

## INTERIM REPORT

Period from January 2015 to June 2015

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

### 2015 SECOND QUARTER (Apr-Jun)

- Operating loss KSEK -3 863 (-2,404)
- Loss per share SEK -0.41 (-0.35)

### FIRST HALF YEAR 2015 (Jan-Jun)

- Operating loss KSEK -6,507 (-3,678)
- Loss per share SEK -0.69 (-0.54)

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### IMPORTANT EVENTS DURING THE PERIOD

- At the AGM in April, Mr Anders Wiklund and Prof. Emeritus Andris Kreicbergs were elected as new members to the Board. At the same time, Mr. Christer Sjögren and Mr. Ingvar Wiberger resigned from the Board.
- In April, Johan Inbarr, CEO, subscribed for 160,000 warrants as authorized by the AGM as part of an adopted incentives scheme.

### IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- Last patient exited the on-going phase IIb study in July. In total, 227 patients were randomized in to the study.

## From the CEO

At Peptonic, the ongoing clinical study is the single most important activity at present. The last study subject entered the study in March and exited the same in July. This was in line with the study protocol and time schedule. In total, 227 subjects were randomized in to the study, which were a few short of the target of 240. In general, patient recruitment went very well, which indicates a great need for new and safe treatments for vaginal atrophy and that many women are suffering from the symptoms associated with vaginal atrophy. We are also pleased to note that the costs of the study did not exceed those of the original budget. Results from the study are expected to be announced in September.

Preparations for the next phase in the development of Vagitocin® - clinical phase 3 – are well underway. These include e.g. to secure commercial scale manufacturing of Vagitocin®, preparation for the advisory meetings with the regulatory authorities in the US and in Europe, and to plan for the discussions with potential partners with the aim of out-licensing the project.

Work is also underway to develop treatments based on oxytocin for additional indications. This work focuses on identifying and evaluating indications for which there are no good treatments today, the need for effective and safe medicines is pronounced, new or existing patents would provide good protection and that have an attractive market potential. We hope to be able to provide more information on these projects later this year.

In summary, we have an exciting autumn ahead of us. Stay tuned on the news flow to follow our progress.

Stockholm August 17<sup>th</sup>, 2015

Johan Inbarr

CEO, Peptonic Medical AB

## COMPANY BRIEF

Peptonic Medical AB 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 and effective medical use and offers an alternative to estrogen and estrogen-like acting compounds for menopausal and postmenopausal women. Peptonic Medical AB's mission is to develop safe and effective drugs based on the known beneficial properties of oxytocin.

## FINANCIAL INFORMATION

**Net sales** – Currently the company has no sales.

**Costs** – Costs for the second quarter were KSEK -3,863 (-2,404). Costs for the first half year were KSEK -6,507 (-3,678).

**Result** – Loss before tax for the second quarter was KSEK -3,863 (-2,404). Loss before tax for the first half year was KSEK -6,492 (-3,678).

**Financial position and liquidity** – Liquid assets were KSEK 13,558 (9,972) as of June 30, 2015. During the first half year the company raised KSEK 14,522 in a private placement.

**Equity** – The equity amounted to KSEK 48,940 (49,419) as of June 30, 2015. 85 (97) percent of which is shareholders funds.

**Organization** – The average number of employees during the period was 2 (1). At the end of the period the number of employees was 2 (1).

**Share** – Total numbers of shares in the company amounted to 9,441,960 (6,824,318), as of June 30, 2015.

**INCOME STATEMENT**

KSEK	Note	3 months Apr-Jun 2015	3 months Apr-Jun 2014	6 months Jan-Jun 2015	6 months Jan-Jun 2014	12 months Jan-Dec 2014
<b>Operating income</b>						
Other operating income		-	-	-	-	10
<b>Total operating income</b>		-	-	-	-	<b>10</b>
<b>Operating expenses</b>						
Other external expenses	1	-2,500	-1,850	-4,034	-2,646	-7,410
Personnel costs		-1,357	-554	-2,467	-1,032	-2,713
Depreciation		-6	-	-6	-	-2
<b>Total operating expenses</b>		<b>-3,863</b>	<b>-2,404</b>	<b>-6,507</b>	<b>-3,678</b>	<b>-10,125</b>
<b>Operating loss</b>		<b>-3,863</b>	<b>-2,404</b>	<b>-6,507</b>	<b>-3,678</b>	<b>-10,115</b>
Net financial income/expense		-	-	15	-	18
<b>Loss before taxes</b>		<b>-3,863</b>	<b>-2,404</b>	<b>-6,492</b>	<b>-3,678</b>	<b>-10,097</b>
Taxes		-	-	-	-	-
<b>Net loss for the period</b>		<b>-3,863</b>	<b>-2,404</b>	<b>-6,492</b>	<b>-3,678</b>	<b>-10,097</b>

**BALANCE SHEET**

KSEK	Note	June 30 2015	June 30 2014	Dec 31 2014
<b>Assets</b>				
<b>Non-Current assets</b>				
Intangible assets	2	43,357	27,129	34,606
Tangible assets		28	-	35
Financial assets		-	-	-
<b>Total non-current assets</b>		<b>43,385</b>	<b>27,129</b>	<b>34,641</b>
<b>Current assets</b>				
Raw materials and consumables		-	25	-
Ongoing right issues		-	12,985	-
Other receivbles		338	551	456
Tax receivable		-	75	-
Prepaid expenses and accrued income		155	100	207
Liquid assets		13,558	9,972	10,528
<b>Total current assets</b>		<b>14,051</b>	<b>23,708</b>	<b>11,191</b>
<b>Total assets</b>		<b>57,436</b>	<b>50,837</b>	<b>45,832</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
<b>Ristricted equity</b>				
Share capital		944	683	797
Ongoing right issues		-	12,985	-
<b>Non- restrictes equity</b>				
Share premiu reserv non-restricted		86,953	62,236	72,578
Profit or loss brought forward		-32,465	-22,807	-22,368
Net loss for the period		-6,492	-3,678	-10,097
<b>Total equity</b>		<b>48,940</b>	<b>49,419</b>	<b>40,910</b>
<b>Current liabilities</b>				
Trade payables		456	1,085	1,330
Other payables		296	147	183
Prepaid income and accrued expenses		7,744	186	3,409
<b>Total current liabilities</b>		<b>8,496</b>	<b>1,418</b>	<b>4,922</b>
<b>Total equity and liabilities</b>	3	<b>57,436</b>	<b>50,837</b>	<b>45,832</b>

**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 680 (260) and is 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.

	<b>2015</b>	<b>2014</b>	<b>2014</b>
KSEK	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Dec</b>
Consulting fees Board of Directors	<b>1,090</b>	680	1,957
<b>Total</b>	<b>1,090</b>	<b>680</b>	<b>1,957</b>

**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.

	<b>June 30</b>	<b>June 30</b>	<b>Dec 31</b>
	<b>2015</b>	<b>2014</b>	<b>2014</b>
<b>Capitalized development costs</b>			
Accumulated acquisition value			
Opening balance	28,274	20,132	20,132
Capitalizations during the period	7,753	1,301	8,142
	<b>36,027</b>	<b>21,433</b>	<b>28,274</b>
No depreciation has been made as no income has been acquired	-	-	-
<b>Net booked amount at end of period</b>	<b>36,027</b>	<b>21,433</b>	<b>28,274</b>
<b>Patents och licenses</b>			
Accumulated acquisition value			
Opening balance	6,332	5,236	5,236
Capitalizations during the period	998	460	-
Reclassifications do to exchange of shares to patent rights	-	-	1,096
	<b>7,330</b>	<b>5,696</b>	<b>6,332</b>
No depreciation has been made as no income has been acquired	-	-	-
<b>Net booked amount at end of period</b>	<b>7,330</b>	<b>5,696</b>	<b>6,332</b>
<b>Total intangible assets</b>	<b>43,357</b>	<b>27,129</b>	<b>34,606</b>

**Note 3 – Equity and liabilities**

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



**KEY FIGURES**

	<b>6 months Jan-Jun 2015</b>	<b>6 months Jan-Jun 2014</b>	<b>12 months Jan-Dec 2014</b>
Operating loss, KSEK	-6,507	-3,678	-10,115
Return on equity, %	-28.9	-18.3	-28.1
Solidity, %	85	97	89
Earnings per share, SEK	-0.7	-0.5	-1.3
Liquid assets per share, SEK	1.4	1.5	1.3
Shareholders' equity per share , SEK	5.2	7.2	5.1
Share price per closing, SEK	16.80	NA	8.90
Share price/Shareholders' equity per share, SEK	3.2	NA	1.7
Number of share per closing	9,441,960	6,824,318	7,971,054

**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**

Interim report, 3	November 11 <sup>th</sup> 2015
Year end report, 2015	February 26 <sup>th</sup> 2016

**Stockholm, August 17th, 2015**

Ron Long, Chairman of the Board

Kerstin Uvnäs Moberg, Board member

Anders Wiklund, Board member

Andris Kreicbergs, Board member

Nadia Whittlely, Board member

Johan Inborr, CEO

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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.*