



INTERIM REPORT

Period from January 2019 to March 2019

Peptonic Medical AB (publ) org nr 556776-3064

(www.spotlightstockmarket.se ; ticker: PMED)

2019 FIRST QUARTER (Jan-Mar)

- Net sales of products KSEK 1,470 (0)
- Gross profit KSEK 802 (0), Gross margin 55% (0%)
- Operating loss KSEK -3,185 (-2,756)
- Loss per share SEK -0.04 (-0.06)

PEPTONIC medical AB (publ)

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IMPORTANT EVENTS DURING THE PERIOD

- On January 10th, 2019 the Company announced that its self-care product for the treatment of vaginal atrophy and dryness - VagiVital® - has been approved for sale through Apoteket AB's retail shops and on-line shop, by Apoteket Hjärtat for sale in its on-line pharmacy shop, and by Apoteksgruppen for sales in approximately forty of its franchise pharmacy shops throughout Sweden. Initially, VagiVital® will be available for purchase in the thirty largest pharmacy shops of Apoteket AB and in its on-line pharmacy (www.apoteket.se) from mid February 2019, and in Apoteket Hjärtat's webshop from the beginning of February the latest. The Apoteksgruppen independent franchise pharmacies will decide individually on when to start offering the product in their shops.
- On 18th January 2019, the Company announced that the Board of Directors have decided to issue 2,192,270 new shares to ReCall Capital Nordic AB. The proceeds to the Company amounted to 1.2 MSEK for this number of shares. This was the first transaction of the so called 'on tap financing' arrangement with ReCall dated the 6th of November 2018.
- On 28th January, 2019, the Company announced that the results of a recently conducted survey among women that have used VagiVital® indicate a very strong treatment effect. Of more than two hundred respondents of the survey, three out of four reported symptom relief, regardless for how long they had used VagiVital®. Of those women who had used VagiVital® for two months or longer, nine out of ten reported symptom relief. The survey was performed during the period of December 2018 to mid January 2019.
- On 12th of February 2019, the Company announced that the Board of Directors have decided to issue 2,375,120 new shares to ReCall Capital Nordic AB. The proceeds to Company amounted to 1.5 MSEK for these shares. This was the second transaction of the so called 'on tap financing' arrangement with ReCall dated the 6th of November 2018.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- On 10th April 2019, the Company announced that the Board of Directors have decided to issue 2,375,120 new shares to ReCall Capital Nordic AB. The proceeds to Company amounted to 1.5 MSEK for these shares. This was the third transaction of the so called 'on tap financing' arrangement with ReCall dated the 6th of November 2018.
- On 18th April, the Company announced that its 2018 Annual Report is available on the Company's website www.peptonicmedical.se and on the website of Spotlight www.spotlightstockmarket.com.
- On the 8th May 2019, the Company announced that during May Apoteket AB will expand the distribution of Peptonic's self-care product VagiVital® from today's 30 to 250 of its retail pharmacy shops in Sweden. Since February this year, VagiVital® can also be purchased on the Apoteket AB's webshop (www.apoteket.se). In connection with this distribution expansion, Peptonic has received a purchase order from Apoteket AB worth 440,000 SEK.

From the CEO

Continued focus on the launch and marketing of VagiVital® summarizes the first quarter of the year in Peptonic. In addition to expanding the distribution to more pharmacies and e-commerce platforms, significant investments were made in bringing the VagiVital® message to the customers and users. The production of an appealing and captivating TV commercial was a major investment.

Judging by the monthly sales development, the marketing efforts seem to have been effective. The feedback from VagiVital® users has been very positive. A customer survey in January concluded that 89 percent of the respondents that had used VagiVital® for two months or longer had experienced significant symptom relief. 85 percent of the respondents said that they would recommend the product to a friend. These positive responses by VagiVital® users give great confidence and guidance in view of future marketing activities.

Among pharmacy chains and e-commerce platforms the interest in VagiVital® has grown with time. At the end of the period VagiVital® could be purchased at these outlets; the 30 largest retail pharmacies of Apoteket AB and on Apoteket AB's webshop, Apoteket Hjärtat's webshop, Apoteksgruppen's 40 franchise pharmacies (on order), and on the following on-line pharmacies; Apotea.se, apohem.se, apotek365, meds.se, and netoteket.se. Since then, the distribution has expanded further. Webshops for the Danish and Norwegian markets will open soon. This to facilitate entry of these markets in a similar manner as in Sweden, that is, through the pharmacy chains. Activities to create traffic to these webshops will be performed based on market size and discussions with potential local distributors.

The preparations for a clinical study with women that have undergone treatment for a hormone dependent cancer are under way. A large portion of these women are suffering from vaginal dryness, but they cannot use hormone based treatments. Hence, the objective of this study is to demonstrate that VagiVital® is a safe and effective alternative treatment to hormones. An application to the concerned ethics committee has been submitted.

We also plan to submit a 510k registration application to the US FDA before year end. A gap analysis has been completed to find out what additional documentation needs to be developed on VagiVital® before such submission.

The 'on-tap' financing facility according to the Recall Capital agreement generated 2.7 MSEK during the period. According to this arrangement, Recall Capital sells shares, borrowed from Peptonic shareholders, on the market and the proceeds are transferred to the Company. Recall will then be compensated by shares issued directly to Recall.

Operating loss for the period was -3.185 MSEK. Sales generated 1.47 MSEK (including the order by Orion Pharma OY, Finland). Marketing costs, and cost of manufacturing, transportation and distribution amounted to approx. 2.8 MSEK.

Peptonic is in an exciting development phase and we have great expectations for the coming quarter – not least regarding the sales development of VagiVital®.

Stockholm, May 15th, 2019

Johan Inbarr

CEO

COMPANY BRIEF

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

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

Since July 2014, the Peptonic Medical share has been traded on the Spotlight Stock Exchange (www.spotlight.se, ticker: PMED) in Stockholm, Sweden.

For more information: www.peptonicmedical.com and www.vagivital.com

About VagiVital®

VagiVital® is a patent pending 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 both for objective (vaginal pH and proportion of superficial cells in the vaginal mucosa) and subjective (most bothersome symptoms, such as vaginal dryness, vaginal irritation/itching, dyspareunia and dysuria) parameters. The magnitude of symptom relief is on par with that demonstrated with e.g. prescription estrogen based products on the market today. It was very well tolerated and caused no serious adverse effects. VagiVital® was launched in Sweden as a non-prescription self-care product in July 2018.

FINANCIAL INFORMATION

Net sales – Net Sales of products for the first quarter were KSEK 1,470 (0). Other income for the first quarter were KSEK 18 (66).

Costs – Costs for the first quarter were KSEK -4,673 (-2,822). The costs that have significantly increased during the quarter are costs for sold goods and the launch costs.

Result – Loss before tax for the first quarter was KSEK -3,500 (-2,758). According to plan, costs for launch have been charged to the quarter, and the negative result has increased.

Financial position and liquidity – Liquid assets were KSEK 10,231 (3,369) as of March 31, 2019. During the quarter, the company received net SEK 2,700 (0) in newly issued capital. This through the agreement with ReCall Capital on lending of shares and issuing new shares, so called “on tap funding”. The cost of this has been about 6% of issued capital

Equity – PEPTONIC medical AB’s equity amounted to KSEK 54,451 (56,936) as of March 31, 2019, resulting in a solidity of 78 (92) percent. During January and February 2019, two targeted new issues were made to ReCall Capital, which provided the company with SEK 2.7 million after expenses.

Liabilities - The company's liabilities amounted to SEK 14,923 thousand (4,992) as of March 31, 2019. The change is attributable to the fact that a bridge loan of SEK 10,500,000 was raised in 2018, that the accounts payable increased and that accrued expenses decreased during the year.

Organization – The average number of employees during the period was 2 (2). In addition to this, from 2018 there is a marketing manager and a quality manager hired as consultants. Furthermore, the accounts are posted at an accounting firm.

Share – Total numbers of shares in the company amounted to 90,595,990 (43,014,300) as of March 31, 2019.

INCOME STATEMENT

KSEK	Note	3 months Jan-Mar 2019	3 months Jan-Mar 2018	12 months Jan-Dec 2018
Operating income				
Sales of products		1,470	0	383
Other operating income		18	66	86
Total operating income		1,488	66	469
Operating expenses				
Cost of goods		-668	0	-150
Other external expenses	1	-2,852	-1,610	-9,544
Personnel costs		-1,153	-1,193	-4,471
Depreciation		0	-19	-76
Other operating costs		0	0	-609
Total operating expenses		-4,673	-2,822	-14,850
Operating loss		-3,185	-2,756	-14,381
Net financial income/expense		-315	-2	-560
Loss before taxes		-3,500	-2,758	-14,941
Taxes		-	-	-
Net loss for the period		-3,500	-2,758	-14,941

BALANCE SHEET

KSEK	Note	Mar 31 2019	Mar 31 2018	Dec 31 2018
Assets				
Non-Current assets				
Intangible assets	2	56,585	58,011	56,396
Tangible assets		0	0	0
Financial assets		-	-	-
Total non-current assets		56,585	58,011	56,396
Current assets				
Stock		468	0	609
Other receivbles		1,889	385	587
Tax receivable		-	-	-
Prepaid expenses and accrued income		201	163	204
Liquid assets		10,231	3,369	11,365
Total current assets		12,789	3,917	12,765
Total assets		69,374	61,928	69,161
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		9,060	4,301	8,603
Ongoing right issues		-	-	-
Development Cost Fund		14,538	14,368	14,538
Non- restrictes equity				
Share premiu reserv non-restricted		134,487	126,048	132,244
Profit or loss brought forward		-100,134	-85,023	-85,193
Net loss for the period		-3,500	-2,758	-14,941
Total equity	3	54,451	56,936	55,251
Current liabilities				
Liabilities interest bearing		10,500	0	10,500
Trade payables		1,948	1,068	1,607
Other payables		444	182	319
Prepaid income and accrued expenses		2,031	3,742	1,484
Total current liabilities		14,923	4,992	13,910
Total equity and liabilities		69,374	61,928	69,161

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 (53) 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.

	2019	2018	2018
KSEK	Jan-Mar	Jan-Mar	Jan-Dec
Consulting fees Board of Directors	53	53	125
Total	53	53	125

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
	2019	2018	2018
Capitalized development costs			
Accumulated acquisition value			
Opening balance	48,922	50,108	50,108
Sold out and Other disposals			-1,297
Capitalizations during the period	100	335	111
	49,022	50,443	48,922
No depreciation has been made	-	-	-
Net booked amount at end of period	49,022	50,443	48,922
Patents och licenses			
Accumulated acquisition value			
Opening balance	7,626	7,496	7,572
Sold out and Other disposals	-	-	-416
Capitalizations during the period	89	167	470
	7,715	7,455	7,572
Depreciation –			
This year		-19	-76
Earlier year	-152	-76	-76
Net booked amount at end of period	7,563	7,568	7,474
Total intangible assets	56,585	58,011	56,446

Note 3 – Equity and liabilities

There is a short-term debt that is interest-bearing, provision for accrued interest expense has been made.

KEY FIGURES

	3 months Jan-Mar 2019	3 months Jan-Mar 2018	12 months Jan-Dec 2018
Sales goods, KSEK	1,470	0	383
Gross profit sales goods, KSEK	802	0	233
Gross margin, %	55%	0%	61%
Operating profit, KSEK	-3,185	-2,756	-14,381
Return on equity,%	-26	-19	-26
Equity ratio,%	78	92	80
Earnings per share, SEK	-0.04	-0.06	-0.17
Liquidity per share, SEK	0.1	0.1	0.1
Equity per share, SEK	0.6	1.3	0.6
Share price per closing, SEK	0.649	0.695	0.500
Share price/Shareholders' equity per share, SEK	1.08	0.53	0.78
Equity per share, SEK	90,595,990	43,014,300	86,028,600

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 16 th 2019
Quarterly report, 3	November 8 th 2019
Year end report, 2018	February 27 th 2020

Stockholm, May 15th, 2019

Hans von Celsing, Chairmen of the Board

Arne Ferstad, Board member

Marianne Östlund, Board member

Leni Ekendahl, Board member

Johan Inborr, CEO

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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 2019.

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.