Interim Report January – September 2016

Moberg Pharma AB (Publ)

Q1

Q2

Q3

Q4

SIGNIFICANT GROWTH IN SALES AND PROFITABILITY

"We had very positive momentum in Q3. The team has already now delivered on all major milestones for 2016," comments Peter Wolpert, CEO Moberg Pharma

PERIOD (JAN-SEPT 2016)*

- Revenue MSEK 244.9 (231.9)
- EBITDA MSEK 65.9 (42.4)
- EBITDA for Commercial Operations MSEK 76.0 (59.9)
- Operating profit (EBIT) MSEK 55.1 (34.1)
- Net profit after tax MSEK 35.1 (25.1)
- Earnings per share SEK 2.45 (1.76)
- Operating cash flow per share SEK -1.64 (pos: 1.99)

THIRD QUARTER (JUL-SEPT 2016)

- Revenue MSEK 104.1 (66.6)
- EBITDA MSEK 29.0 (13.8)
- EBITDA for Commercial Operations MSEK 32.6 (18.1)
- Operating profit (EBIT) MSEK 23.4 (10.9)
- Net profit after tax MSEK 12.8 (8.8)
- Earnings per share SEK 0.89 (0.61)
- Operating cash flow per share negative SEK 1.47 (pos: 0.80)

*Note that the profitability includes a capital gain of MSEK 41.1 in Q2 from divestment of Jointflex®, Fergon® and Vanquish®.

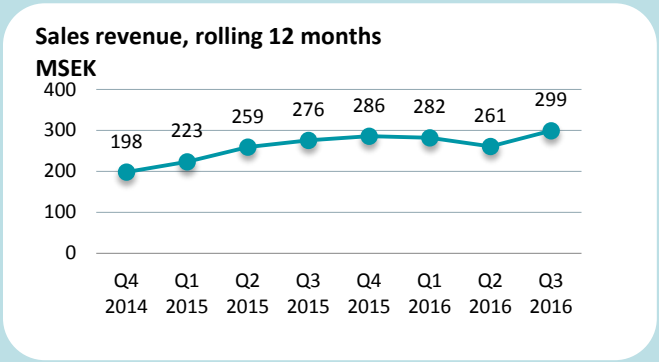
SIGNIFICANT EVENTS DURING THE THIRD QUARTER

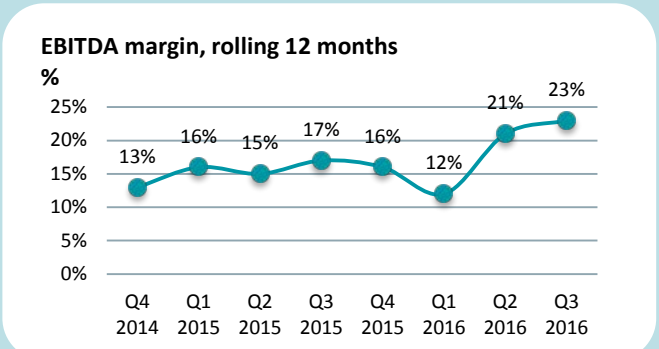
- IND application for MOB-015 Phase 3 were submitted to, and approved by, U.S. FDA. Corresponding applications were approved by the regulatory authorities in Germany, Poland* and Canada.
- Patient enrollment for the MOB-015 Phase 3 studies has started in North America and Europe.
- The acquisition of three brands in the U.S. from Prestige Brands was completed on July 7. The purchase price amounted to MUSD 40 and Moberg Pharma expects the acquired brands to contribute approximately MUSD 5 to the company's EBITDA for the 12 months following closing of the transaction.

SIGNIFICANT EVENTS AFTER THE QUARTER

- A European patent was granted for BUPI. The patent is expected to provide coverage through 2031.
- Moberg Pharma convened a bondholders' meeting to increase the company's flexibility in connection with acquisition financing.

* The approval for Poland was in October.





TELEPHONE CONFERENCE

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

CEO COMMENTARY

We had very positive momentum in Q3. The strategic investments in Q1 and Q2 are clearly starting to pay off. Already now, the team has delivered on all major milestones for 2016; we closed a major brand acquisition which brings significant scale to our U.S. business and further diversifies our portfolio; we received all regulatory approvals and initiated patient enrolment to phase 3 trials for MOB-015 in North America and Europe; and Kerasal Nail® continued to deliver record market share in the U.S. confirming the success of the relaunch initiated earlier this year.

Significant growth in sales and profitability

Total net sales in Q3 increased by 56% (56% at fixed exchange rates). Net sales excluding divestments and acquisitions increased by 28%. EBITDA increased by 110% to 29 MSEK, equivalent to an EBITDA margin of 28% for the quarter and 23% for the trailing 12 month period[1]. Gross margin decreased in the quarter to 69% (73%) reflecting the change in product mix. Commercial EBITDA margin increased to 31% (27%) for the quarter and to 28% (25%) for the trailing 12 months, due to proportionally lower costs.

Key milestones - Integration of acquired brands progressing and Phase 3 enrollment initiated for MOB-015

As expected, the acquired brands – and in particular New Skin® - made a significant contribution to Q3 results. These products are sold through Moberg's current sales channels in the U.S, primarily in chain drugstores and in mass retailers, which enables a smooth integration, an overall improved position at U.S. retail and we can also benefit from economies of scale by already having a sales platform in place. The integration is progressing according to plan and is expected to be finalized during Q4.

All health authority approvals have been obtained for initiation of MOB-015 Phase 3 studies in U.S, Canada, Germany and Poland. Patient enrollment has begun with the objective of enrolling 700 patients by mid-2017. Both MOB-015 and BUPI have the potential to become major growth drivers for us in the next few years through a combination of license deals as well as a basis to start our own franchise in select territories. For BUPI, the first patent approval in the EU was a key milestone, securing IP protection to 2031.

Direct sales – Growth fueled by acquired brands and new all-time high market share for Kerasal Nail®

Direct sales increased by 61% in the third quarter (a 60% increase at fixed exchange rates). Excluding divestments and acquisitions, the increase was 12%. For Kerasal Nail®, the effects of the marketing investments during the peak season drove further market share increases as well as improved profitability. L26W the market share increased to 29%[2], a five percentage point gain vs last year. Kerasal Nail® was also a key driver to get the whole category as such back to growth over the peak season (L26W: +2%). In the UK, launch activities are progressing according to plan.

Growth also in distributor sales – in Asia as well as Europe

Distributor sales grew by 42% (40% at fixed exchange rates). Distributor sales excluding divestments, i.e. distributor sales of Kerasal Nail and Emtrix only, increased by 88%. Sales in RoW increased by 62% (excluding divested brands) with Emtrix®/Kerasal Nail® continuing to establish leading positions in most countries launched, most recently in Taiwan. The dynamic Asian market represents a significant long-term growth opportunity where a "glocal" strategy, reflecting the different market conditions within the region, is key for success. We continue to deepen the launch and lifecycle management strategy in close interaction with our partner Menarini APAC. Sales to Europe grew by 158% (excluding divested brands).

Positive momentum provides value creation opportunities

Excellent results and progress achieved to date enable additional value creation opportunities. To ensure optimal financing of future acquisition opportunities, we have engaged Carnegie Investment Bank as adviser and summon today a bondholders' meeting in which we propose to gain further flexibility in our debt-financing. Our proposal is supported by key bondholders and enables better access to the remaining 215 MSEK of the current bond facility in connection with further acquisitions of profitable assets.

Our proven commercial niche strategy enables us to grow a profitable business with a significant potential at reasonable risk. We have several attractive business opportunities in front of us, including an exclusive option to the end of 2017 to acquire Dermoplast, an attractive dermatology brand from Prestige Brands. The option provides us with a one-time right to perform an evaluation of Dermoplast on an exclusive basis, and after such evaluation we may, at our own discretion, decide if we wish to complete an acquisition or not. We have recently informed Prestige Brands of our wish to initiate such evaluation.

All in all, I am very pleased with the progress and our prospects to create value and take Moberg to the next level.

Peter Wolpert, CEO Moberg Pharma

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[1] Note that the trailing 12 months include the capital gain of 41,4 MSEK in Q2 2016 from the brand divestment

[2] U.S. retail sales of nail fungus products excluding private label in Multi Outlet Stores over the last 26 weeks ending October 2, 2016 as reported by SymphonyIRI

ABOUT MOBERG PHARMA

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

LAUNCHED PRODUCTS

	PRODUCT	INDICATION	STATUS
	Kerasal nail EMTRIX® Becur nalox™	Damaged nails	Sales in the U.S. and UK and via distributors in about 40 markets.
	Kerasal	Dry feet and cracked heels	Sales in the U.S. and via distributors in certain other markets.
	Domeboro astringent	Itching and irritated skin	Sales in the U.S.
	Balmex COMPLETE PROTECTION	Diaper rash	Sales in the U.S.
	new-skin®	Blisters, small cuts and wounds	Sales in the U.S.
	Pedia Care®	Pediatric cough/cold	Sales in the U.S.
	Fiber Choice®	Prebiotic fiber supplements	Sales in the U.S.

NALOX™/KERASAL NAIL®

Clinically proven effect for treatment of nails affected by nail fungus. The product was launched in the Nordic region in autumn 2010 and quickly became market leader. The product is sold via a direct sales organization in the U.S. and ten partners that have contracted rights for more than 60 markets, including the major EU markets, Canada, China, Japan and South East Asia. Nalox™ is a prescription-free, over-the-counter product sold under the names Naloc™ and Emtrix® in certain markets and Kerasal Nail® in the U.S.[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 two to four weeks of treatment.

KERASAL®

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

DOMEBORO®

Domeboro® is a topical drug for the treatment of itching and irritated skin, for example, caused by phytotoxins, insect bites or reaction from washing detergent/cosmetics. The product has a drying effect and reduces inflammation.

BALMEX®

Balmex® is a well-known brand offering products for diaper rash, primarily for children.

NEW SKIN®

New Skin® is the number one liquid bandage brand. It dries rapidly to form a clear protective cover with an antiseptic to kill germs. The products were acquired in July 2016.

PEDIACARE®

PediaCare® is one of the most recognized pediatric cough/cold brands in the U.S. and is well known for its heritage as a leading "kids only" brand as well as its high efficacy ingredients. The products were acquired in July 2016.

FIBER CHOICE®

Fiber Choice® is a natural fiber supplement designed to promote digestive health and overall wellness. The products were acquired in July 2016.

[3] 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 – PHASE 3 STUDIES ONGOING

A new topical treatment for onychomycosis with fungicidal, keratolytic and emollient properties. The company's patent-pending formulation transports high concentrations of the antifungal agent terbinafine into and through the nail. Since MOB-015 is applied locally, the side effects associated with oral treatment are avoided. The company estimates the peak sales potential of the product to MUSD 250-500 annually. Positive results from a Phase 2 study were reported in March 2015 at the American Academy of Dermatology. The primary treatment objective, mycological cure, was achieved in 54% of the patients who completed the treatment. MOB-015 also resulted in excellent growth of healthy nail and displayed a favorable side-effect profile. Biopsies confirmed high levels of terbinafine in the nail plate and nail bed. The study included patients with more severe onychomycosis than recently published studies of competitive topical treatment alternatives. During the fourth quarter of 2015, Moberg Pharma signed a development agreement with the company's manufacturing partner, Colep Healthcare Division. Clinical Phase 3 studies are ongoing in Europe and North America.

BUPI – BUPIVACAINE LOZENGE – PHASE 3 PREPARATIONS ONGOING

An innovative and patent-pending lozenge formulation of the proven compound bupivacaine for treatment of oral pain. As the initial indication, Moberg Pharma has chosen pain management for patients suffering from oral mucositis during cancer therapy. Several earlier pilot studies displayed promising clinical data pertaining to safety and efficacy. In January 2016, Moberg Pharma reported positive results from a Phase 2 trial in which BUPI was evaluated for cancer patients with oral mucositis. The primary treatment objective was achieved – patients who received BUPI in addition to conventional pain treatment had 31% lower level of pain in general and 50% lower level of oral pain. Moberg Pharma estimates the peak sales potential of the product to MUSD 50-100 assuming successful commercialization in oral mucositis and at least one additional medical indication. In addition to oral mucositis, further potential indications have been identified. The company is now preparing a Phase 3 study which will be conducted in Europe, partially financed by grants from Eurostars. Another Phase 3 study will be conducted in India and sponsored by Moberg's partner, Cadila Pharmaceuticals. Thanks to the agreement with Cadila and the grants from Eurostars, Moberg's investment in the Phase 3 program for BUPI has been significantly reduced, while Moberg is retaining the rights in all major territories.

BUSINESS DEVELOPMENT DURING THE PERIOD

PRODUCT AND PROJECT DEVELOPMENT

Nail product launched in Japan

During the second quarter, Moberg Pharma's partner, Menarini Asia-Pacific, commenced the launch of Emtrix® in Japan with a positive initial response from customers.

Positive Phase 2 results for BUPI

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

Multiple patent approvals for MOB-015

Patents were granted and Notices of Allowance received in multiple territories worldwide. The patents granted are expected to be in effect until 2032 and include composition of matter claims for topical formulations of antifungal allylamines (including terbinafine) as well as methods of treatment claims for treating onychomycosis using these novel formulations, enabling enhanced penetration of antifungal allylamines into and through the nail. Since February 2015, patents have been granted to Moberg in the U.S., Canada, Europe, Japan, Mexico, Singapore and South Africa. Notices of Allowance have been issued in Australia, Israel and Russia. Active applications are pending in several additional territories, including Brazil, China, Hong Kong, Indonesia, India and South Korea.

Patient enrollment started in North America and Europe in two Phase 3 studies of MOB-015

In July 2016, an IND application was submitted to the FDA for MOB-015 in the treatment of onychomycosis. In addition, the company submitted clinical trial applications to the regulatory authorities in Germany, Poland and Canada. In September, the company received approval to start the studies and patient enrollment began. MOB-015 will be evaluated over 52 weeks in two randomized, multicenter, controlled Phase 3 studies. The primary endpoint will be the proportion of subjects achieving complete cure of their target nail. In total, approximately 700 patients are expected to be enrolled in the two studies.

ACQUISITIONS AND DIVESTMENTS

Acquisition of three brands from Prestige Brands in the U.S.

In June 2016, Moberg Pharma announced that the company had signed an agreement to acquire New Skin®, Fiber Choice® and PediaCare®, three well-established Over-The-Counter (OTC) brands in the U.S. from Prestige Brands, Inc. The acquisition was completed on July 7, 2016. The purchase price was MUSD 40 and Moberg Pharma expects the acquired brands to contribute approximately MUSD 5 to the company's EBITDA for the 12 months following closing of the transaction. The acquisition was financed through available cash resources and a tap issue to Moberg's outstanding bond loan. The acquired brands are being sold through Moberg's established sales channels in the U.S., primarily through chain drugstores, such as CVS, Walgreens and Rite Aid, and through mass retailers, such as Walmart and Target.

New Skin® is the main profitability contributor in the acquired portfolio and is well aligned with Moberg's strategic focus on topical dermatology. New Skin is the number one OTC liquid bandage brand in the U.S. It is an antiseptic which kills germs and dries rapidly to form a clear protective cover.

In addition to New Skin®, the acquired portfolio also contains two mature brands, Fiber Choice® and PediaCare®. Fiber Choice® focuses on digestive health with a compelling lineup of product options for daily fiber supplementation. PediaCare® has a strong equity amongst moms based on highly effective products for children, primarily within the cough/cold and analgesics segments.

Based on Moberg Pharma's cost structure and accounting principles, the purchase price corresponded to approximately eight times expected EBITDA for the three acquired brands for the 12 months following the closing of the transaction.

Divestment of three brands for MUSD 10

In March 2016, Moberg Pharma announced that the company had signed an agreement with Strides Pharma Inc to divest the brands Jointflex, Fergon and Vanquish for a total consideration of MUSD 10 plus inventory valued at MUSD 0.4. The divestments have enabled Moberg Pharma to focus more on its core operations. The three divested brands had total sales of MUSD 6.1 in 2015 and formed part of previous acquisitions of strategic assets.

FINANCIAL EVENTS AND COMPANY EVENTS

Issue of bond loans of MSEK 385 in the Nordic bond market

In January 2016, Moberg Pharma announced that the company had decided to issue a five-year unsecured bond loan (ISIN: SE0007953989) of MSEK 300 to mature on January 29, 2021. The bond loan carries a variable interest rate of Stibor 3m + 6.00% and was listed on Nasdaq Stockholm in February 2016. In July, the company completed a tap issue of MSEK 85 to its outstanding bond loan (the tap issue was made at a price of 100.50% of the nominal amount) and the total outstanding amount of the company's bond loan thus amounted to MSEK 385 under a framework amount of MSEK 600.

Increase in the number of shares

The number of shares and voting rights rose 71,666 to 14,289,188 in June 2016. The change was due to warrants in Moberg Pharma being exercised under the framework of the company's share-based incentive schemes.

New Chairman

The Annual General Meeting resolved to appoint Thomas Eklund as Chairman of the Board of Directors after Mats Pettersson decided to decline re-election after serving for six years as Board Chairman. The AGM, Board and CEO thanked Mats for his excellent contribution to Moberg Pharma.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

PATENT GRANTED FOR BUPI IN EUROPE

The European Patent Office (EPO) has issued Patent No. 2701681 for BUPI. The new patent covers lozenges and other formulations comprising a local anesthetic, such as bupivacaine, for local administration to the mouth or throat. The patent also protects lozenge formulations of a local anesthetic for use in the treatment of oral mucositis in cancer patients. This patent is expected to provide coverage through at least 2031. Additional patent applications are pending in the U.S. and Canada.

NOTICE OF BONDHOLDERS' MEETING

On November 8, 2016, Moberg Pharma provided a notice convening a bondholders' meeting that will take the form of a written procedure extending from November 14, 2016 to November 25, 2016. The purpose of the bondholders' meeting is to seek additional financial flexibility to facilitate the optimal funding of potential acquisitions. The company's bond loan does not include any financial covenants, but is subject to an incurrence test that restricts the company's ability to raise additional bond funding in relation to the company's EBITDA. Moberg Pharma is now requesting the bondholders' permission to adjust the incurrence test on one specific occasion. The company's proposal has already received the support of bondholders corresponding to 33% of the outstanding volume.

CONSOLIDATED REVENUE AND EARNINGS

SALES

Third quarter (July-September 2016)

In the third quarter of 2016, revenue amounted to MSEK 104.1 (66.6), up 56% compared with the third quarter of 2015. Nalox™/Kerasal Nail® represented MSEK 47.8 of product sales (30.1) and other products contributed MSEK 56.3 (36.2). The products New Skin®, PediaCare® and Fiber Choice® were acquired on July 7, 2016 and sales of the products are included in the income statement from this date.

The company is dependent on the trend in the USD and EUR in relation to the SEK, since the USD and EUR account for the predominant portion of sales. During the third quarter of 2016, USD revenue was booked at an average exchange rate of SEK 8.52, compared with SEK 8.41 in the third quarter of 2015. The corresponding figure for EUR was an average exchange rate of SEK 9.51, compared with SEK 9.37 in the year-earlier period. Accordingly, exchange rates had a slightly positive impact on revenue. At fixed exchange rates, revenue would have risen 56% year-on-year.

Interim period (January-September 2016)

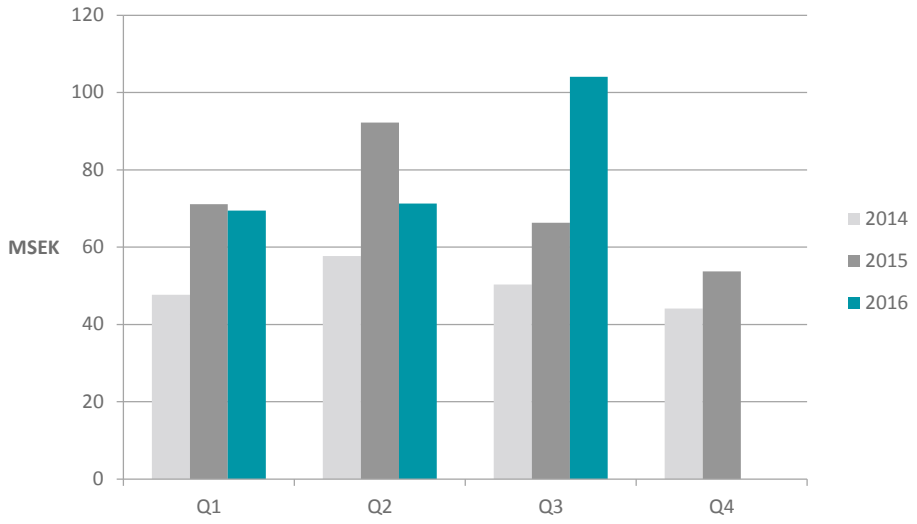
During the January-September 2016 period, revenue amounted to MSEK 244.9 (231.9), up 6%. The majority, MSEK 128.9 (131.7), derived from product sales of Nalox™/ Kerasal Nail®. Product sales revenue amounted to MSEK 18.0 (39.7) for the products divested on April 1 (JointFlex®, Vanquish® and Fergon®) and MSEK 99.7 (57.9) for other products. The Balmex® product was acquired on April 27, 2015 and sales of Balmex are included in the income statement from this date.

Other operating income primarily comprises a capital gain of MSEK 41.1 in connection with the sale of the JointFlex®, Fergon® and Vanquish® brands but also minor exchange-rate fluctuations on operating receivables and a research grant from Eurostars of MSEK 1.0.

Sales amounted to MSEK 18.4 (28.8) in Europe, MSEK 190.2 (169.8) in the U.S. and MSEK 36.3 (33.2) in the rest of the world.

Distribution of revenue (KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Sales of products	104,135	66,329	244,881	229,311	282,983
Milestone payments	-	237	-	2,583	2,583
Revenue	**104,135**	**66,566**	**244,881**	**231,894**	**285,566**
Other operating income	2,989	1,017	45,269	6,221	6,709
Total revenue	**107,124**	**67,583**	**290,150**	**238,115**	**292,275**

Revenue from product sales per quarter

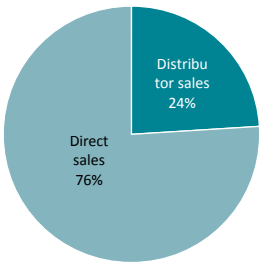


Revenue by channel (KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Direct sales	83,157	51,602	185,697	165,411	206,602
Sales of products to distributors	20,978	14,727	59,184	63,900	76,381
Milestone payments	-	237	-	2,583	2,583
TOTAL	104,135	66,566	244,881	231,894	285,566

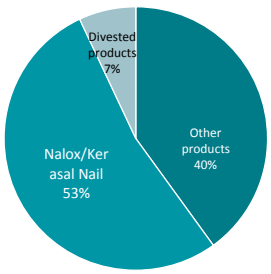
Revenue by product category (KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Nalox/Kerasal Nail®, sales of products	47,800	30,140	128,907	131,737	154,510
Nalox/Kerasal Nail®, milestone payments	-	237	-	2,583	2,583
Jointflex®, Fergon®, Vanquish® (divested April 1, 2016)	-	13,364	16,322	39,665	51,901
Other products	56,335	22,825	99,652	57,909	76,572
TOTAL	104,135	66,566	244,881	231,894	285,566

Revenue by geographical market (KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Europe	6,187	2,915	18,406	28,802	32,244
North and South America	85,438	52,625	190,194	169,838	211,343
Rest of the world	12,510	11,026	36,281	33,254	41,979
TOTAL	104,135	66,566	244,881	231,894	285,566

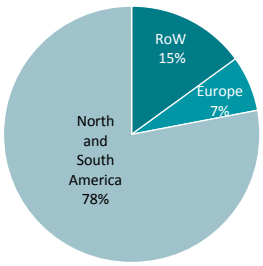
Distribution of revenue as a percentage, January-September 2016



Channels



Products



Geography

EARNINGS

Third quarter (July-September 2016)

Operating profit for the third quarter of 2016 was MSEK 23.4 (10.9). The cost of goods sold was MSEK 32.1 (17.9), corresponding to a gross margin on product sales of 69% (73). Operating expenses, excluding the cost of goods sold during the quarter, amounted to MSEK 51.5 (38.7), most of which comprised selling expenses of MSEK 41.3 (30.7).

EBITDA for the quarter amounted to 28% (21). Adjusted for R&D expenses for future products, EBITDA for Commercial Operations was 31% (27).

Interim period (January-September 2016)

Operating profit for the interim period in 2016 was MSEK 55.1 (34.1). The cost of goods sold was MSEK 72.8 (55.0). Operating expenses, excluding the cost of goods sold, amounted to MSEK 162.2, compared with MSEK 149.0 in the year-earlier period.

Profit after financial items amounted to MSEK 45.8, compared with MSEK 33.6 for the January to September 2015 period. Earnings were strengthened by the capital gain in connection with the divestment of JointFlex®, Fergon® and Vanquish®. Earnings were also impacted by higher sales (due to the acquisition of New Skin®, PediaCare® and Fiber Choice®, however partly offset by the divestment of JointFlex®, Fergon® and Vanquish®), lower gross margins due to a changed product mix and higher marketing expenses since a higher portion of the company's revenue is now derived from its direct sales operations in the U.S. than in the past.

Profit for the period after tax was MSEK 35.1 (25.1) and comprehensive income was MSEK 41.8 (39.1). The improvement in comprehensive income includes currency translation gains of MSEK 6.7 due to the stronger USD as per September 30 compared with year-end 2015.

EBITDA for the interim period in 2016 amounted to 27% (18). Excluding the capital gain in connection with the divestment in April, EBITDA totaled 10%. Adjusted for R&D expenses for future products, EBITDA for Commercial Operations was 31% (26). The fact that the EBITDA margin is higher for the third quarter than for January-September, is a reflection of seasonal effects and the intensified marketing for our brands in the peak season (second quarter).

EBITDA summary (KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Revenue	104,135	66,566	244,881	231,894	285,566
Cost of goods sold	-32,118	-17,901	-72,798	-54,970	-71,920
Gross profit	**72,017**	**48,665**	**172,083**	**176,924**	**213,646**
%	69%	73%	70%	76%	75%
Selling expenses	-36,023	-27,988	-120,615	-102,776	-123,087
Administrative expenses	-4,466	-2,883	-14,226	-13,224	-19,274
Research and development expenses – Commercial Operations[1)]	-1,213	-743	-3,924	-4,530	-6,397
Other operating income/operating expenses	2,291	1,017	42,712	3,543	3,605
EBITDA – Commercial Operations	**32,606**	**18,068**	**76,030**	**59,937**	**68,493**
%	31%	27%	31%	26%	24%
Research and development expenses – future products[2)]	-1,664	-2,110	-4,030	-12,081	-15,956
Business development expenses	-1,900	-2,111	-6,143	-5,490	-6,138
EBITDA	**29,042**	**13,847**	**65,857**	**42,366**	**46,399**
%	28%	21%	27%	18%	16%
Depreciation/amortization	-5,679	-2,911	-10,744	-8,249	-11,216
Operating profit (EBIT)	**23,363**	**10,936**	**55,113**	**34,117**	**35,183**

1) Research and development expenses – Commercial Operations includes R&D expenses for new product variants under existing brands, regulatory work and quality.

2) Research and development expenses – future products includes R&D expenses for completely new product candidates, for example, BUPI.

FINANCIAL POSITION

CASH FLOW

Third quarter (July-September 2016)

Operating cash flow before changes in working capital amounted to MSEK 29.4 (14.1). Cash flow from operating activities amounted to a negative MSEK 21.0 (pos: 11.6) for the third quarter.

Interim period (January-September 2016)

Operating cash flow before changes in working capital amounted to MSEK 21.3 (42.8) for the interim period. The capital gain of MSEK 41.1 in connection with the sale of product rights is included in the line depreciation/amortization and other adjustments. Tied-up capital increased as a result of the growth of the direct sales operation following an acquisition in July, which generated higher marketing investments and inventories. This effect was offset slightly by a reduction in tied-up capital for divested products in April. Cash flow from operating activities amounted to a negative MSEK 23.4 (pos: 28.3) for the interim period.

Cash flow from investing activities amounted to a negative MSEK 286.6 (neg: 40.0) and consists mainly of acquisitions and divestments of product rights, see section "Capital expenditure" below.

Cash flow from financing activities amounted to MSEK 375.2 (neg: 8.6) and consists mainly of cash of MSEK 377 (MSEK 293.4 initially and a tap issue of MSEK 83.6 in July) received from the bond loan, repayment of loans of MSEK 3.3 and cash of MSEK 1.5 received on the exercise of warrants in Moberg Pharma within the framework of the company's share-based incentive schemes.

Cash and cash equivalents amounted to MSEK 111.1 (42.7) at the end of the period.

CAPITAL EXPENDITURE

The company's investments in intangible fixed assets in the interim period in 2016 pertained mainly to the acquisition of New Skin®, Fiber Choice® and PediaCare® in July for MUSD 40 and to the sale of the JointFlex®, Fergon® and Vanquish® brands in April.

Other items included computer systems totaling MSEK 0.2 (1.6) and capitalized expenditure for research and development work totaling MSEK 36.9 (5.0). Phase 3 preparations for BUPI were initiated in the first quarter of 2016, which means that direct development expenses for BUPI are now capitalized. Furthermore, the company has two other development projects, the next generation of Kerasal Nail™/Nalox™ and MOB-015, which continue to be capitalized. In addition to capitalized expenditure for R&D, Moberg Pharma also had R&D costs of MSEK 8.8 (17.2) that were expensed directly in the statement of comprehensive income, of which MSEK 4.0 (12.1) was related to future products.

R&D expenditure (expenses and investments) (KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
R&D expenses – current products	-1,213	-743	-3,924	-4,530	-6,397
R&D expenses – future products	-1,664	-2,110	-4,030	-12,081	-15,956
Amortization of R&D expenses	-344	-220	-881	-625	-902
R&D expenses (in statement of comprehensive income)	**-3,221**	**-3,073**	**-8,835**	**-17,236**	**-23,255**
Capital expenditure in capitalized R&D	-12,457	-1,795	-36,922	-4,969	-8,439
Amortization of capitalized R&D investments	192	98	438	222	350
Amortization of other R&D investments	152	122	443	403	552
Change in R&D investments (in statement of financial position)	**-12,113**	**-1,575**	**-36,041**	**-4,344**	**-7,537**
Total R&D expenditure	**-15,334**	**-4,648**	**-44,876**	**-21,580**	**-30,792**

Investments in financial fixed assets pertained to an exclusive option to purchase the product rights for the Dermoplast brand from Prestige Brands prior to year-end 2017. The fee paid for the option, MUSD 1.25, will be deducted from the acquisition price if and when the transaction is carried out. Net investments in financial fixed assets declined during the third quarter as fixed income instruments in USD acquired earlier this year were divested.

LIABILITIES

Interest-bearing liabilities consist of one bond loan of MSEK 385 to mature on January 29, 2021. The loan carries a variable interest rate of Stibor 3m + 6% and a total framework amount of MSEK 600. The bond loan has no covenants in terms of operating activities, other than if the company wants to increase the loan within the framework amount. In accordance with IAS 39, the bond loan is recognized less any transaction costs allocated over the term of the loan, which explains the difference between MSEK 385 and the amount in the statement of financial position.

In July 2016, the company completed a tap issue of MSEK 85 to its outstanding bond loan of MSEK 300 (the tap issue was made at a price of 100.50% of the nominal amount) and the total outstanding amount of the company's bond loan thus amounted to MSEK 385. The full terms governing the bond loan are available on the company's website www.mobergpharma.com.

A loan to Swedbank was repaid in its entire amount of MSEK 3.3 during the first quarter of 2016. Repayments amounted to MSEK 10.0 during the preceding interim period.

Non-current non-interest-bearing liabilities comprise contingent considerations to Prestige in connection with the acquisition of New Skin®, Fiber Choice® and PediaCare®. Purchase considerations may be paid in a total maximum amount of USD 2.5, of which the company has made a provision for a long-term liability of MUSD 2.25. The purchase consideration limits Moberg Pharma's risk related to returns and certain expenses for Fiber Choice® and PediaCare®, as both brands show negative sales trends and are going through a SKU rationalization program.

PLEDGED ASSETS AND CONTINGENT LIABILITIES

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

CHANGES IN EQUITY

SHARES

The number of shares and voting rights rose 71,666 to 14,289,188 in June 2016. The change was due to warrants in Moberg Pharma being exercised under the framework of the company's share-based incentive schemes.

At the end of the period, share capital amounted to SEK 1,428,918.80 (1,400,153.70), and the total number of shares outstanding was 14,289,188 (14,001,537) ordinary shares with a nominal value of SEK 0.10.

STOCK OPTIONS

On May 18, 2016, the Annual General Meeting of Moberg Pharma AB resolved to implement a private placement of 428,000 warrants (equivalent to 428,000 shares) to the company's wholly owned subsidiary Moberg Derma Incentives AB and to introduce the employee stock option scheme 2016:1. As part of the employee stock option scheme 2016:1, 428,000 stock options were allotted. The terms and conditions of the employee stock option scheme 2016:1 comply with the terms and conditions of the employee stock option scheme 2015:1, with the following exceptions: employee stock options in the 2016:1 scheme vest on June 30, 2019 at the earliest, the exercise price is SEK 42.97 per option and the last day for subscription is December 31, 2020. For a description of the terms and conditions of the employee stock option scheme 2015:1, refer to the 2015 Annual Report on page 43.

In February 2016, 305,643 warrants previously reserved to cover costs for future social security contributions were canceled, along with warrants issued to employees who left before the warrants were vested.

At September 30, 2016, there were a total of 1,008,993 warrants outstanding. If all warrants were exercised for shares, the number of shares would increase by 1,147,236, from 14,289,188 shares to 15,436,424 shares at the end of the period.

DISCLOSURE OF OWNERSHIP

Company's largest shareholders at September 30, 2016:

Shareholders	No. of shares	% of voting rights and capital
THE BALTIC SEA FOUNDATION	2,238,074	15.7
INSURANCE COMPANY, AVANZA PENSION	1,246,817	8.7
BANQUE CARNEGIE LUXEMBOURG S.A, (FUNDS)	619,394	4.3
WOLCO INVEST AB[4]	600,000	4.2
GRANDEUR PEAK INTERNATIONAL	457,200	3.2
NORDNET PENSIONSFÖRSÄKRING AB	381,284	2.7
GRANDEUR PEAK GLOBAL, OPPORTUNITIES	329,880	2.3
HANDELSBANKEN SVENSKA SMABOLAGSFOND	300,000	2.1
SOCIETE GENERALE	279,532	2.0
MERRIL LYNCH PROF CLEAR CORP	269,446	1.9
UBS SEC. LLC HFS CUST. SEGR. ACC.	258,000	1.8
STATE STREET BANK & TRUST COM., BOSTON	200,000	1.4
SYNSKADADES STIFTELSE	172,201	1.2
LUNDMARK, ANDERS	169,708	1.2
70126450, DANICA PENSION	156,210	1.1
ML, PIERCE, FENNER & SMITH INC	147,414	1.0
HYVÄT LEHDET RSM OY	132,500	0.9
HANDELSBANKENS LAKEMEDELSFOND	124,111	0.9
GRANDEUR PEAK GLOBAL OPPORTUNITIES, L.P.	118,100	0.8
GRANDEUR PEAK GLOBAL REACH, FUND	111,100	0.8
TOTAL, 20 LARGEST SHAREHOLDERS	**8,310,971**	**58.2**
Other shareholders	5,978,217	41.8
TOTAL	**14,289,188**	**100**

ORGANIZATION

At September 30, 2016, the Moberg Pharma Group had 36 employees, of whom 67% were women. Of these, 26 were employed in the Parent Company, of whom 70% were women.

PARENT COMPANY

Moberg Pharma AB (publ), Corp. Reg. No. 556697-7426, is the Parent Company of the Group. Group operations are conducted primarily in the Parent Company (in addition to the sales organization in the U.S.) and comprise research and development, sales, marketing and administrative functions. Parent Company revenue amounted to MSEK 99.5 for the period January to September 2016, compared with MSEK 86.1 in 2015. Operating expenses, excluding the cost of goods sold, amounted to MSEK 42.8 (45.2) and profit after financial items to MSEK 42.1 (20.0). Cash and cash equivalents were MSEK 97.6 (26.4) at the end of the period.

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

RISK FACTORS

Commercialization and development of drugs are capital-intensive activities exposed to significant risks. Risk factors considered to be of particular relevance for Moberg Pharma's future development are linked to competitors and pricing, production, partners' and distributors' performance, the results of clinical trials, regulatory actions, product liability and insurance, patents and trademarks, key personnel, sensitivity to economic fluctuations, future capital requirements and financial risk factors. A description of these risks can be found in the company's 2015 Annual Report on page 18.

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

OUTLOOK

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

During 2016, considerable focus will be placed on integrating acquired brands, identifying further business opportunities, advancing the company's development programs and supporting the company's distributors and retailers. To enable future growth, Moberg Pharma is making significant investments in 2016, focusing on strengthening brand platforms for the company's strategic brands in the U.S., increasing international distribution, acquiring additional products and initiating proprietary Phase 3 studies for MOB-015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Revenue	104,135	66,566	244,881	231,894	285,566
Cost of goods sold	-32,118	-17,901	-72,798	-54,970	-71,920
Gross profit	**72,017**	**48,665**	**172,083**	**176,924**	**213,646**
Selling expenses[1)]	-41,291	-30,654	-130,295	-110,232	-133,171
Business development and administrative expenses	-6,433	-5,019	-20,552	-18,882	-25,642
Research and development expenses	-3,221	-3,073	-8,835	-17,236	-23,255
Other operating income	2,989	1,017	45,269	6,221	6,709
Other operating expenses	-698	-	-2,557	-2,678	-3,104
Operating profit (EBIT)	**23,363**	**10,936**	**55,113**	**34,117**	**35,183**
Interest income and similar items	5,921	-	15,308	20	37
Interest expense and similar items	-12,068	-140	-24,644	-550	-654
Profit after financial items (EBT)	**17,216**	**10,796**	**45,777**	**33,587**	**34,566**
Tax on profit for the period	-4,417	-2,019	-10,631	-8,442	-9,030
PROFIT FOR THE PERIOD	**12,799**	**8,777**	**35,146**	**25,145**	**25,536**
Items that will be reclassified into the income statement					
Translation differences of foreign operations	3,439	3,670	6,653	13,939	13,045
Other comprehensive income	3,439	3,670	6,653	13,939	13,045
COMPREHENSIVE INCOME FOR THE PERIOD	**16,238**	**12,447**	**41,799**	**39,084**	**38,581**
Profit for the period attributable to PC shareholders	12,799	8,777	35,146	25,145	25,536
Profit for the period attributable to minority interests					
Comprehensive income attributable to PC shareholders	16,238	12,447	41,799	39,084	38,581
Total comprehensive income attributable to minority interests					
Earnings per share before dilution	**0.90**	**0.63**	**2.47**	**1.80**	**1.80**
Earnings per share after dilution	**0.89**	**0.61**	**2.45**	**1.76**	**1.77**
[1)] Of which amortization of product rights	-4,353	-2,688	-8,584	-7,287	-9,703
EBITDA	**29,042**	**13,847**	**65,857**	**42,366**	**46,399**
Amortization of product rights	-4,353	-2,688	-8,584	-7,287	-9,703
Other depreciation/amortization	-1,326	-223	-2,160	-962	-1,513
Operating profit (EBIT)	**23,363**	**10,936**	**55,113**	**34,117**	**35,183**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(KSEK)	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Assets			
Intangible fixed assets	592,021	261,158	261,193
Property, plant and equipment	731	704	878
Financial assets	10,749	1	1
Deferred tax asset	5,739	16,840	16,269
Total non-current assets	**609,240**	**278,703**	**278,341**
Inventories	38,682	18,625	22,200
Trade receivables and other receivables	76,863	64,783	51,557
Cash and bank balances	111,141	42,718	45,356
Total current assets	**226,686**	**126,126**	**119,113**
TOTAL ASSETS	**835,926**	**404,829**	**397,454**
Equity and liabilities			
Equity (attributable to Parent Company shareholders)	397,423	345,249	352,823
Long-term interest-bearing liabilities	377,982	-	-
Long-term non-interest-bearing liabilities	19,392	-	-
Current interest-bearing liabilities	-	6,667	3,333
Current non-interest-bearing liabilities	41,129	52,913	41,298
TOTAL EQUITY AND LIABILITIES	**835,926**	**404,829**	**397,454**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Operating activities					
Operating profit before financial items	23,365	10,936	55,114	34,121	35,183
Financial items, received and paid	22	-116	-4,484	-480	-399
Taxes paid	-	-	-26	-18	-18
Adjustments for non-cash items:					
Depreciation/amortization and other adjustments	5,438	2,911	-30,619	8,249	11,216
Employee stock option costs[5]	593	342	1,288	958	1,333
Cash flow before changes in working capital	**29,418**	**14,073**	**21,273**	**42,830**	**47,315**
Change in working capital					
Increase (-)/Decrease (+) in inventories	-20,622	-4,552	-14,793	-5,490	-9,065
Increase (-)/Decrease (+) in operating receivables	-52,700	24,828	-59,303	-21,242	-8,124
Increase (-)/Decrease (+) in operating liabilities	22,861	-22,823	29,470	12,242	592
CASH FLOW FROM OPERATING ACTIVITIES	**-21,043**	**11,526**	**-23,353**	**28,340**	**30,718**
Investing activities					
Net investments in intangible fixed assets	-333,587	-1,865	-275,713	-39,910	-43,529
Net investments in equipment	-	1	-115	-57	-354
Net investments in financial fixed assets	185,627	-	-10,748	-	-
CASH FLOW FROM INVESTING ACTIVITIES	**-147,960**	**-1,864**	**-286,576**	**-39,967**	**-43,883**
Financing activities					
Borrowings (+) / Loan amortization (-)	83,598	-3,333	373,704	-10,000	-13,333
New share issue after transaction costs	-	1,445	1,537	1,445	9,122
CASH FLOW FROM FINANCING ACTIVITIES	**83,598**	**-1,888**	**375,241**	**-8,555**	**-4,211**
Change in cash and cash equivalents	**-85,405**	**7,774**	**65,312**	**-20,182**	**-17,376**
Cash and cash equivalents at the start of the period	196,145	34,613	45,356	62,463	62,463
Exchange-rate difference in cash and cash equivalents	401	331	473	437	269
Cash and cash equivalents at the end of the period	111,141	42,718	111,141	42,718	45,356

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(KSEK)	Share capital	Other capital contributions	Translation reserve	Accumulated deficit	Total equity
January 1 – September 30, 2016					
Opening balance, January 1, 2016	**1,422**	**367,772**	**42,535**	**-58,906**	**352,823**
Comprehensive income					
Profit for the period				35,146	35,146
Other comprehensive income – translation differences on translation of foreign operations			6,653		6,653
Transactions with shareholders					
New share issue	7	1,530			1,537
Employee stock options		1,264			1,264
CLOSING BALANCE, SEPTEMBER 30, 2016	**1,429**	**370,566**	**49,188**	**-23,760**	**397,423**
January 1 – September 30, 2015					
Opening balance, January 1, 2015	**1,396**	**357,305**	**29,490**	**-84,442**	**303,749**
Comprehensive income					
Profit for the period				25,145	25,145
Other comprehensive income – translation differences on translation of foreign operations			13,939		13,939
Transactions with shareholders					
New share issue	4	1,495			1,499
Transaction costs, new share issue		-42			-42
Employee stock options		959			959
CLOSING BALANCE, SEPTEMBER 30, 2015	**1,400**	**359,717**	**43,429**	**-59,297**	**345,249**

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

KEY FIGURES FOR THE GROUP

(KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Revenue	104,135	66,566	244,881	231,894	285,566
Gross margin, %	69%	73%	70%	76%	75%
EBITDA	29,042	13,847	65,857	42,366	46,399
EBITDA %	28%	21%	27%	18%	16%
Operating profit (EBIT)	23,363	10,936	55,113	34,117	35,183
Profit after tax	12,799	8,777	35,146	25,145	25,536
Profit margin, %	12%	13%	14%	11%	9%
Total assets	835,926	404,829	835,926	404,829	397,454
Net receivables	-266,841	36,051	-266,841	36,051	42,023
Debt/equity ratio	95%	2%	95%	2%	1%
Equity/assets ratio	48%	85%	48%	85%	89%
Return on equity	3%	3%	9%	7%	7%
Earnings per share, SEK	0.89	0.61	2.45	1.76	1.77
Operating cash flow per share, SEK	-1.47	0.80	-1.64	1.99	2.14
Equity per share, SEK	27.81	24.66	27.81	24.66	24.82
Average number of shares before dilution	14,289,188	14,001,108	14,253,224	13,975,394	14,172,130
Average number of shares after dilution	14,393,197	14,331,508	14,371,290	14,251,433	14,386,605
Number of shares at end of period	14,289,188	14,001,537	14,289,188	14,001,537	14,217,522
Share price on the closing date, SEK	49.30	47.90	49.30	47.90	66.00
Market capitalization on the closing date, MSEK	704	671	704	671	938

Definitions of key figures

Moberg Pharma present certain financial performance measures in this interim report that are not defined in accordance with IFRS. Moberg Pharma believes that these financial performance measures provide valuable supplementary information to investors and company management since they facilitate evaluations of the company's performance. These financial performance measures are not always comparable with those used by other companies since not all companies calculate them in the same manner.

Accordingly, these financial performance measures are not to be regarded as a replacement for the performance measures as defined in accordance with IFRS.

Gross margin	Gross profit/loss as a percentage of revenue
EBITDA	Operating profit/loss before depreciation/amortization and impairment of intangible fixed assets and property, plant and equipment
Profit margin	Profit/loss after tax as a percentage of revenue
Net receivables	Cash and cash equivalents less interest-bearing liabilities
Debt/equity ratio	Interest-bearing liabilities in relation to equity
Equity/assets ratio	Equity at year-end in relation to total assets
Return on equity	Profit/loss for the period divided by closing equity
Earnings per share*	Profit after tax divided by the average number of shares outstanding after dilution
Operating cash flow per share*	Cash flow from operating activities divided by the average number of shares outstanding after dilution
Equity per share	Equity divided by the number of shares outstanding at the end of the period

*Defined in accordance with IFRS

CONDENSED PARENT COMPANY INCOME STATEMENT

(KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Revenue	44,134	9,126	99,548	86,068	106,510
Cost of goods sold	-8,430	-7,508	-19,633	-26,937	-30,997
Gross profit	**35,704**	**1,618**	**79,915**	**59,131**	**75,513**
Selling expenses	-7,502	-2,346	-14,583	-10,523	-15,224
Business development and administrative expenses	-5,387	-3,782	-17,523	-15,492	-21,188
Research and development expenses	-3,118	-2,950	-8,302	-16,552	-22,371
Other operating income	2,748	945	14,349	6,111	6,584
Other operating expenses	-672	-	-2,429	-2,673	-3,082
Operating profit	**21,773**	**-6,515**	**51,427**	**20,002**	**20,232**
Interest income	5,922	-	15,308	516	533
Interest expense	-12,069	-138	-24,644	-540	-642
Profit/loss after financial items	**15,626**	**-6,653**	**42,091**	**19,978**	**20,123**
Tax on profit for the period	-3,776	1,997	-9,083	-4,923	-5,137
PROFIT/LOSS	**11,850**	**-4,656**	**33,008**	**15,055**	**14,986**

CONDENSED PARENT COMPANY BALANCE SHEET

(KSEK)	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Assets			
Intangible fixed assets	441,370	80,506	83,151
Property, plant and equipment	508	343	574
Financial assets	188,855	178,107	178,107
Deferred tax asset	3,679	12,948	12,761
Total non-current assets	**634,412**	**271,904**	**274,593**
Inventories	481	506	406
Trade receivables and other receivables	17,797	19,091	20,016
Receivables to Group companies	35,652	24,924	35,264
Cash and bank balances	97,566	26,351	21,500
Total current assets	**151,496**	**70,872**	**77,186**
TOTAL ASSETS	**785,908**	**342,776**	**351,779**
Equity and liabilities			
Shareholders' equity	359,810	315,991	324,000
Long-term interest-bearing liabilities	377,982	-	-
Long-term non-interest-bearing liabilities	19,392	-	-
Current interest-bearing liabilities	-	6,667	3,333
Current non-interest-bearing liabilities	28,724	20,118	24,446
TOTAL EQUITY AND LIABILITIES	**785,908**	**342,776**	**351,779**

CONDENSED PARENT COMPANY CASH-FLOW STATEMENT

(KSEK)	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full-year 2015
Operating activities					
Operating profit/loss before financial items	21,773	-6,515	51,427	20,002	20,232
Financial items, received and paid	22	-113	-4,484	-482	-401
Adjustments for non-cash items:					
Depreciation/amortization and other adjustments	4,367	997	-4,162	2,554	3,594
Employee stock option costs	403	148	925	433	626
Cash flow before changes in working capital	**26,565**	**-5,483**	**43,706**	**22,507**	**24,051**
Change in working capital					
Increase (-)/Decrease (+) in inventories	15	1,590	-74	-352	-251
Increase (-)/Decrease (+) in operating receivables	-38,198	29,899	2,169	1,226	-9,859
Increase (-)/Decrease (+) in operating liabilities	-14,799	-9,680	372	-4,570	-409
CASH FLOW FROM OPERATING ACTIVITIES	**-26,417**	**16,326**	**46,173**	**18,811**	**13,532**
Investing activities					
Net investments in intangible fixed assets	-334,027	-1,865	-334,485	-39,910	-43,529
Net investments in equipment	-	-	-115	-58	-354
Net investments in financial fixed assets	185,627	-	-10,748	-	-
CASH FLOW FROM INVESTING ACTIVITIES	**-148,400**	**-1,865**	**-345,348**	**-39,968**	**-43,883**
Financing activities					
Borrowings (+) / Loan amortization (-)	83,598	-3,333	373,704	-10,000	-13,333
New share issue after transaction costs	-	1,446	1,537	1,446	9,122
CASH FLOW FROM FINANCING ACTIVITIES	**83,598**	**-1,887**	**375,241**	**-8,554**	**-4,211**
Change in cash and cash equivalents	**-91,219**	**12,574**	**76,066**	**-29,711**	**-34,562**
Cash and cash equivalents at the start of the period	188,785	13,777	21,500	56,062	56,062
Cash and cash equivalents at the end of the period	97,566	26,351	97,566	26,351	21,500

ACCOUNTING AND VALUATION POLICIES

This interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements have, in common with the annual accounts for 2015, been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The Group applies the same accounting policies and calculation methods as described in the 2015 Annual Report. A number of new or revised standards, interpretations and improvements have been adopted by the EU and are to be applied from January 1, 2016. These changes have not had any significant effect on the Group.

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

SEGMENT REPORTING

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

RELATED-PARTY TRANSACTIONS

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

FINANCIAL INSTRUMENTS

With the exception of the bond loan, the fair value of financial instruments approximates to their carrying amount as of September 30, 2016. The fair value of the bond loan, according to Level 2 of the fair value hierarchy, amounted to approximately MSEK 395 (based on trade) on September 30, 2016. Purchase considerations are valued according to Level 3 of the fair value hierarchy and amounted to approximately MSEK 11 on September 30, 2016.

FUTURE REPORTING DATES

Year-end report for 2016 financial year	February 14, 2017
Interim report for January – March 2017	May 9, 2017
Interim report for January – June 2017	August 8, 2017
Interim report for January – September 2017	November 13, 2017

The Annual General Meeting for Moberg Pharma will be held on May 16, 2017 at 5:00 p.m. at the company's premises. Shareholders may submit proposed items of business for the Annual General Meeting no later than March 28, 2017.

FOR MORE INFORMATION, PLEASE CONTACT

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

For more information about Moberg Pharma's operations, please visit the company's website at www.mobergpharma.com
This interim report has been reviewed by the company's auditors.

BOARD DECLARATION

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

Bromma, November 7, 2016

Thomas Eklund *Chairman*	Wenche Rolfsen *Board member*	Torbjörn Koivisto *Board member*
Thomas Thomsen *Board member*	Geert Cauwenbergh *Board member*	Mattias Klintemar *Board member*
Peter Wolpert *CEO*		

AUDITOR'S REVIEW – THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

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

Introduction

We have reviewed the condensed interim report for Moberg Pharma AB as at September 30, 2016 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion

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

Stockholm, November 7, 2016

Ernst & Young AB

Andreas Troberg

Authorized Public Accountant