

INTERIM REPORT

Period from January 2016 to March 2016

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

2016 FIRST QUARTER (Jan-Mar)

- Operating loss KSEK -3,551 (-2,644)
- Loss per share SEK -0.18 (-0.33)

IMPORTANT EVENTS DURING THE PERIOD

- In March Peptonic Medical received approval to start the planned clinical Phase 2b study from the Swedish Medical Products Agency. Previously Peptonic had received approval from the Ethical Vetting Board.
- The Formulation patent has been approved also in China. Earlier it has been approved i.a. in Europe and the US.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- The Nomination Committee will propose to the Annual General Meeting on May 19th, that Mr Hans von Celsing be elected as Chairman of the Board of Peptonic Medical. Present chairman, Ron Long, has announced that he will not be standing for re-election.
- The 3rd of May the first patients entered Peptonic Medical's clinical phase 2b study. The aim of the study is to investigate the effect of Peptonic Medical's product candidate Vagitocin[®] on vaginal atrophy in menopausal and post-menopausal women.

From the CEO

During the past few months, focus has been almost entirely on the preparations of the clinical phase 2b study. We have received the required approvals from the authorities, the first batches of the oxytocin gel have been manufactured, the study sites have been initiated, the study protocol has been presented to the head clinicians, service agreements with laboratories and other providers have been signed and advertising for study subjects has started, etc. Everything has gone according to time plan and budget, which means that the first subjects were randomised in to the study in the beginning of this month.

We will carefully monitor the continued patient recruitment and any feedback from the study sites and study subjects during the coming months. Results from the main study (gel in glass syringes) are expected by the end of this year, whereas the results from the exploratory study (gel in laminated tubes) are expected during Q1 2017.

In collaboration with TEFEN – an international management consulting firm – a market research project targeting the Vaginal Atrophy (VA) markets of the USA, the five largest countries in Europe and the Nordic countries has been concluded. The objectives of this project were to gain a better understanding of the patient flows, who the prescribers and main competitors are, the current value of the VA market, and to develop an interactive valuation model for Vagitocin®. This project has provided valuable information about the most important markets and a useful tool for the anticipated out-licensing negotiations.

The distribution agreement signed in 2009, granting Alium Medical Ltd. (formerly Pharmarama Ltd.) exclusive distribution rights to Vagitocin® in the UK and Ireland has been terminated. This means that Peptonic has regained the right to distribute Vagitocin® in these territories, either through its own sales force or through a future partner. In conjunction with the termination, Peptonic Medical reimbursed Alium Medical for costs incurred for market access activities.

Stockholm May 17, 2016

Johan Inbarr

CEO, Peptonic Medical AB

COMPANY BRIEF

Peptonic Medical AB (publ) is an innovative Swedish pharmaceutical company developing oxytocin based products e.g. for the treatment of menopausal symptoms, such as vaginal atrophy. Oxytocin has a long history of safe medical use and offers an alternative to estrogen and estrogen-like acting compounds for menopausal and postmenopausal women. Peptonic Medical AB (publ)'s mission is to develop safe and effective drugs based on oxytocin.

FINANCIAL INFORMATION

Net sales – Currently the company has no net sale.

Costs – Costs for the first quarter were KSEK -3,551 (-2,644).

Result – Loss before tax for the first quarter was KSEK -3,537 (-2,629).

Financial position and liquidity – Liquid assets was KSEK 21,650 (20,338) as of March 31, 2016.

Equity – PEPTONIC medical AB's equity amounted to KSEK 63,975 (52,769) as of March 31, 2016, resulting in a solidity of 86 (86) percent.

Organization – The average number of employees during the period was 2 (2). At the end of the period the number of employees was 2 (2).

Share – Total numbers of shares in the company amounted to 19,174,412, as of March 31, 2016.

INCOME STATMENT

KSEK	Note	3 months Jan-Mar 2016	3 months Jan-Mar 2015	12 months Jan-Dec 2015
Operating income				
Other operating income		0	0	10
Total operating income		0	0	10
Operating expenses				
Other external expenses	1	-2,409	-1,534	-9,274
Personnel costs		-1,139	-1,110	-4,696
Depreciation		-3	-	-13
Total operating expenses		-3,551	-2,644	-13,983
Operating loss		-3,551	-2,644	-13,983
Net financial income/expense		14	15	23
Loss before taxes		-3,537	-2,629	-13,960
Taxes		-	-	-
Net loss for the period		-3,537	-2,629	-13,960

BALANCE SHEET

KSEK	Note	Mar 31 2016	Mar 31 2015	Dec 31 2015
Assets				
Non-Current assets				
Intangible assets	2	46,401	40,530	45,407
Tangible assets		20	35	23
Financial assets		-	-	-
Total non-current assets		46,421	40,565	45,430
Current assets				
Raw materials and consumables		-	-	-
Other receivbles		227	567	328
Tax receivable		-	-	-
Prepaid expenses and accrued income		119	182	160
Liquid assets		21,650	20,338	28,431
Total current assets		21,996	21,087	28,919
Total assets		68,417	61,652	74,349
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		1,917	797	944
Ongoing right issues		-	14,488	973
Non- restrictes equity				
Share premiu reserv non-restricted		112,020	72,578	112,021
Profit or loss brought forward		-46,425	-32,465	-32,465
Net loss for the period		-3,537	-2,629	-13,960
Total equity	3	63,975	52,769	67,513
Current liabilities				
Trade payables		1,016	2,414	1,769
Other payables		4	111	241
Prepaid income and accrued expenses		3,422	6,358	4,826
Total current liabilities		4,442	8,883	6,836
Total equity and liabilities		68,417	61,652	74,349

NOTE

Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act (Chapter 9. Interim Report) and the Swedish Accounting Standards Board's general advice, BFNAR 2012:1 Annual Report and consolidated (K3-rules).

Note 1 – Related-party transactions

During the period companies represented by members of the Board of Directors were contracted as consultants. Total compensation for consultancy services amounted to KSEK 377 (437) and is mostly related to R&D-services. All transactions between related parties are based on market conditions. No other key executives or their immediate family members have been directly or indirectly involved in any business transaction with the Company that is or was unusual in its character or terms and conditions and took place during the period.

	2016	2015	2015
KSEK	Jan-Mar	Jan-Mar	Jan-Dec
Consulting fees Board of Directors	377	437	1,706
Total	377	437	1,706

Note 2 – Intangible assets

Patents and development costs are capitalized and amortized over five years after the first income has been acquired. Capitalized patent-and development costs are estimated to result in future revenues for the company. Patent and development costs are stated at acquisition value in the balance sheets.

	Mar 31 2016	Mar 31 2015	Dec 31 2015
Capitalized development costs			
Accumulated acquisition value			
Opening balance	37,892	28,274	28,274
Capitalizations during the period	777	5,449	9,618
	38,669	33,723	37,892
No depreciation has been made as no income has been acquired	-	-	-
Net booked amount at end of period	38,669	33,723	37,892
Patents och licenses			
Accumulated acquisition value			
Opening balance	7,515	6,332	6,332
Capitalizations during the period	217	475	1,183
Reclassifications do to exchange of shares to patent rights	-	-	-
	7,732	6,807	7,515
No depreciation has been made as no income has been acquired	-	-	-
Net booked amount at end of period	7,732	6,807	7,515
Total intangible assets	46,401	40,530	45,407

Note 3 – Equity and liabilities

All of the Company's debts are non-interest-bearing.

KEY FIGURES

	3 months Jan-Mar 2016	3 months Jan-Mar 2015	12 months Jan-Dec 2015
Operating loss, KSEK	-3,551	-2,644	-13,983
Return on equity, %	-21.5	-22.4	-25.8
Solidity, %	94	86	91
Earnings per share, SEK	-0.2	-0.3	-0.7
Liquid assets per share, SEK	1.1	2.6	1.5
Shareholders' equity per share, SEK	3.3	6.6	2.1
Share price per closing, SEK	15.80	10.60	6.10
Share price/Shareholders' equity per share, SEK	1.8	1.6	2.9
Number of share per closing	19,174,412	7,971,054	19,174,412

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*Inclusive shares paid during 2015, but not registered at Bolagsverket until January 2016

This interim report has not been reviewed by the Company's auditors.

The Board of Directors and the CEO certifies that the interim report gives a fair overview of the business, position and profit or loss of the Company.

FINANCIAL CALENDER

Quarterly report, 2	August 17 th 2016
Quarterly report, 3	November 10 th 2016
Year end report, 2016	February 27 th 2017

Stockholm, May 17th, 2016

Ron Long, Chairmen of the Board Kerstin Uvnäs Moberg, Board member

Andris Kreicbergs, Board member Nadia Whittley, Board member

Johan Inborr, CEO

For more information please contact:

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Note: This document has been prepared in both Swedish and English. The Swedish version shall govern in case of differences between the two documents. The document contains certain statements about the Company's operating environment and future performance. These statements should only be regarded as reflective of prevailing interpretations. No guarantees can be made that these statements are free from errors.