



DOUBLED REVENUE, PROFITABLE AND ESTABLISHMENT IN THE U.S.

"The key factor that enabled us to double our revenue in 2012 and achieve profitability one year ahead of expectations is the successful commercialization of Nalox™. During the autumn, we took the next step in our growth strategy – establishment in the U.S. The acquisition of Alterna has equipped us with our own sales organization in the world's largest pharmaceutical market and broadened our portfolio with established brands, including the rights to Kerasal Nail™ (Nalox™ in Sweden)," Peter Wolpert, CEO Moberg Derma.

FULL-YEAR (JAN-DEC 2012)

- Revenue MSEK 112.5 (55.9)
- Operating profit MSEK 12.6 (-7.6), MSEK 19.2 excluding acquisition-related costs
- Net profit after tax MSEK 35.8 (-6.4), MSEK 42.4 excluding acquisition-related costs
- Earnings per share SEK 3.68 (-0.82)
- Operating cash flow per share SEK 0.97 (-0.99)
- The Board proposes no dividend for the 2012 fiscal year

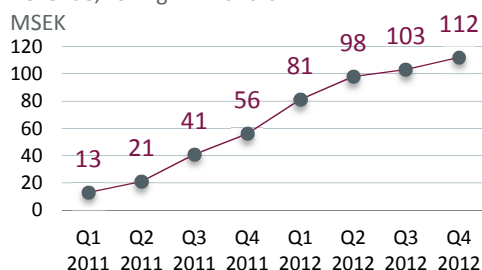
FOURTH QUARTER (OCT-DEC 2012)

- Revenue MSEK 30.2 (20.5)
- Operating profit/loss MSEK -0.7 (3.8); MSEK 5.9 excluding acquisition-related costs
- Net profit/loss after tax MSEK -6.3 (4.4); MSEK 0.3 excluding acquisition-related costs
- Earnings/Loss per share SEK -0.63 (0.48)
- Operating cash flow per share SEK -0.26 (1.84)

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- Proprietary market presence in the U.S. established through the acquisition of Alterna LLC. In conjunction with the acquisition, an issue in kind of 825,652 shares and loan financing of MSEK 40.0 were effected.
- Through a private placement, Moberg Derma raised MSEK 31.8 before issue expenses.
- George Aitken-Davies, Management Director of Altaris Capital Partners, was elected a new Board member.
- New Phase II study initiated of MOB-015 for the treatment of onychomycosis.
- Distribution agreement entered into with Paladin Labs Inc. for Nalox™/Emtrix® in Canada.

Revenue, rolling 12 months



Operating profit/loss, rolling 12 months



TELEPHONE CONFERENCE

CEO Peter Wolpert will present the report in a telephone conference today at 10:30 a.m. (CET), February 5, 2013. Telephone: +46 (0)8-506 26 900 and submit the code 409017

CEO COMMENTARY

The key factor that enabled us to double our revenue in 2012 and achieve profitability one year ahead of expectations was the successful commercialization of Nalox™. During the autumn, we took the next step in our growth strategy – establishment in the U.S. The acquisition of Alterna has equipped us with our own sales organization in the world's largest pharmaceutical market and broadened our portfolio with established brands, including the rights to Kerasal Nail™ (Nalox™ in Sweden).

The rapid increase in revenue resulted from the successful progress made this year for the global commercialization of Nalox™, which is now sold in 20 countries. Nalox™ retains its position as the market leader in the Nordic region, where the total market for the treatment of nail fungus has expanded significantly as a result of our launch. We worked intensively during the year to support our partners and distributors in conjunction with the launches in 12 markets, which included France, Germany, the Netherlands, Italy, Austria and South Africa. The product has also quickly become one of the leaders in several of these new markets. New agreements were signed with selected distributors in Canada, South Africa and Iran, and all remaining milestone payments were received from Meda.

In the U.S., Kerasal Nail™ was ranked number two in its category in U.S. drugstores¹. This is the result of a targeted launch in the U.S., where we successfully expanded distribution to more than 25,000 retail stores, including nearly all of the Walmart stores. Furthermore, Kerasal Nail™ was nominated to the *Drug Store News*² Top-50 list of the *Most Innovative New Products* in competition with thousands of products.

The integration of our acquired U.S. unit is proceeding as planned. An integrated organization is in place and the company was recently renamed Moberg Pharma North America LLC. The U.S. operation performed strongly in the fourth quarter, of which about one month is included in our accounts for 2012.

One of the accounting effects of the acquisition is a revaluation up to its fair value of the inventory held by the U.S. firm in the amount of MSEK 4.6, thus reducing earnings by a corresponding amount. A positive effect is that acquisition values of MUS\$ 17.9 will be eligible for tax write-offs in the U.S. for a period of 15 years.

We focus continuously on new ideas and products through internal development and evaluation of acquisition candidates. The aim is to meet the needs of patients for new treatments in commercially attractive niche markets. At present, we have two internally development projects in clinical phases: MOB-015 for the treatment of nail fungus and Limtop for the treatment of actinic keratosis (sun-damaged skin). A Phase II study of an improved formulation of MOB-015 was initiated in December and, for the Limtop project, Phase II data is expected in the first six months of 2013.

As a result of the acquisition of Alterna, we had the pleasure of welcoming new shareholders to the company bringing extensive experience and international networks: The Third Swedish National Pension Fund, Handelsbanken Funds and Rhenman & Partners, as well as the U.S. private equity fund Altaris Capital Partners.

Our shareholders can look back on a successful year. The progress in 2012 has made us a substantially stronger and profitable company, with favorable prospects for continued strong growth in 2013.

Peter Wolpert
CEO Moberg Derma





¹ 12 weeks up to and including Dec. 2, 2012, IRI

² Drug Store News is a leading trade magazine for U.S. drugstores.

ABOUT MOBERG DERMA

Moberg Derma AB (publ.) is a rapidly growing Swedish pharmaceutical company. The company develops, acquires and licenses products that are subsequently commercialized via a proprietary sales organization in the U.S. and through distributors in more than 35 countries. Internal product development is based on Moberg Derma's unique expertise in innovative drug delivery technologies that enable the company to improve the properties of proven compounds. This approach reduces time to market, development costs and risk.

Products

	PRODUCT	INDICATION	STATUS
	Nalox™¹⁾	Damaged nails	Own sales and marketing in the U.S. Launched by ten partners in 20 markets
	Kerasal®	Dry and cracked feet	Own sales and marketing in the U.S. Launched by 13 partners in 14 markets
	Jointflex®	Joint and muscle pain	Own sales and marketing in the U.S. Launched by 14 partners in 18 markets
	Kaprolac®	Skin care	Launched in Switzerland

Nalox™ / Emtrix®

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 ten partners encompassing 50 markets with a total of one billion inhabitants, including the U.S., France, Germany, Italy and Russia. Nalox™ is patented and based on proven substances. 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.³ 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.

³ The Nalox™ and Naloc™ trademarks are owned by the company's partners and Moberg Derma has no ownership rights to these trademarks.

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, toenails damaged by fungal infection and psoriasis, foot pain and to soften and moisturize dry feet. Kerasal® contains salicylic acid, which is an effective agent for softening the stratum corneum, and urea (carbamide), which moisturizes the skin and helps to retain moisture in the new cell layers. The manufacturing process is patented. Several clinical studies have been published confirming the efficacy of Kerasal's® Foot Ointment for the treatment of extremely dry and damaged skin on the feet. The product is available for purchase in drugstores, food and mass retailers across the U.S as well as in some 10 international markets. The product line also includes professional products for resale only by podiatrists.

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. During 2010, the product line was expanded with JointFlex® ICE, a cooling lotion supplied in a roll-on product. 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 study also showed that the majority achieved long-term pain reduction. The product is available in the U.S as well as in some 15 international markets.

Kaprolac®

Kaprolac® is used for problems with dry and flaky skin and scalp. The products are based on the Kaprolac principle, developed by the Swedish dermatologist Dr Sven Moberg.

Development projects

MOB-015

MOB-015 is a new topical treatment for onychomycosis (nail fungus) with fungicidal, keratolytic and emollient properties. Moberg Derma's patent-pending formulation technology enables the transportation of high concentrations of a fungicidal substance (terbinafin) in and through nail tissue. Because MOB-015 is applied locally, the side effects associated with oral treatment are avoided. Data from an earlier Phase II study has provided crucial information for the continued development program and, in December 2012, a new Phase II study was initiated of an improved formulation of MOB-015, which will include a total of 35 patients.

Limtop

Limtop is an innovative formulation for the treatment of actinic keratosis (sun-damaged skin and precursor of skin cancer) genital warts and basal cell carcinoma. Limtop is based on a patent-pending formulation of a proven compound (imiquimod) that results in an optimal dose being transported into the skin. The aim of the mechanism of action is to repel damaged cells through a local immunological and inflammatory reaction. The company's preclinical results show that Limtop has a far greater capacity than current treatments when it comes to transporting the active substance to the target tissue in the skin. The objective is a product with short treatment duration, an improved safety profile and an efficacy that is similar to or better than that of competing preparations. A Phase I trial encompassing 30 patients was successfully concluded during the first half of 2012 and results from a subsequent Phase II trial with 97 patients are expected during the first half of 2013.

OPERATIONAL PROGRESS DURING THE YEAR

Establishment of proprietary market presence in the U.S.

- In October, the company decided to acquire its U.S. partner, Alterna LLC. Through the acquisition, Moberg Derma gains access to a well-developed distribution network in the U.S. for non-prescription drugs and a portfolio of established brands, including rights to Kerasal Nail™ (Nalox™ in Sweden). Alterna has established relations with all the major U.S. retail chains. Its infrastructure and competence in marketing and distribution are proven, as shown by the successful launch of Kerasal Nail™. The acquisition price was MSEK 170 on a debt-free basis, which includes a possible additional consideration of not more than MUSD 5 and an initial consideration of MSEK 138, of which MSEK 39 comprised 825,652 shares in the company issued through an issue in kind. The outstanding consideration comprised a cash payment, which was financed partly through a private placement of 907,900 shares to certain Swedish institutional investors, raising MSEK 32 before issue expenses, and partly through a bank loan from Swedbank totaling MSEK 40, in addition to own funds.

Continued success for Nalox™/Kerasal Nail™

- In August, distribution of Kerasal Nail™ was expanded from 1,300 to 3,500 Walmart stores. Walmart is one of the leading retail chains in the U.S. and the increase in distribution is a key step towards Moberg Derma's goal of advancing Kerasal Nail™ to a market-leading position in the U.S.
- In the same month, the company announced that all remaining milestones in the agreement with Meda would be achieved in 2012 as a result of successful launches in several European markets.

Distribution agreement for South Africa, Iran and Canada

- In March, a new distribution agreement was signed with Pharmaplan (Pty) Ltd, which was granted the exclusive rights to market and sell Nalox™/Emtrix® in South Africa. Moberg Derma assumes production and supply responsibility.
- In June, a distribution agreement was signed granting Ana Darou P.J.S. the exclusive rights to market and sell Nalox™/Emtrix® in Iran. Moberg Derma assumes production and supply responsibility.
- In December, a distribution agreement for Canada was entered into with Paladin Labs Inc, which was granted the exclusive rights to market and sell Nalox™/Emtrix® in Canada. Nalox™/Emtrix® was approved by Health Canada in June 2012 and the launch is planned for the second half of 2013. Canadian studies indicate that more than two million people suffer from nail fungus in Canada.

Product and project development

- Patient enrolment to a Phase II study of Limtop commenced in May, following approval from the German Federal Institute for Drugs and Medical Devices (BfArM), and all patients had been included by September. The aim of the study is to evaluate the efficacy and safety of three different dose regimens of Limtop on 97 patients with Actinic Keratosis (AK) on the head or face. The results are expected in the first half of 2013. Limtop is an innovative formulation of imiquimod for the treatment of actinic keratosis, genital warts and basal cell cancer. The objective is a product with short treatment duration, an improved safety profile and an efficacy similar to or better than that of competing preparations.
- In November, it was announced that the final results of a Phase II study of MOB-015 on patients with onychomycosis were in line with previously communicated interim results. Since the clinical efficacy of the studied formulation was deemed insufficient, the company decided to initiate a new phase II study with an improved formulation. The first of a total of 35 patients were enrolled in December. MOB-015 is based on Moberg Dermas patent-pending formulation technology, which has been shown in pre-clinical studies to transport high concentrations of a fungicidal substance in and through nail tissue. Since MOB-015 is applied locally, the side effects associated with oral treatment are avoided.

Financial performance and corporate governance

- In October, the Board of Directors decided, with the support of the mandate granted by the 2011 Annual General Meeting, to carry out a private placement of 907,900 shares to Handelsbanken Funds, The Third Swedish National Pension Fund and Rhenman & Partners Asset Management AB and raised MSEK 31.8 before issue expenses.
- At an Extraordinary General Meeting on November 19, it was resolved to approve the Board's decision to acquire Alterna and to authorize the Board to execute an issue in kind of not more than 825,652 shares as part of the purchase consideration for the acquisition of Alterna. The sellers have undertaken not to sell, transfer, pledge or otherwise dispose of the shares in Moberg Derma for a period of twelve months after completion of the acquisition.
- The Extraordinary General Meeting also resolved to increase the number of Board members to eight. George Aitken-Davies, Managing Director and co-founder of Altaris Capital Partners, was elected a new Board member.
- Geert Cauwenbergh was elected to Moberg Derma's Board of Directors at the Annual General Meeting in April. Dr Cauwenbergh is managing partner of Phases123 LLC (USA) and Board member of Ablynx (Belgium) and RXi Pharmaceuticals (USA). He formerly served as Chairman and President of Barrier Therapeutics (USA) and in senior positions at the Johnson & Johnson Group in the U.S. At the same time, Bertil Karlmark left the Board, having declined re-election.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

- No significant events

CONSOLIDATED REVENUE AND EARNINGS (FULL-YEAR)

The subsidiary Moberg Pharma North America LLC (formerly Alterna LLC) was consolidated in the Moberg Derma Group as of November 27, 2012 and its operations are included in the income statement from this date.

SALES

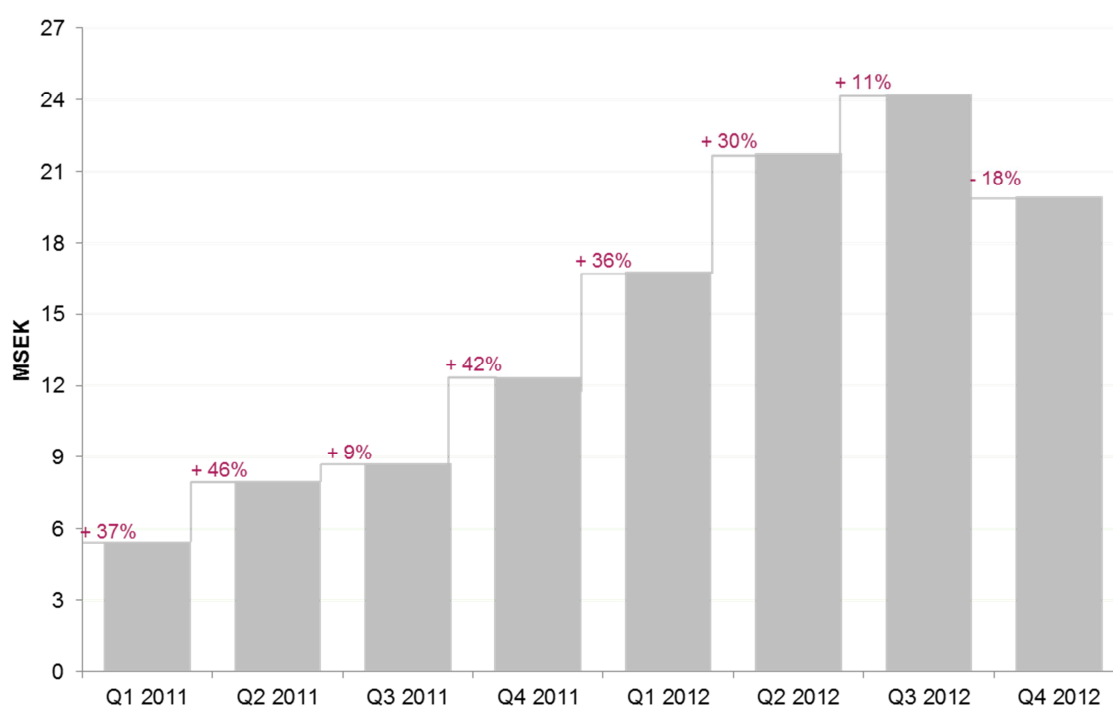
Fourth quarter (October –December 2012)

In the fourth quarter 2012, revenue amounted to MSEK 30.1 (20.5), up 47 percent compared with the fourth quarter of 2011. Product sales accounted for 66 percent of revenues during the quarter. In addition to product sales, all remaining milestone payments were received from Meda. Of product sales, Nalox™/Kerasal Nail® accounted for MSEK 15.8 and about one month of sales of the newly acquired products Kerasal® och JointFlex® for MSEK 1.5 and MSEK 2.7, respectively.

Full-year (January–December 2012)

Consolidated revenue amounted to MSEK 112.5 (55.9) for full-year 2012, up 101 percent. The majority, MSEK 78.5 (34.3), derived from the strong sales growth for Nalox™/ Kerasal Nail®. The company also recorded revenue totaling MSEK 4.1 from product sales of newly acquired products. Furthermore, the company received milestone payments of MSEK 29.8 (21.4) for meeting sales volume targets in the collaboration with Meda. Other operating income mainly comprised research grants of MSEK 1.5 and foreign exchange gains of MSEK 1.1.

Distribution of operating profit (KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Product sales	19,948	12,373	82,719	34,581
Milestone payments	10,250	8,140	29,750	21,362
Revenue	30,198	20,513	112,469	55,943
Other operating income	1,466	2,003	2,718	3,536
Total operating income	31,664	22,515	115,187	59,480



Revenue from product sales per quarter.

As expected, a seasonal effect occurred in the fourth quarter due to two factors: demand is greater during spring and summer and distributors in most markets reduce marketing activities off-season. Product sales increased 61 percent year-on-year.

Earnings

Fourth quarter (October–December 2012)

For the fourth quarter, an operating profit/loss of MSEK -0.7 (3.8) was reported, corresponding to an operating profit of MSEK 5.9 excluding acquisition-related expenses. The cost of goods sold was MSEK 7.3 (4.0). One of the accounting effects of the acquisition is a fair value valuation of the inventory held by the U.S. firm, increasing inventory with MSEK 4.6, thus reducing earnings by the corresponding amount. MSEK 1.5 of this amount was charged to consolidated earnings in the fourth quarter of 2012 and the outstanding amount is expected to impact earnings in 2013.

Other operating expenses for the quarter amounted to MSEK 25.0 (14.7), mainly constituting increased business development and administration costs totaling MSEK 11.0 (3.2). The bulk of this increase comprised nonrecurring costs in conjunction with the acquisition. The profit/loss after financial items amounted to MSEK -0.1 (4.4).

Tax on earnings for the period amounted to MSEK 6.3 (0) as a result of a reduction in the income tax rate from 26.3 percent to 22.0 percent, which will come into force in the financial year 2014. The reduction in the tax rate entails a corresponding reduction in the capitalized value of the loss carryforwards. The profit/loss for the period after tax was MSEK -6.3 (4.4) and the total comprehensive profit/loss for the period was MSEK -9.1 (4.4).

Full-year (January–December 2012)

The cost of goods sold was MSEK 24.9 (16.6), of which royalty payments constituted MSEK 2.4. As a result of royalty payments made, the company fulfilled its obligation toward Mobederm AB and future sales revenue will no longer be charged with royalty payments to Mobederm AB.

Operating expenses, excluding the cost of goods sold, totaled MSEK 77.8 for January to December 2012, compared with MSEK 50.4 in the year-earlier period. Transaction expenses of MSEK 6.6 resulting from the acquisition of Moberg Pharma North America are included in business development and administration expenses.

The largest item in operating expenses comprised research and development expenses, which in 2012 amounted to MSEK 30.8 (26.8), of which external R&D and suppliers accounted for MSEK 18.0 (MSEK 18.6). The year-on-year increase was due to increased staff for managing the product portfolio as well as maintenance of products on the market.

Consolidated profit after financial items amounted to MSEK 14.7 for the January to December period, compared with a loss of MSEK 6.4 for 2011. Earnings improved, primarily as a result of the higher sales revenue from Nalox™ and milestone payments from concluded agreements.

During the period, the company also reported a positive impact on earnings from deferred tax assets of MSEK 21.1, since the Board considers that there are compelling reasons to believe that future taxable profit will be available and can be utilized against unutilized tax losses. Accordingly, net profit after tax for the year was MSEK 33.0 (-6.4) for the 12-month period, MSEK 39.6 excluding acquisition-related costs. Other comprehensive income includes negative translation differences of MSEK 2.8 arising from the translation of foreign operations. The translation difference has no cash impact but affected total comprehensive income, which totaled MSEK 33.0 (-6.4).

FINANCIAL POSITION (FULL-YEAR)

Cash flow

Fourth quarter (October-December 2012)

Cash flow from operations was MSEK -2.7 (16.7) for the fourth quarter.

Full-year (January-December 2012)

Cash flow from operations amounted to MSEK 9.5 for 2012, compared with MSEK -9.0 in the preceding year. Cash and cash equivalents amounted to MSEK 53.4 at year-end.

Capital expenditures

Investments in subsidiaries relate to the acquisition of Moberg Pharma North America and amounted to MSEK 97.1 (0) for both the fourth quarter of 2012 and the full-year. Investments in tangible fixed assets were MSEK 0.2 (0) for the fourth quarter 2012 and MSEK 0.6 (0.5) for the 12-month period. Furthermore, Moberg Derma has research and development costs that are expensed directly in the statement of comprehensive income.

Pledged assets and contingent liabilities

Moberg Derma has no contingent liabilities. As collateral for the loan of MSEK 40 raised during the year, Moberg Derma pledged chattel mortgages in the amount of MSEK 20 and shares in Moberg Pharma North America LLC (Alterna LLC). Other pledged assets remain unchanged from those reported in the 2011 Annual Report.

CHANGES IN EQUITY (FULL-YEAR)

Financing and shares

On October 25, 2012, the Board of Directors of Moberg Derma decided to implement a private placement of 907,900 shares pursuant to the authorization received from the 2012 Annual General Meeting, through which the company received a cash injection of MSEK 31.8 before issue expenses. On November 27, 2012, the Board decided, pursuant to the authorization of the Extraordinary General Meeting on November 19, 2012, to execute an issue in kind of 825,652 shares. The reason for these issues was Moberg Derma's acquisition of Alterna, LLC.

At the end of the year, share capital amounted to SEK 1,081,257.20, and the total number of outstanding shares was 10,812,572 ordinary shares with a nominal value of SEK 0.10

Stock options

On April 23, 2012, shareholders at the Annual General Meeting of Moberg Derma AB voted to implement a private placement of 66,696 warrants (equivalent to 66,696 shares) to the company's wholly owned subsidiary Moberg Derma Incentives AB and to implement employee stock option program 2012:1. On November 19, 2012, shareholders at the Extraordinary General Meeting of Moberg Derma AB voted to implement a private placement of 126,813 warrants (equivalent to 126,813 shares) to the company's wholly owned subsidiary Moberg Derma Incentives AB and to implement employee stock option program 2012:2, aimed at senior executives in the acquired U.S. operation.

As part of employee stock option program 2012:1, 50,750 employee stock options were allocated and 15,946 warrants were reserved to cover future social security expenses for the employee stock options. As part of employee stock option program 2012:2, 125,000 employee stock options were allocated and 1,813 warrants were reserved to cover future social security expenses for the employee stock options. The terms and conditions of the 2012:1 employee stock option program are consistent with the terms and conditions of the 2011:1 employee stock option program with the following exceptions: The options in the 2012:1 program vest on June 30, 2015, the exercise price is SEK 32.22 per option and the last day for subscription is December 31, 2016. The terms and conditions of the 2012:2 employee stock option program are consistent with the terms and conditions of the 2011:1 employee stock option program with the following exceptions: ¼ of the

options in the 2012:1 program vest on December 31 in each of the following years: 2014, 2015, 2016 and 2017, the exercise price is SEK 42.81 per option and the last day for subscription is December 31, 2018. A description of the terms and conditions of the 2011:1 employee stock option program can be found in the company's 2011 Annual Report on page 62.

From previous years, there are 407,169 warrants outstanding in Moberg Derma (equivalent to 654,338 shares), of which 98,013 warrants (equivalent to 157,773 shares) are reserved to cover the future social security expenses for the employee stock options.

At the year-end, there were a total of 600,678 outstanding warrants in Moberg Derma. If all warrants were exercised for shares the number of shares would increase by 847,847, from 10,812,572 shares to 11,660,419 shares, corresponding to 7.3 percent dilution.

Group costs for the employee stock option program (including estimated social security costs) for the January to December 2012 period were MSEK 1.7. Costs for 2011 were MSEK 1.2.

Disclosure of ownership

Company's largest shareholders at December 28, 2012:

Shareholder	No. of shares	% of votes and capital
Östersjöstiftelsen	2,273,679	21.03%
SIX SIS AG	1,843,460	17.05%
JPM Chase NA ⁴	825,652	7.64%
Mobederm AB	713,978	6.60%
Wolco Invest AB	600,000	5.55%
Avanza Pension	514,078	4.75%
Mohammed Al Amoudi	492,475	4.55%
Third Swedish National Pension Fund	486,000	4.49%
Handelsbanken Funds AB RE JPMEL	377,514	3.49%
SEB London-Luxemburg (Sicav fond)	135,900	1.26%
Other	2,549,836	23.59%
Total	10,812,572	100.00%

PARENT COMPANY

Moberg Derma AB (publ), Corp. Reg. No. 556697-7426, is the Parent Company of the Group. Group operations in 2012 were pursued primarily in the Parent Company (U.S. sales organization in a subsidiary added from 27 November 2012) and comprise research and development, marketing and administrative functions. Parent Company revenue amounted to MSEK 109.5 for the period January to December 2012, compared with MSEK 55.9 in 2011. Operating expenses, excluding the cost of goods sold, amounted to MSEK 68.4 (50.4) and profit after financial items amounted to MSEK 23.0 (-6.4). Net profit amounted to MSEK 44 (-6.4). Cash and cash equivalents were MSEK 50.1 (74.0) at year end.

ORGANIZATION

At December 31, 2012, Moberg Derma had 28 employees, of whom 66 percent were women. Of these, 21 were employed in the Parent Company, of whom 71 percent were women.

⁴ Shares from the issue in kind in conjunction with the acquisition are covered by a lock-in clause according to which the sellers of Alterna have undertaken not to trade in shares of Moberg Derma for a period of twelve months after completion of the acquisition.

RISK FACTORS

The commercialization and development of new drugs is a risky and capital-intensive process. Risk factors considered to be of particular relevance for Moberg Derma's future development are linked to the results of clinical trials, regulator actions, competitors and pricing, production, partners and distributors, 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 2011 Annual Report on page 36. The acquisition of Moberg Pharma North America (Alterna LLC) alters the company's risk profile. In addition to the risks listed above, there are integration risks, major liability risks, increased exposure to foreign exchange fluctuations and the economic situation in the U.S., as well as risks associated with inventory,

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

OUTLOOK

Moberg Derma's goal is to create value and generate attractive returns for shareholders by delivering new topical drugs to the global market under continued growth and profitability. Crucial to Moberg Derma's future is 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. The company's financial goal is to attain an operating margin (EBITDA in relation to sales) of 25%, while displaying continued strong growth, within 2-4 years.

In 2013, the focus will be on integrating the acquired U.S. operation, identifying further business opportunities and supporting the company's distributors to facilitate successful launches. The performance of partnerships entered into will have a major impact on Moberg Derma's income and cash flow. Our assessment is that we will continue to show revenue growth combined with profitability.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Revenue	30,198	20,513	112,469	55,943
Cost of goods sold	-7,283	-4,031	-24,877	-16,630
Gross profit	22,915	16,482	87,592	39,313
Selling expenses	-5,161	-3,863	-21,977	-10,020
Business development and administrative expenses	-11,017	-3,174	-23,450	-13,235
Research and development expenses	-7,363	-7,326	-30,782	-26,808
Other operating income	1,466	2,003	2,718	3,536
Other operating expenses	-1,507	-335	-1,507	-383
Operating profit/loss	-666	3,786	12,594	-7,598
Interest income and similar profit/loss items	356	635	1,844	1,241
Interest expenses and similar profit/loss items	254	-9	244	-28
Profit/loss after financial items	-56	4,412	14,682	-6,384
Income tax	-6,258	-	21,131	-
PROFIT/LOSS FOR THE PERIOD	-6,314	4,412	35,813	-6,384
Translation differences attributable to translation of foreign operations	-2,829	-	-2,829	-
Other comprehensive loss	-2,829	-	-2,829	-
COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	-9,143	4,412	32,984	-6,384
Profit/loss for the period attributable to Parent Company shareholders	-6,314	4,412	35,813	-6,384
Profit/loss for the period attributable to minority interests	-	-	-	-
Comprehensive income/loss attributable to Parent Company shareholders	-9,143	4,412	32,984	-6,384
Comprehensive income/loss attributable to minority interests	-	-	-	-
Basic earnings per share (SEK)	-0.63	0.49	3.85	-0.82
Diluted earnings per share (SEK)*	-0.63	0.48	3.68	-0.82

*In periods where the Group reported a loss, no dilution effect has incurred. This is because the dilution effect is only recognized 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, 2012	Dec. 31, 2011
Assets		
Intangible non-current assets	155,970	257
Tangible non-current assets	1,336	497
Financial non-current assets	4	1
Deferred tax assets	22,196	-
Total fixed assets	179,506	755
Inventories	9,740	1,239
Accounts receivable and other receivables	38,093	16,407
Cash and bank balances	53,423	74,052
Total current assets	101,256	91,698
TOTAL ASSETS	280,762	92,453
Equity and liabilities		
Equity (attributable to Parent Company shareholders)	178,234	76,787
Non-current interest-bearing liabilities	27,778	-
Non-current non-interest-bearing liabilities	14,492	-
Current interest-bearing liabilities	12,222	150
Current non-interest-bearing liabilities	48,036	15,516
TOTAL EQUITY AND LIABILITIES	280,762	92,453

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Operating activities				
Operating profit/loss before financial items	-666	3,786	12,594	-7,598
Financial items, received and paid	337	626	1,816	214
<i>Adjustments for non-cash items, etc.:</i>				
Depreciation/amortization	540	45	713	464
Employee stock option costs	232	388	851	1,447
Cash flow before changes in working capital	443	4,845	15,974	-5,473
Changes in working capital				
Increase (-) / decrease (+) in operating receivables and inventories	3,580	7,989	-4,034	-8,708
Increase (+) / decrease (-) in operating liabilities	-6,690	3,909	-2,462	5,162
CASH FLOW FROM OPERATING ACTIVITIES	-2,668	16,743	9,478	-9,020
INVESTING ACTIVITIES				
Net investments in equipment	-201	-4	-630	-535
Net investments in subsidiaries	-97,067	-	-97,067	-
CASH FLOW FROM INVESTING ACTIVITIES	-97,268	-4	-97,697	-535
Financing activities				
Borrowings (+) / Loan amortization (-)	39,964	-38	39,850	-190
Share issues	27,740	-	27,740	81,036
CASH FLOW FROM FINANCING ACTIVITIES	67,704	-38	67,590	80,846
Change in cash and cash equivalents	-32,232	16,701	-20,629	71,291
Cash and cash equivalents at the beginning of the year	85,655	57,350	74,052	2,761
Cash and cash equivalents at the end of the year	53,423	74,052	53,423	74,052

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(KSEK)	Share capital	Other capital contributed	Translation difference	Accumulated deficit	Total equity
January 1, 2012 - December 31, 2012					
Opening balance January 1, 2012	908	197,044	0	-121,165	76,787
<i>Comprehensive income/loss</i>					
Profit for the period				35,813	35,813
Other comprehensive income - Translation differences attributable to translation of foreign operations			-2,829		-2,829
<i>Transactions with shareholders</i>					
New share issue	173	70,414			70,587
Transaction costs, new share issue		-2,975			-2,975
Employee stock options	-	851			851
CLOSING BALANCE DECEMBER 31, 2012	1,081	265,334	-2,829	-85,352	178,234
January 1, 2011 - December 31, 2011					
Opening balance January 1, 2011	611	114,858	0	-114,781	688
<i>Comprehensive income/loss</i>					
Loss for the period				-6,384	-6,384
<i>Transactions with shareholders</i>					
New share issue	297	85,689			85,986
Transaction costs, new share issue		-4,950			-4,950
Employee stock options		1,447			1,447
Total transactions with shareholders	297	82,187			82,483
CLOSING BALANCE DECEMBER 31, 2011	908	197,044	0	-121,165	76,787

KEY FIGURES FOR THE GROUP

(KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Revenue	30,198	20,513	112,469	55,943
Operating profit/loss	-666	3,786	12,594	-7,598
Profit/loss after tax	-6,314	4,412	35,813	-6,384
Total assets	280,762	92,453	280,762	92,453
Net receivables	13,423	73,902	13,423	73,902
Debt/equity ratio	22%	0%	22%	0%
Equity/assets ratio	63%	83%	63%	83%
Return on equity	-4%	6%	20%	-8%
Earnings per share, SEK	-0.63	0.48	3.68	-0.82
Operating cash flow per share, SEK	-0.26	1.84	0.97	-0.99
Equity per share, SEK	16.48	8.46	16.48	8.46
Average number of basic shares	9,958,312	9,079,020	9,300,650	7,781,910
Average number of diluted shares	10,347,873	9,122,688	9,742,044	7,826,842
Number of shares at year-end	10,812,572	9,079,020	10,812,572	9,079,020
Share price on the closing date, SEK	37.30	24.50	37.30	24.50
Market capitalization on the closing date, MSEK	403	222	403	222

Key figure definitions

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 year divided by equity
Earnings per share	Profit/loss after tax divided by the average number of diluted shares
Operating cash flow per share	Cash flow from operating activities divided by the average number of diluted shares
Equity per share	Equity divided by the number of outstanding shares at year-end

REVENUE FOR THE GROUP

Revenue per geographic market (KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Europe	17,394	15,409	84,102	49,842
America	7,782	1,331	20,275	2,329
Rest of world	5,022	3,773	8,092	3,773
TOTAL	30,198	20,513	112,469	55,943

Revenue per product group (KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Nalox/Kerasal Nail	26,078	20,463	108,251	55,658
Kerasal	1,466	-	1,466	-
Jointflex	2,654	-	2,654	-
Kaprolac	0	50	98	285
TOTAL	30,198	20,513	112,469	55,943

ACQUISITION OF ALTERNA LLC

It was announced on October 25, 2012 that Moberg Dermas had acquired its U.S. partner, Alterna LLC. Through the acquisition, Moberg Derma gained access to a well-developed distribution network in the U.S. for non-prescription drugs and a portfolio of established brands, including the rights to Kerasal Nail™ (Nalox™ in Sweden). The transaction was completed on November 27, 2012 and, as of that date, Alterna LLC has been consolidated in the Moberg Derma Group. The acquisition consideration was MSEK 170 on a debt-free basis, which included an as yet not paid additional purchase consideration of a maximum of MUSD 5 and initial consideration of MSEK 138, of which 825,652 company shares issued through an issue in kind accounted for MSEK 39. The remaining consideration is paid in cash.

The cash portion of the consideration was financed through a private placement of 907,900 shares to certain Swedish institutional investors who contributed MSEK 32 before issue expenses, bank financing of MSEK 40 from Swedbank and own funds. Direct expenses attributable to the acquisition, which are recognized in the consolidated income statement under administrative expenses, amounted to about MSEK 7.

Preliminary disclosures regarding the acquired net assets and goodwill are provided below. A final acquisition calculation will be established once the assets, working capital and contingent liabilities have been valued.

Preliminary acquisition calculation (KSEK)

Acquisition value	169,569
Fair value of acquired net assets	98,024
Goodwill	71,545

The goodwill of MSEK 72 that from the acquisition is attributable to additional product and marketing opportunities created by the combination of Moberg Derma's business/product development capacity and the acquired strategic platform for the sale of pharmaceuticals in the U.S. Through the acquisition, the rights to Kerasal Nail in the U.S. are returned to Moberg Derma. The entire amount of recognized goodwill is expected to be tax deductible in the U.S.

Assets and liabilities included in the acquisition (KSEK)

	Fair value
Assets	
Product rights – Kerasal	59,106
Product rights – Jointflex	28,206
Equipment and tools	438
Inventories	10,793
Accounts receivable	15,310
Other receivables	488
Cash	2,119
Total assets	116,460
Liabilities	
Accounts payable	-7,664
Accrued expenses	-10,772
Total liabilities	-18,436
Acquired net assets	98,024
Goodwill	71,545
Total purchase consideration	169,569

CONDENSED PARENT COMPANY INCOME STATEMENT

(KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Revenue	27,196	20,513	109,467	55,943
Cost of goods sold	-5,267	-4,031	-22,861	-16,630
Gross profit	21,929	16,482	86,606	39,313
Selling expenses	-2,891	-3,863	-19,708	-10,020
Business development and administrative expenses	-3,956	-3,174	-16,389	-13,235
Research and development expenses	-7,363	-7,326	-30,782	-26,808
Other operating income	1,466	2,003	2,718	3,536
Other operating expenses	-1,507	-335	-1,507	-383
Operating profit/loss	7,678	3,786	20,938	-7,598
Interest income and similar profit/loss items	363	635	1,850	1,241
Interest expenses and similar profit/loss items	254	-9	244	-28
Profit/loss after financial items	8,295	4,412	23,032	-6,384
Income tax	-6,436	-	20,952	-
PROFIT/LOSS	1,859	4,412	43,984	-6,384

CONDENSED PARENT COMPANY BALANCE SHEET

(KSEK)	Dec. 31, 2012	Dec. 31, 2011
Assets		
Intangible fixed assets	243	257
Tangible fixed assets	758	497
Financial fixed assets	178,107	101
Deferred tax assets	22,014	-
Total fixed assets	201,122	855
Inventories	-	1,239
Accounts receivable and other receivables	31,633	16,407
Cash and bank balances	50,838	73,959
Total current assets	82,471	91,605
TOTAL ASSETS	283,593	92,460
Equity and liabilities		
Equity	189,212	76,794
Long-term interest-bearing liabilities	27,778	-
Long-term non-interest-bearing liabilities	16,250	-
Current interest-bearing liabilities	12,222	150
Current non-interest-bearing liabilities	38,131	15,516
TOTAL EQUITY AND LIABILITIES	283,593	92,460

CONDENSED PARENT COMPANY CASH-FLOW STATEMENT

(KSEK)	Oct-Dec 2012	Oct-Dec 2011	Full-year 2012	Full-year 2011
Operating activities				
Operating profit/loss before financial items	7,678	3,786	20,938	-7,598
Financial items, received and paid	345	626	1,822	213
<i>Adjustments for non-cash items, etc.</i>				
Depreciation/amortization	60	45	233	464
Employee stock option costs	203	388	822	1,447
Cash flow before changes in working capital	8,286	4,845	23,815	-5,474
Changes in working capital				
Increase (-) / Decrease (+) in operating receivables and inventories	-6,374	7,989	-13,988	-8,709
Increase (+) / Decrease (-) in operating liabilities	1,444	3,909	5,672	5,162
CASH FLOW FROM OPERATING ACTIVITIES	3,356	16,743	15,499	-9,021
Investing activities				
Net investments in equipment	-50	-4	-479	-535
Net investments in subsidiaries	-105,731	-	-105,731	-
CASH FLOW FROM INVESTING ACTIVITIES	-105,781	-4	-106,210	-535
Financing activities				
Borrowings (+) / Loan amortization (-)	39,963	-38	39,850	-190
New share issue (after transaction costs)	27,740	-	27,740	81,036
CASH FLOW FROM FINANCING ACTIVITIES	67,703	-38	67,590	80,846
Change in cash and cash equivalents	-34,723	16,701	-23,121	71,290
Cash and cash equivalents at the beginning of the year	85,561	57,257	73,959	2,669
Cash and cash equivalents at the end of the year	50,838	73,959	50,838	73,959

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 have, in common with the Year-end Report for 2011, 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 2011 Annual Report. A number of new or revised standards, interpretations and improvements have been adopted by the EU and are applied from January 1, 2012. These changes have not had any 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 sum up. MSEK is an abbreviation of million Swedish Kronor. KSEK is an abbreviation of thousand Swedish Kronor. Amounts and figures in parentheses are comparative figures from the preceding year.

SEGMENT REPORTING

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

RELATED-PARTY TRANSACTIONS

Royalty commission of MSEK 2.4 was paid for the January to December 2012 period to Mobederm AB, a shareholder in the company. Having made these royalty payments, the company has fulfilled its obligation toward Mobederm and future sales will no longer be charged with royalty payments to Mobederm.

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

FUTURE REPORTING DATES

Interim report for January – March 2013	May 21, 2013
Interim report for January – June 2013	August 6, 2013
Interim report for January – September 2013	November 5, 2013

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The Annual General Meeting for Moberg Derma will be held on April 23, 2013 at the company's premises, Gustavslundsvägen 42, Bromma, Stockholm, Sweden. Shareholders may submit proposed items of business for the Annual General Meeting no later than March 12, 2013. The Annual Report will be made available on the company's website www.mobergderma.se no later than April 1.

The Board proposes no dividend for the 2012 fiscal year.

FOR MORE INFORMATION, PLEASE CONTACT

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

BOARD DECLARATION

This Year-end Report is unaudited.

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, February 4, 2013

Mats Pettersson
Chairman

Peter Wolpert
CEO and Board member

Torbjörn Koivisto
Board member

Wenche Rolfsen
Vice Chair

Geert Cauwenbergh
Board member

George Aitken-Davies
Board member

Peter Rothschild
Board member

Gustaf Lindewald
Board member