

INTERIM REPORT

Period from January 2020 to March 2020

Peptonic Medical AB (publ) org nr 556776-3064

(www.spotlightstockmarket.se ; ticker: PMED)

2020 FIRST QUARTER (Jan-Mar)

- Net sales of products KSEK 1,781 (1,477)
- Gross profit KSEK 985 (802), Gross margin 55% (55%)
- Operating loss KSEK -5,807 (-4,135)
- Loss per share SEK -0.04 (-0.05)

IMPORTANT EVENTS DURING THE PERIOD

- On 13th February, 2020, Peptonic Medical AB announced that it has received a purchase order from its Chinese partner Shijiazhuang Yuanjia Biotechnology Co. Ltd. ("Yuanjia Bio") for 53,000 units of VagiVital® for delivery in May 2020. The Products are to be used for collecting user experience data and for building brand awareness among gynaecologists and gynaecology clinics across the country. The Products will be distributed and sold via Yuanjia Bio's extensive distribution network and on-line via the local VagiVital® webshop (www.vagivital.cn).
- On 25th February, 2020, Peptonic Medical AB announced that it has submitted a so called 510(k) application to the US Food and Drug Administration (FDA) to obtain approval to market and sell VagiVital® in the USA.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- On 9th April, 2020 - Peptonic Medical AB announced that its self-care product VagiVital® will be available for purchase in all eighty LloydsApotek's retail shops in Sweden from May this year. Already VagiVital® is available for purchase at Apoteket AB (in 250 retail shops and online shop), Kronans Apotek (in 170 retail shops and online shop), Apoteksgruppen (40 retail shops) and at the Apoteket Hjärtats online shop (www.apotekthjartat.se). In addition, VagiVital® can be purchased on www.apotea.se, www.meds.se, www.apotek365.se and at www.apohem.se. The Company also announces that, so far, the Covid-19 pandemic hasn't had a negative impact on the manufacturing or supply of VagiVital®.
- May 7th, 2020 - Peptonic Medical AB announced that the Company has filed a patent application concerning the use of its self-care vaginal gel VagiVital® for the treatment of vulvar vestibulitis syndrome (VVS). The background of this potential indication expansion is the pronounced symptom relief experienced by many women suffering from VVS after having used VagiVital®. In a recently conducted survey among women that had been diagnosed with VVS the proportion of respondents that rated their VVS symptoms as 'unbearable' or 'severe' decreased from 71 to 24 per cent after having used VagiVital® for one month or longer.
- May 14th, 2020 - Peptonic Medical AB (publ) ('Peptonic' or 'Company') announced that it has filed a patent application for and intimate wash based on the Company's vaginal gel VagiVital® and a specifically selected oil. The market as well as the number of applications of products for intimate health are growing. And fastest of these the intimate washes, that can generally be divided into soaps and oils. The challenge for an intimate wash is to clean without causing problems in this delicate area of the body. Peptonic has identified a method to meet this challenge by developing an intimate wash based on its gentle and water-based vaginal gel VagiVital® in combination with an oil. This combination will give the product a unique position on the market, which is why the patent application has been filed.

From the CEO

Although this report is supposed to reflect and comment on events during the three first months of the year, it will be rather forward looking given to the big news of the day in Peptonic.

No one has avoided to be affected by the Covid-19 pandemic during the first months of the year. This relates to both our private lives and businesses. Strong recommendations by the Public Health Agency in Sweden to stay home, only to travel if really necessary, avoid meeting people etc. has clearly decreased the number of pharmacy visits. This, in turn, has decreased sales in retail pharmacy shops, which also can be seen in the sales of VagiVital. After having reached sales records in January and February, retail sales in March dropped markedly. On-line sales didn't decrease by the same magnitude. On a positive note, Lloydsapotek will start selling VagiVital in all of their 80 retail shop from mid May.

Försäljningen via nätbutikerna i Norge och Danmark har utvecklats väl. Ännu är volymerna små, men trenden är klart positiv.

Sales of VagiVital via the webshops in Norway and Denmark has increased month by month. Although volumes are still small, the trend is clearly positive.

The order to China of 53,000 unis will be shipped this month, which is good news. The products will be used for introducing the product and the brand to gynaecologists and prescribers. Users of the product will be asked to participate in a survey to collect 'real life experience' data, which will be used to support the registration application in China.

Recently, we have submitted two patent applications. One relates to the use of VagiVital to treat symptoms associated with vestibulodynia. The other relates to an intimate wash formulation based on VagiVital in combination with an oil. We now investigate the prerequisites for expanding the indication of VagiVital to also include vestibulodynia. It may require a small clinical study. The intimate wash is an in-house development project. The product is planned to be launched during Q1 2021.

The recruitment to the clinical study on breast cancer patients has stopped due to the Covid-19 epidemic. The patients already enrolled will complete the study, but some measurement cannot be performed because the study subject are not allowed to visit the clinic. The last patients are due to exit the study in June. Results of the study are expected during Q3 2020.

Financial loss for the period was -5,807 Mkr. Sales were 1,781 Mkr. Marketing, manufacturing, transportation, distribution and business development costs were 4,4 Mkr.

Under årets första månader har mycket arbetet lagts ner på granskningen (så kallad 'due diligence') av Lune Group Oy Ltd. inför ett eventuellt förvärv. Vi har grundligt tittat på bolagets hela verksamhet, men framför allt på försäljningen i olika länder – både fysiskt och on-line. Vi har gjort djupare analyser av den finansiella delen av verksamheten, samt av den fysiska och digitala försäljningen.

During the first three months of the year much time and effort has been invested in the due diligence project related to the contemplated acquisition of Lune Group Oy Ltd. (Finland). We have thoroughly looked at the entire business of the company, in particular, at its global sales – both retail and on-line. We have performed deep analysis of the financials of the business, and of the physical and digital sales activities.

An important part of the mission of Peptonic is to grow and expand the product portfolio within women's health i.e. through in-house product development, distribution collaborations or acquisitions. Through the acquisition of the Lune Group Oy, Peptonic takes a big and important leap in building its business for the future. The acquisition enables the merger of two strong brands within women's health and selfcare with several synergies already identified. Through the acquisition of Lune, Peptonic gets access to a global distribution network that is already up and running, also in the USA. This allows VagiVital to be launched sooner than previously planned. With the two brands Lunette® and VagiVital® the Company's customer base is broadened to cover women of all ages. – from the teens to post menopause. This provides the possibility to grow sales of current and future products through smart product positioning, in-house product development and new collaborations. Peptonic also becomes more attractive as a collaboration partner, both in new markets and for companies looking for partners for the Nordic markets. Through this acquisition Peptonic's view on the importance of a sound use of pharmaceuticals and evidence based and sustainable selfcare.

Lunette (www.lunette.com) was founded in 2005 by Heli Kurjanen and has earned its place as a top global menstrual cup company through its continued focus on quality, safety, sustainability and inclusivity. Lunette has experienced year-over-year double digit growth since its inception resulting from its tireless commitment to reproductive rights and global sustainability. Lunette employs 15 people of which 2 in US through its subsidiary Lune North America. All of Lunette's products are made in its home country of Finland. Lunette products are sold in approx. 40 countries via retail and in approx. 100 countries on-line. Sales in 2019 were 3.7 MEUR and EBITDA 9 TEUR.

Now we are looking forward to an exciting future in Peptonic.

Stockholm, May 14th, 2020

Johan Inbarr

CEO

COMPANY BRIEF

About Peptonic Medical

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, and products that contribute to increased sustainability and better quality of life.

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.spotlightstockmarket.com, ticker: PMED) in Stockholm, Sweden.

For more information: www.peptonicmedical.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 (see www.vagivital.com).

FINANCIAL INFORMATION

Net sales – Net Sales of products for the first quarter were KSEK 1,781 (1,477). Other income for the first quarter were KSEK 11 (18).

Costs – Costs for the first quarter were KSEK -7,599 (-5,630). The costs that have significantly increased during the quarter are cost for market activities.

Result – Loss before tax for the first quarter was KSEK -5,807 (-4,450).

Financial position and liquidity – Liquid assets were KSEK 28,267 (10,240) as of March 31, 2020.

Equity – PEPTONIC medical AB's equity amounted to KSEK 79,907 (53,501) as of March 31, 2020, resulting in a solidity of 93 (78) percent.

Liabilities - The company's liabilities amounted to KSEK 6,109 (14,937) as of March 31, 2020. The change is attributable to the fact that last year in March the company had a bridge loan of KSEK 10,500, which was amortized in June 2019. The accrued expenses has incread compared with last year.

Organization – The average number of employees during the period was 3 (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 138,128,306 (90,595,990) as of March 31, 2020.

INCOME STATEMENT

KSEK	Note	3 months Jan-Mar 2020	3 months Jan-Mar 2019	12 months Jan-Dec 2019
Operating income				
Sales of products		1,781	1,477	4,408
Other operating income		11	18	64
Total operating income		1,792	1,495	4,472
Operating expenses				
Cost of goods		-796	-668	-1,825
Other external expenses	1	-4,767	-3,074	-17,041
Personnel costs		-1,297	-1,153	-6,475
Depreciation		-695	-713	-2,855
Other operating costs		-44	-22	-198
Total operating expenses		-7,599	-5,630	-28,394
Operating loss		-5,807	-4,135	-23,922
Net financial income/expense		0	-315	-587
Loss before taxes		-5,807	-4,450	-24,509
Taxes		0	0	0
Net loss for the period		-5,807	-4,450	-24,509

BALANCE SHEET

KSEK	Note	Mar 31 2020	Mar 31 2019	Dec 31 2019
Assets				
Non-Current assets				
Intangible assets	2	54,184	55,872	54,252
Tangible assets		0	0	0
Financial assets		-	-	-
Total non-current assets		54,184	55,872	54,252
Current assets				
Stock		1,012	538	594
Other receivbles		417	1 626	945
Tax receivable		1,203	-	-
Prepaid expenses and accrued income		933	162	176
Liquid assets		28,267	10,240	35,984
Total current assets		31,832	12,566	37,699
Total assets		86,016	68,438	91,951
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		13,813	9,060	13,813
Ongoing right issues		-	-	-
Development Cost Fund		13,122	14,538	12,600
Non- restrictes equity				
Share premium reserv non-restricted		181,484	132,549	182,006
Profit or loss brought forward		-122,705	-98,196	-98,196
Net loss for the period		-5,807	-4,450	-24,509
Total equity	3	79,907	53,501	85,714
Current liabilities				
Liabilities interest bearing		1,853	2,232	1,974
Trade payables		0	10,500	0
Other payables		487	174	455
Prepaid income and accrued expenses		3,769	2,031	3,768
Total current liabilities		6,109	14,937	6,237
Total equity and liabilities		86,016	68,438	91,951

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 62 (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.

	2020	2019	2019
KSEK	Jan-Mar	Jan-Mar	Jan-Dec
Consulting fees Board of Directors	62	53	125
Total	62	53	125

Note 2 – Intangible assets

Capitalized patent and development costs are estimated to result in future revenues for the company. From 2019 they are depreciated at 5% per annum. Which corresponds to the estimated life of the commercial rights.

	Mar 31	Mar 31	Dec 31
	2020	2019	2019
Capitalized development costs			
Accumulated acquisition value			
Opening balance	49,457	48,922	48,922
Sold out and Other disposals	0	0	0
Capitalizations during the period	522	100	535
	<u>49,979</u>	<u>49,022</u>	<u>49,457</u>
Accumulated depreciation value	-2,473	0	0
Depreciation of the year	-618	-618	-2,473
	<u>-3,091</u>	<u>-618</u>	<u>-2,473</u>
Net booked amount at end of year	46,888	48,404	46,984
Patents och licenses			
Accumulated acquisition value			
Opening balance	7,803	7,626	7,626
Sold out and Other disposals	0	0	0
Capitalizations during the period	105	89	177
	<u>7,908</u>	<u>7,715</u>	<u>7,803</u>
Accumulated depreciation value	-535	-152	-152
Depreciation of the year	-77	-95	-383
	<u>-612</u>	<u>-247</u>	<u>-535</u>
Net booked amount at end of period	7,296	7,468	7,268
Total intangible assets	54,184	55,872	54,252

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 mon	3 mon	12 mon	12 mon
	jan-mar	jan-mar	jan-dec	jan-dec
	2020	2019	2019	2018
Sales goods, KSEK	1781	1477	4408	383
Gross profit sales goods, KSEK	985	809	2583	233
Gross margin, %	55%	55%	59%	61%
Operating profit, KSEK	-5 807	-4 135	-23 922	-14 381
Return on equity,%	-28	-33	-34,77	-26,00
Equity ratio,%	93	78	93	80
Earnings per share, SEK	-0,04	-0,05	-0,18	-0,17
Liquidity per share, SEK	0,20	0,11	0,26	0,13
Equity per share, SEK	0,58	0,59	0,62	0,64
Share price per closing, SEK	1,155	0,695	1,890	0,5
Share price/Shareholders' equity per share, SEK	2,00	1,18	3,05	0,78
Equity per share, SEK	138 128 306	90 595 990	138 128 306	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.

Annual General Meeting

The AGM will be held in Stockholm on the 30th of June 2020.

FINANCIAL CALENDER

Quarterly report, 2	August 17 th 2020
Quarterly report, 3	November 10 th 2020
Year end report, 2020	February 26 th 2021

Stockholm, May 13th, 2020

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:

Johan Inborr, CEO PEPTONIC medical AB. Phone: +46 708 853 893

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 13th May 2020.

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.

