsäkring AB	269,989	1.9
SIX SIS AG, W8IMY	262,817	1.9
Grandeur Peak Global, Opportunities	245,880	1.8
State Street Bank & Trust Com., Boston	225,000	1.6
Friends Provident International	186,350	1.3
Friends Provident International	186,000	1.3
M. Pierce, Fenner & Smith Inc.	172,414	1.2
Synskadades Stiftelse	172,201	1.2
AB Traction	165,000	1.2
Lundmark Anders	137,000	1.0
TOTAL, 20 LARGEST SHAREHOLDERS	9,653,851	69.1
Other shareholders	4,308,686	30.9
TOTAL	13,962,537	100

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

ORGANIZATION

At December 31, 2014, the Moberg Pharma Group had 29 employees, of whom 69% were women. Of these, 20 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 totaled MSEK 93.8 for 2014, compared with MSEK 82.3 during the previous year. Operating expenses, excluding the cost of goods sold, amounted to MSEK 50.0 (MSEK 60.8), while profit after financial items was MSEK 20.9 (MSEK 1.7). Cash and cash equivalents were MSEK 56.1 (22.2) 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 12 months ahead, 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 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 growth of strategic brands, acquisitions/in-licensing of new products and commercialization of pipeline assets and line extensions.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Revenue	44,466	36,833	200,180	157,389
Cost of goods sold	-12,231	-9,561	-49,064	-39,967
Gross profit	**32,235**	**27,272**	**151,116**	**117,422**
Selling expenses[1)]	-21,778	-14,483	-93,198	-75,674
Business development and administrative expenses	-7,496	-7,125	-26,552	-27,832
Research and development expenses	-5,066	-5,589	-19,930	-29,039
Other operating income	3,507	751	5,791	1,068
Other operating expenses	-	-	-	-
Operating profit/loss (EBIT)	**1,402**	**826**	**17,227**	**-14,055**
Interest income and similar items	158	-197	905	545
Interest expenses and similar items	-402	-504	-1,555	-2,665
Profit/loss after financial items (EBT)	**1,158**	**125**	**16,577**	**-16,175**
Tax on profit for the period	-1,422	-551	-4,309	4,817
PROFIT/LOSS FOR THE PERIOD	**-264**	**-426**	**12,268**	**-11,358**
Items that will be reclassified				
Translation differences of foreign operations	14,349	979	33,046	-724
Other comprehensive income/loss	14,349	979	33,046	-724
COMPREHENSIVE INCOME FOR THE PERIOD	**14,085**	**553**	**45,314**	**-12,078**
Profit/loss for the period attr. to PC shareholders	-264	-426	12,268	-11,358
Profit/loss for the period attr. to non-controlling interests	-	-	-	-
Total comprehensive income attr. to PC shareholders	14,085	553	45,314	-12,082
Total comprehensive inc. attr. to non-controlling interests	-	-	-	-
Earnings per share before dilution	**-0.02**	**-0.04**	**0.96**	**-1.01**
Earnings per share after dilution[2)]	**-0.02**	**-0.04**	**0.95**	**-1.01**
[1)] Of which amortization of product rights	-1,875	-1,495	-7,198	-5,861
EBITDA	**3,582**	**2,359**	**25,295**	**-7,950**
Depreciation/amortization of product rights	-1,875	-1,495	-7,198	-5,861
Other depreciation/amortization	-305	-38	-870	-244
Operating profit/loss (EBIT)	**1,402**	**826**	**17,227**	**-14,055**
EBITDA excluding acquisition-related costs	**3,582**	**2,359**	**25,295**	**-4,879**

[2)] *In periods during which the Group reports a loss, no dilution effect arises. 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)	Dec 31, 2014	Dec 31, 2013
Assets		
Intangible assets	216,362	181,820
Property, plant and equipment	934	1,180
Financial assets	76	63
Deferred tax assets	24,903	29,327
Total non-current assets	**242,275**	**212,390**
Inventories	13,135	6,968
Trade receivables and other receivables	41,847	25,113
Cash and bank balances	62,463	27,138
Total current assets	**117,445**	**59,219**
TOTAL ASSETS	**359,720**	**271,609**
Equity and liabilities		
Equity (attributable to Parent Company shareholders)	303,749	201,494
Non-current interest-bearing liabilities	3,333	16,667
Non-current non-interest-bearing liabilities	-	1,860
Current interest-bearing liabilities	13,333	13,333
Current non-interest-bearing liabilities	39,305	38,255
TOTAL EQUITY AND LIABILITIES	**359,720**	**271,609**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Operating activities				
Operating profit/loss before financial items	1,406	825	17,231	-14,056
Financial items, received and paid	-876	-44	-1,350	-1,123
Taxes paid	-	-	3	16
Adjustment for non-cash items:				
Depreciation/amortization	2,180	1,533	8,068	6,105
Employee stock option costs	-32	217	112	808
Cash flow before changes in working capital	**2,678**	**2,531**	**24,064**	**-8,250**
Change in working capital				
Increase (-) / Decrease (+) in inventories	-363	32	-2,529	2,708
Increase (-) / Decrease (+) in operating receivables	2,575	5,176	-13,259	12,597
Increase (+) / Decrease (-) in operating liabilities	1,056	-6,920	7,886	-10,205
CASH FLOW FROM OPERATING ACTIVITIES	**5,946**	**819**	**16,162**	**-3,150**
Investing activities				
Net investments in intangible assets	-1,648	-30,299	-7,230	-30,299
Net investments in equipment	-42	-	-42	-201
Net investments in subsidiaries	-	-	-17,225	-16,658
CASH FLOW FROM INVESTING ACTIVITIES	**-1,690**	**-30,299**	**-24,497**	**-47,158**
Financing activities				
Repayment of loans	-3,333	-3,334	-13,333	-10,000
New share issue after transaction costs	-	-	55,937	34,049
CASH FLOW FROM FINANCING ACTIVITIES	**-3,333**	**-3,334**	**42,604**	**24,049**
Change in cash and cash equivalents	**923**	**-32,814**	**34,269**	**-26,259**
Cash and cash equivalents at the start of the period	61,318	59,899	27,138	53,423
Exchange-rate difference in cash and cash equivalents	222	53	1,056	-26
Cash and cash equivalents at the end of the period	62,463	27,138	62,463	27,138

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(KSEK)	Share capital	Other capital contributions	Translation reserve	Accumulated deficit	Total equity
January 1, 2014 - December 31, 2014					
Opening balance, January 1, 2014	**1,189**	**300,569**	**-3,554**	**-96,710**	**201,494**
Comprehensive income					
Profit for the period				12,268	12,268
Other comprehensive income - translation differences on translation of foreign operations			33,044		33,044
Transactions with shareholders					
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**
January 1, 2013 - December 31, 2013					
Opening balance, January 1, 2013	**1,081**	**265,334**	**-2,829**	**-85,352**	**178,234**
Comprehensive income					
Profit 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 RATIOS FOR THE GROUP

(KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Revenue	44,466	36,833	200,180	157,389
Gross margin %	72%	74%	75%	75%
Gross margin on product sales %, excluding acquisition-related costs and items affecting comparability	72%	75%	75%	77%
EBITDA excluding acquisition-related costs	3,582	2,359	25,295	-4,879
EBITDA % excluding acquisition-related costs	8%	6%	13%	neg
EBITDA	3,582	2,359	25,295	-7,950
Operating profit/loss (EBIT)	1,402	826	17,227	-14,055
Profit/loss after tax	-264	-426	12,268	-11,358
Profit margin %	neg	neg	6%	neg
Total assets	359,720	271,609	359,720	271,609
Net receivables	45,797	-2,862	45,797	-2,862
Debt/equity ratio	5%	15%	5%	15%
Equity/assets ratio	84%	74%	84%	74%
Return on equity	-0%	-0%	4%	-6%
Earnings per share, SEK	-0.02	-0.04	0.95	-1.01
Operating cash flow per share, SEK	0.42	0.07	1.27	-0.28
Equity per share, SEK	21.75	16.94	21.75	16.94
Average number of shares before dilution	13,962,537	11,893,572	12,719,642	11,265,704
Average number of shares after dilution	14,136,079	12,041,713	12,859,499	11,735,821
Number of shares at end of period	13,962,537	11,893,572	13,962,537	11,893,572
Share price on the closing date, SEK	38.00	31.60	38.00	31.60
Market capitalization on the closing date, MSEK	531	376	531	376

Definitions of key ratios

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 for the period divided by equity
Earnings per share*	Profit after tax divided by the average number of shares after dilution
Operating cash flow per share*	Cash flow from operating activities divided by the average number of shares 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 reports a loss, no dilution effect arises. 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)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Revenue	16,100	13,742	93,775	82,296
Cost of goods sold	-6,606	-4,925	-29,322	-19,063
Gross profit	**9,494**	**8,817**	**64,453**	**63,233**
Selling expenses	-5,470	-2,005	-13,293	-14,363
Business development and administrative expenses	-4,524	-4,238	-16,746	-17,407
Research and development expenses	-5,066	-5,589	-19,930	-29,039
Other operating income	3,507	656	5,791	1,068
Other operating expenses	-	95	-	-
Operating profit/loss	**-2,059**	**-2,264**	**20,275**	**3,492**
Interest income	411	-26	2,122	832
Interest expense	-321	-504	-1,546	-2,673
Profit/loss after financial items	**-1,969**	**-2,794**	**20,851**	**1,651**
Tax on profit for the period	301	297	-4,822	-685
PROFIT/LOSS	**-1,668**	**-2,497**	**16,029**	**966**

CONDENSED PARENT COMPANY BALANCE SHEET

(KSEK)	Dec 31, 2014	Dec 31, 2013
Assets		
Intangible assets	42,966	32,509
Property, plant and equipment	470	653
Financial assets	178,107	178,107
Deferred tax assets	17,859	21,787
Total non-current assets	**239,402**	**233,056**
Inventories	155	-
Trade receivables and other receivables	20,047	11,582
Receivables to Group companies	23,914	19,024
Cash and bank balances	56,062	22,244
Total current assets	**100,178**	**52,850**
TOTAL ASSETS	**339,580**	**285,906**
Equity and liabilities		
Shareholders´ equity	298,283	225,156
Non-current interest-bearing liabilities	3,333	16,667
Non-current non-interest-bearing liabilities	-	-
Current interest-bearing liabilities	13,333	13,333
Current non-interest-bearing liabilities	24,631	30,750
TOTAL EQUITY AND LIABILITIES	**339,580**	**285,906**

CONDENSED PARENT COMPANY CASH FLOW STATEMENT

(KSEK)	Oct-Dec 2014	Oct-Dec 2013	Full-year 2014	Full-year 2013
Operating activities				
Operating profit before financial items	-2,059	-2,264	20,275	3,492
Financial items, received and paid	-344	185	-123	-836
Taxes paid	-	-	-	28
Adjustment for non-cash items:				
Depreciation/amortization	504	61	1,878	244
Employee stock option costs	97	120	267	443
Cash flow before change in working capital	**-1,802**	**-1,898**	**22,297**	**3,371**
Change in working capital				
Increase (-) / Decrease (+) in inventories	-155	-	-155	-
Increase (-) / Decrease (+) in operating receivables and inventories	7,316	5,603	-12,394	626
Increase (+) / Decrease (-) in operating liabilities	3,204	-878	5,963	-9,558
CASH FLOW FROM OPERATING ACTIVITIES	**8,563**	**2,827**	**15,711**	**-5,561**
Investing activities				
Net investments in intangible assets	-1,648	-30,299	-7,230	-30,299
Net investments in equipment	-42	-	-42	-125
Net investments in subsidiaries	-	-	-17,225	-16,658
CASH FLOW FROM INVESTING ACTIVITIES	**-1,690**	**-30,299**	**-24,497**	**-47,082**
Financing activities				
Repayment of loans	-3,333	-3,334	-13,333	-10,000
New share issue after transaction costs	-	-	55,937	34,049
CASH FLOW FORM FINANCING ACTIVITIES	**-3,333**	**-3,334**	**42,604**	**24,049**
Change in cash and cash equivalents	**3,540**	**-30,806**	**33,818**	**-28,594**
Cash and cash equivalents at the start of the period	52,522	53,050	22,244	50,838
Cash and cash equivalents at the end of the period	56,062	22,244	56,062	22,244

ACCOUNTING AND VALUATION POLICIES

This Year-End report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements, in common with the annual accounts for 2013, have 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 IAS and IFRS 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 for 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 represent one operating segment.

RELATED-PARTY TRANSACTIONS

The acquisition of Moberg Pharma North America included additional purchase considerations totaling a maximum of MUSD 5 to the seller of the company, triggered if revenue for the acquired company reaches a certain amount. The targets for all of the additional considerations have been achieved and MUSD 2.5 was paid in the first quarter of 2013 and MUSD 2.5 was paid during the third quarter of 2014.

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 - March 2015	May 11, 2015
Interim report for January - June 2015	August 11, 2015
Interim report for January - September 2015	November 10, 2015

The Annual General Meeting of Moberg Pharma will be held on May 11, 2015 at the company's premises The final date for shareholders to submit proposed items of business for the Annual General Meeting is March 30, 2015. The Annual Report will be made available on the company's website www.mobergpharma.se no later than April 13.

FOR MORE INFORMATION, PLEASE CONTACT

Peter Wolpert, CEO, tel. +46 (0)8-522 307 00, peter.wolpert@mobergpharma.se
Anna Ljung, CFO, tel. 08-522 307 01, anna.ljung@mobergpharma.se

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

This Year-End Report has not been reviewed by the company's auditors.

BOARD DECLARATION

The undersigned certify that the Year-End 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, 26 February 2015

Mats Pettersson *Chairman*	Wenche Rolfsen *Vice Chairman*	Torbjörn Koivisto *Board member*
Thomas Thomsen *Board member*	Geert Cauwenbergh *Board member*	

Peter Wolpert
CEO