

INTERIM REPORT

Period from January 2018 to March 2018

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

2018 FIRST QUARTER (Jan-Mar)

- Operating loss KSEK -2,756 (-2,681)
- Loss per share SEK -0.06 (-0.13)

IMPORTANT EVENTS DURING THE PERIOD

- On March 22nd the Company informed that it is close to CE mark for VagiVital®. This after the Company has received the report of the evaluation of its so called Technical File. The evaluation has been performed by Lloyd's Register Quality Assurance, Ltd. (LRQA) in England, acting as the Notified Body. The Company submitted the Technical File in January but due to a heavy work load at LRQA the evaluation report was delayed until now. The report lists a number of items of the Technical File that need clarification or need to be complemented. It is the view of the Company that these items can be addressed based on the existing documentation on VagiVital® and no further tests are required. Hence, the Company's response to the evaluation report will be submitted in the near future. This means that the approval of the CE mark can be expected during April.
- At the AGM On March 28th, all Board Members were re-elected.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- On April the 10th 2018 Peptonic Medical announced its plans for a partly underwritten rights issue of 12.5 MSEK with pre-emptive rights for existing shareholders. Issue price was set at 0.29 SEK per share.
- On April the 24th, 2018, the company announced that it has entered an agreement for the commercial supply of its hormone-free selfcare product VagiVital® with Orion Corporation ('Orion'), with headquarters in Espoo, Finland. The supply agreement is non-exclusive and a result of a successful transfer of the manufacturing technology under the technology transfer agreement signed by the two companies in December 2017.
- On May the 8th, 2018, did the Company announced that the rights issue have been heavily oversubscribed. In total, the Company raised 12.5 MSEK before cost.

From the CEO

During the first quarter of this year our focus has been on securing the CE mark for VagiVital®, and on preparations for the launch of this first product from Peptonic Medical later this year. The journey to this point has been a roller coaster ride, but we have great confidence in the product. This not least based on the compelling clinical documentation on its striking effects and the key opinion leaders behind it.

Hence, the launch preparations are underway with full speed. An agreement concerning the supply of commercial volumes of VagiVital® was recently signed with Orion Corporation (Finland). Orion is a competent and experienced manufacturer of both pharmaceutical and self-care products. This warrants high quality and secure supply.

Our ambition is to have established VagiVital® on the Swedish market within one year. We are also continuing discussions with potential distributors outside Sweden. Our ambition is to expand our offering in the women's health segment as soon as possible and to become a significant player in this fast growing segment of the market. We already have established contacts with a number of foreign companies specialised in women's health wanting to enter the Nordic market.

I want to take this opportunity to wish our shareholders and collaboration partners a summer filled with sun and great holidays. You can follow us in the media and on our website (www.peptonicmedical.se) on our exciting journey with women's health and well-being in the forefront of our minds.

Stockholm, May 15th, 2018

Johan Inbarr

CEO

COMPANY BRIEF

Peptonic Medical is an innovative Swedish development company. Our vision is to offer safe and effective treatments for women specific diseases and medical conditions.

VagiVital® is a trademark of Peptonic Medical. The product is hormone free and is being commercialised for the non-prescription use for the treatment of vaginal atrophy.

The pipeline of Peptonic Medical also includes Vagitocin®, which is an oxytocin-based vaginal gel for the treatment of VA. This product candidate is in clinical development phase 2. The development of Vagitocin® is on hold pending additional data on i.a. the mechanism of action.

In July 2014, Peptonic Medical was listed on the AktieTorget stock exchange (www.aktietorget.se, ticker: PMED) in Stockholm.

For more information: www.peptonicmedical.com

About VagiVital®

VagiVital® is a hormone free self-care product for the treatment of vaginal atrophy and vaginal dryness. The product has been tested in randomised clinical studies (vaginal atrophy) with very positive results for both subjective (most bothersome symptoms, such as vaginal dryness, vaginal irritation/itching, dyspareunia and dysuria) and objective (vaginal pH and proportion of superficial cells in the vaginal mucosa) and parameters. The magnitude of symptom relief is on par with that demonstrated with e.g. estrogen based products on the market today. It was very well tolerated and caused no serious adverse effects.

Peptonic Medical plans to launch VagiVital® as a non-prescription self-care product in 2018.

Peptonic Medical AB (publ) is an innovative Swedish biopharma company developing products within the field of women's health. The Company was founded in 2009 and its first candidate drug product is Vagitocin® – an estrogen-free product for the treatment of vaginal atrophy.

VagiVital® is a registered trademark of Peptonic Medical. The product is being developed for the non-prescription use for the treatment of vaginal atrophy.

Find out more at www.peptonicmedical.se

FINANCIAL INFORMATION

Net sales – Currently the company has no net sales of products.

Costs – Costs for the first quarter were KSEK -2,822 (-2,681).

Result – Loss before tax for the first quarter was KSEK -2,758 (-2,681).

Financial position and liquidity – Liquid assets was KSEK 3,369 (7,373) as of March 31, 2018.

Equity – PEPTONIC medical AB's equity amounted to KSEK 56,936 (58,961) as of March 31, 2018, resulting in a solidity of 91 (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 43,014,300, as of March 31, 2018.

INCOME STATEMENT

KSEK	Note	3 months Jan-Mar 2018	3 months Jan-Mar 2017	12 months Jan-Dec 2017
Operating income				
Other operating income		66	0	169
Total operating income		66	0	169
Operating expenses				
Other external expenses	1	-1,610	-1,548	-6,029
Personnel costs		-1,193	-1,130	-4,854
Depreciation		-19	-3	-86
Other operating costs		0	0	-2,162
Total operating expenses		-2,822	-2,681	-13,131
Operating loss		-2,756	-2,681	-12,962
Net financial income/expense		-2	0	-11
Loss before taxes		-2,758	-2,681	-12,973
Taxes		-	-	-
Net loss for the period		-2,758	-2,681	-12,973

BALANCE SHEET

KSEK	Note	Mar 31 2018	Mar 31 2017	Dec 31 2017
Assets				
Non-Current assets				
Intangible assets	2	58,011	57,029	57,604
Tangible assets		0	7	0
Financial assets		-	-	-
Total non-current assets		58,011	57,036	57,604
Current assets				
Raw materials and consumables		-	-	-
Other receivbles		385	324	467
Tax receivable		-	-	-
Prepaid expenses and accrued income		163	95	258
Liquid assets		3,369	7,373	7,054
Total current assets		3,917	7,792	7,779
Total assets		61,928	64,828	65,383
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		4,301	2,060	4,301
Ongoing right issues		-	-	-
Development Cost Fund		14,368	11,682	14,033
Non- restrictes equity				
Share premiun reserv non-restricted		126,048	117,265	126,048
Profit or loss brought forward		-85,023	-69,365	-71,715
Net loss for the period		-2,758	-2,681	-12,973
Total equity	3	56,936	58,961	59,694
Current liabilities				
Trade payables		1,068	957	683
Other payables		182	150	442
Prepaid income and accrued expenses		3,742	4,760	4,564
Total current liabilities		4,992	5,867	5,689
Total equity and liabilities		61,928	64,828	65,383

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 53 (499) and is mostly related to R&D-services and business development. 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.

	2018	2017	2017
KSEK	Jan-Mar	Jan-Mar	Jan-Dec
Consulting fees Board of Directors	53	499	996
Total	53	499	996

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	Mar 31	Dec 31
	2018	2017	2017
Capitalized development costs			
Accumulated acquisition value			
Opening balance	50,108	47,659	47,659
Sold out and Other disposals			-1,965
Capitalizations during the period	335	1,915	4,414
	50,443	49,574	50,108
No depreciation has been made as no income has been acquired	-	-	-
Net booked amount at end of period	50,443	49,574	50,108
Patents och licenses			
Accumulated acquisition value			
Opening balance	7,496	7,336	7,336
Sold out and Other disposals	-	-	-197
Capitalizations during the period	91	119	433
	7,587	7,455	7,572
Depreciation - closed down of patent families, because of short of time to end of patent	-19	-	-76
Net booked amount at end of period	7,568	7,455	7,496
Total intangible assets	58,011	57,029	57,604

Note 3 – Equity and liabilities

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

KEY FIGURES

	3 months	3 months	12 months
	Jan-Mar	Jan-Mar	Jan-Dec
	2018	2017	2017
Operating loss, KSEK	-2,756	-2,681	-12,962
Return on equity, %	-18.9	-17.8	-21.4
Solidity, %	92	91	91
Earnings per share, SEK	-0.1	-0.1	-0.3
Liquid assets per share, SEK	0.1	0.4	0.2
Shareholders' equity per share, SEK	1.3	2.9	1.4
Share price per closing, SEK	0.482	1.85	0.635
Share price/Shareholders' equity per share, SEK	0.36	0.65	0.46
Number of share per closing	43,014,300	20,602,984	43,014,300

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 2018
Quarterly report, 3	November 9 th 2018
Year end report, 2018	February 27 th 2019

Stockholm, May 15th, 2018

Hans von Celsing, Chairmen of the Board

Arne Ferstad, Board member

Marianne Östlund, Board member

Leni Ekendahl, Board member

Johan Inborr, CEO

For more information please contact:

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This information is information that Peptonic Medical AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 15th May 2018.

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.