

INTERIM REPORT

Period from January 2021 to September 2021

Lune Group OY incl subsidiary is consolidated in the group from 2020-06-03

Peptonic Medical AB (publ) org nr 556776-3064

(www.spotlightstockmarket.com ticker: PMED)

Group, Lune Group OY incl subsidiary is included from 2020-06-03

2021 THIRD QUARTER (Jul-Sep)

- Net sales of products KSEK 7,234 (9,260)
- Gross profit KSEK 4,493 (6,228), Gross margin 62% (67%)
- Operating loss KSEK -9,853 (-7,264)
- Loss per share SEK -0.05 (-0.04)

2021 FIRST NINE MONTHS (Jan-Sep)

- Net sales of products KSEK 28,949 (13,732)
- Gross profit KSEK 16,060 (9,608), Gross margin 55% (63%)
- Operating loss KSEK – 28,780 (-20,257)
- Loss per share SEK -0.15 (-0.12)

IMPORTANT EVENTS DURING THE PERIOD

- February 5th, 2021, the Company announces that it has decided to exercise the right to convert the loan of SEK 7.5 million that the Company raised in November 2020 from the Vidarstiftelsen foundation. This is in accordance with the loan agreement as signed in May 2020. The conversion takes place through a directed set-off issue to Vidarstiftelsen, where payment for the shares is made by issuing new Peptonic shares. The subscription price in the offset issue shall correspond to 85 percent of the volume-weighted average price of Peptonic's share on the Spotlight Stock Market during the ten trading days immediately preceding the request for conversion, ie a discount of 15 percent.
- February 23th, 2021, the Company announced the appointment of Mikael Svensson, a strategic and operational leader, to the position of General Manager USA. Mr. Svensson holds a proven track record of successful business and operational leadership roles in North America and globally. He joins Peptonic from Good Science Beauty where he served as Chief Operations Officer.
- March 31st, 2021, the Company announced the launch of a in-house developed intimate wash - VagiVital V cleanser - which is both gentle and moisturizing. The cleanser is a unique combination of VagiVital's carefully researched vaginal gel (for the treatment of dry mucous membranes in the vagina) and mild Swedish rapeseed oil. It is emollient, pH-balancing and completely free of soaps, perfume and parabens. VagiVital V cleanser is suitable for women of all ages and can be combined with VagiVital Active Gel for good intimate health.
- April 14th, 2021, the Board of Directors of Peptonic Medical (publ) announce that Erik Sundquist is appointed as new CEO after Johan Inbarr. As of today Erik Sundquist will take on the role as CEO of Peptonic Medical AB. Erik has a well documented history of successes in leading roles in the internationally MedTech Industry, amongst other as head of Q-Med in Asia Pacific within women's health. Erik has worked as a consultant in Peptonic since 2017 and is now appointed CEO to pace up the company business and sales development globally.
- May 17th, 2021, the Company announced it has signed a distributor agreement with Revisage concerning sales and distribution of VagiVital® AktivGel in Poland. Revisage is granted the exclusive rights to market and sell VagiVital® AktivGel to medical and aesthetic clinics in Poland.
- May 17th, 2021, the Company announced that Kronans Apotek launches VagiVital® Moisturizing V Cleanser in 236 of its physical stores in Sweden. Kronans Apotek has decided to take up Peptonics new VagiVital® Moisturizing V Cleanser in its physical stores assortment. The product will be launched in 236 of Kronans shops in a nation-wide campaign that starts May 19. The launch is a part of Kronans Apoteks increased focus on intimate care where VagiVital® is a prioritized brand.
- May 26th, 2021, the Company announced that two new products will be added under Lunette® brand. Lunette, the female, founder-led brand, created revolutionary Period Care over 15 years ago with its original, special Finnish design menstrual cups, now available in over 50 countries through its retail network. This summer, Lunette expands to more holistic, innovative Intimate Care with two exciting new products, both featuring Nordic plant-based ingredients. The products will be made available during the summer.
- June 29th, 2021, the Company informed that the latest clinical study with VagiVital® has been published. The objective of the study was to investigate whether, and to what extent, VagiVital® can relieve symptoms associated with vaginal atrophy in women taking aromatase inhibitors (antiestrogens) as part of their cancer treatment. The study shows that VagiVital® offers strong relief of the most bothersome symptoms such as vaginal dryness, vaginal itching and pain during sexual intercourse (dyspareunia). To read the study please click <https://www.dovepress.com/an-open-uncontrolled-pilot-study-on-12-week-use-of-vagivital-for-treat-peer-reviewed-fulltext-article-MDER>
- July 15th, 2021, the Company announced that the Company has received approval from the Swedish Medical Products Agency as well as the Ethics Committee to start a clinical study to evaluate treatment of patients with recurrence of fungal infections. The study will be carried out at Karolinska University Hospital Huddinge with Associate Professor / Gynecologist Aino Finanu Jonasson as principal investigator. The study is expected to start by the end of August 2021.
- August 13th, 2021, the Company informed that the distribution agreement with Yuanjia Biotechnology Co., Ltd. concerning VagiVital® AktivGel for the Chinese market has been terminated. The reason for the termination is a payment default where Yuanjia Biotechnology Co., Ltd. has failed to pay Peptonic Medical a total of EUR 406'. Half of the value for an order in November 2020 and subsequent shipment to China and the other half for an order in February 2021 where the goods is still in Finland. As a consequence, q2 results will be negatively affected by SEK -1.4M.
- August 21st, 2021, the Company informs that the company has entered into an agreement with Fermata Inc. for the Japan market. The agreement concerns VagiVital® and Lunette®. The agreement concerns early registrations and non-exclusive commercial introduction of VagiVital® and Lunette® into the Japan market. fermata Inc. has confirmed the regulatory clearance to introduce VagiVital® in Japan in September. Lunette® will be introduced later in the year. With a successful introductory business build up the parties have agreed to enter into a discussion about a possible exclusive partnership for Japan at a later stage.
- September 13th, 2021, the Company informs that non-exclusive negotiations has been initiated regarding a possible acquisition of all assets in CommonSense Ltd (Israel). CommonSense has been under public administration since 2021-07-07. The company is focused on women's health and has, among other things, CE-marked products for self-testing of bacterial vaginosis and fungal infections. Furthermore, the company has product such as self-tests to detect the departure of amniotic fluid for pregnant women in the final stages of pregnancy. The company had sales of 2,162 TUSD at Group level in 2020 and currently has 20 employees.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- October 6th, 2021, the Company announced that it has reached an agreement to acquire all assets of the Israeli company CommonSense Ltd (excluding bank balances and accounts receivable). The acquisition also includes the US-registered subsidiary CommonSense Marketing Inc, based in New York. During year 2020 CommonSense had sales of approximately \$ 2 million. CommonSense Ltd has been in receivership since the beginning of July 2021. The acquisition fee amounts to TUSD 300 plus a fee for the existing inventory correlating to TUSD 75. The whole acquisition, including costs, is estimated to land at approximately USD 500 thousand (SEK 4.4 million). The payment will be made in October 2021. CommonSense has two products in the growing category of intimate self-diagnosis - VS-Sense for detecting bacterial vaginosis (vaginal discharge) and AI-Sense for detecting amniotic fluid leakage during the latter parts of pregnancy. Peptonic sees great potential in both product areas. The solutions are based on extensive clinical evidence and patent protection and are unique as the user can read the test herself with immediate feedback regarding the result. As far as AI-Sense is concerned, there is no similar product on the market, which is why the assessment is that AI-Sense has the greatest long-term potential. CommonSense Ltd was placed under public administration by Haifa court 2021-07-07. The underlying reason being an owner dispute with a lack of mutual view concerning how CommonSense should be further developed. In mid-July, Peptonic decided to conduct an assessment of CommonSense in order to assess a possible acquisition. The evaluation resulted in a decision to place bid for the assets of CommonSense Ltd, the bid included the subsidiary in the United States. The American subsidiary had a cash register of just over 100 TUSD at the beginning of September. In the deal, Peptonic undertakes to start an Israeli subsidiary and to this entity transfer personnel, leases, contracts, patents, licenses, and the American subsidiary.
- November 3rd, 2021, the Company announced that the company has signed a contract amendment with Orion Corporation in Finland. The amendment concerns Peptonic's Moisturizing V Cleanser for the Finnish market where the product will be sold under Orion's own brand Femisan®. Orion Corporation has been selling Peptonic's gel for the treatment of vaginal atrophy under the brand Femisan® Vital since spring 2019. Since Orion mainly sell through physical pharmacies, sales have been negatively impacted during the pandemic. However, Orion again sees upward trends in the market and now expands its intimate range with Peptonic's intimate wash, in Sweden sold under the name VagiVital® Moisturizing V Cleanser.
- November 4th, 2021, the Company announces the intention to carry out a rights issue of units consisting of shares and warrants of series TO1 ("Unit") with preferential rights for the Company's existing shareholders (the "Rights Issue"). The proceeds from the Rights Issue and the warrants will mainly be used for the acquisition of Common Sense, for continued commercial launch and international expansion of the VagiVital and Lunettes product series as well as for the development of new products, including clinical studies. The Rights Issue, which is covered to 80 percent of guaranteed commitments from the Company's largest shareholder Vidarstiftelsen, is expected to provide the Company with a maximum of approximately SEK 42 million and requires a resolution from the Extraordinary General Meeting. The Company's Board of Directors intends to convene an extraordinary general meeting on December 16, 2021, which is proposed to authorize the Board of Directors to decide on the issue in accordance with the terms below and to determine the date for the implementation of the Rights Issue. The company has, as of today, also entered into an agreement on bridge financing with Vidarstiftelsen, including a loan limit of a total of SEK 25 million, of which SEK 10 million has been utilized. The loan has an annual interest rate of 7% and must be repaid in connection with the termination of the Rights Issue. The Rights Issue will be completed as soon as possible, which is expected to be during the first quarter of 2022.

From the CEO

In terms of sales, VagiVital grows by + 53% compared with the corresponding period last year (SEK 1,179 thousand vs SEK 769 thousand). Digital sales for VagiVital grows by + 145% in the same comparison. In a comparison with the previous quarter, digital sales increase corresponds to + 66%. It is worth noting that Sweden is making an all-time high for an individual quarter as pharmacy sales have also been very good. During the quarter, Apotek Hjärtat included VagiVital Moisturizing V Cleanser in its range online and Peptonic expects more pharmacy chains to follow in the future. This shows that Peptonic's investment in an expanded range is important and valuable. The company expects the domestic market for VagiVital to show a positive result in 2022.

Lunette has had a challenging quarter in terms of sales with -30% compared with the previous period in 2020. It should be noted that the corresponding period last year was a very strong quarter. Regardless, the third quarter of 2021 for Lunette is below the company's expectations. The number of Google searches for menstrual cups has generally decreased in recent months. This is seen as an explanation for reduced sales, another is increased competition, a third is that the company will change distributor in Australia. Sales to Australia is expected to pick up again in 2022. The domestic market Finland, where Lunette continues to have a strong position and strong distribution channels, is still doing well. The company expects Finland Lunette sales to show growth for the full year 2021 vs 2020.

As previously communicated, Lunette's offer needs to be broadened from being only a brand for menstrual cups to be a broader brand for sustainable intimate well-being. Work on this is ongoing and at the end of the quarter, an intimate wash was made available to customers in Lunette's online stores. Expansion in to distribution channels is under way. More products are under development to be introduced during 2022. The company expects that continued broadening will lead to the Lunette brand showing growth again. With a Q3 below expectations the original goal of showing growth in 2021 compared to 2020 can be challenging to achieve, but the objective remains. From 2022, Peptonic intends to show continued growth of the brand.

The third quarter means an improvement in earnings of SEK 2.4 million (+ 20%) compared with the previous quarter. The cost efficiency program that was initiated during the summer has begun to result. The cost base includes preparations for the US launch, marketing, extraordinary costs regarding restructuring of SEK -750 thousand and costs for continued work to recover outstanding debt from former distributor Yuanjia Bio in China.

Regarding the work with cost efficiency, the two business units VagiVital and Lunette have been merged into one global marketing organisation and the sales work is now done by regional organizations that handle all the company's brands. With the organizational change synergy effects has enabled the company to save significantly on external consulting costs and made savings in the form of reduced number of staff. The changes correlates to an annual saving correlating to 6 MSEK. The sales organization will also sell Common Sense products, which means additional coordination gains as Common Sense previously has had its own sales organization. The cost efficiency work also means that

the company will invest in fewer markets on its own with a continued important objective of increasing the number of solid international partners instead.

Peptonic's vision and main objective is to offer women accessible and clinically proven self-care. This according to the principle diagnose, treat, prevent. In a wider perspective, the purpose is to take pressure off healthcare systems worldwide.

Considering this, we are very pleased with the recent acquisition of the Israeli company Common Sense Ltd. Common Sense has developed and sells two patented and leading products in the field of self-diagnosis. One is a test for self-diagnosis of bacterial vaginosis and the other a self-test that can differentiate between diffuse leakage of urine and amniotic fluid discharge in pregnant women. In the latter case, it is important that the pregnant woman sees a gynecologist to avoid the risk of membrane ruptures. Customers include Bayer, Exeltis, Primalabs, Walmart, Walgreens and CVS. Some sell under their own brand and some under Common Sense brands. As a consequence of covid-19, a greater acceptance for self-testing has evolved, which also means that the area is growing.

The acquisition of Common Sense is an important additional step for Peptonic towards building a unique portfolio offering accessible and clinically proven world-class self-care solutions. In addition to the acquisition of Common Sense, Peptonic has initiated a clinical study against candida at Karolinska University Hospital. An important objective is also to broaden the portfolio with treatments against bacterial vaginosis and vestibulitis. This can be done through own development, in-licensing or further acquisitions. Exploratory work assessing this is in progress. Common Sense also has a development project that assesses the possibilities of using the company's technology for self-diagnosis of urinary tract infections. Peptonic expects that the portfolio broadening will increase its attractiveness in negotiations with potential distributors and constitute a door opener for a closer dialogue with the profession.

Concerning China, the process is still ongoing to recover outstanding debt of approximately SEK 4.4 million. Peptonic is also in dialogue with possible alternative partners for the Chinese market. It is too early to say whether any of these dialogues will result in an agreement. With a strong partner, Peptonic will restart its investment in China. As long as this has not been found the focus will be on building the business in other markets first and address China at a later stage.

The launch of VagiVital in the USA has been postponed until the first quarter of 2022. The reason is that Orion Corporation in Finland currently has problems with the equipment used in the manufacture of VagiVital AktivGel. The equipment will be repaired during the current quarter. The intention is to make an initial launch digitally and use that knowledge as a foundation to sign a partner who can build sales in the USA broadly. The assignment for Peptonic's US organization has also been expanded with the acquisition of Common Sense with several very important customers.

During the current quarter, Fermata initiated its market test of VagiVital in Japan. If it turns out well in the next few months, negotiations on a possible extended agreement will be initiated.

Revisage in Poland and Adexilis in Hungary, Slovakia and Croatia have not yet launched VagiVital's products as they have experienced that Covid-19 has made it difficult to do so effectively.

Reference models for the realization of the company vision are created in the home markets Sweden and Finland. The markets constitute 30% of Peptonic's global sales. Lunette in Finland is already profitable and VagiVital is expected to be profitable in Sweden in 2022. The business models have been created through a holistic approach with primarily digital marketing and a combination of distribution in physical and digital channels (own and partners). This has also made the domestic markets less vulnerable to the pandemic. In terms of communication, the strategy has been to stand out and help women by breaking taboos and thereby also increase the size of the category as a whole. Building consumer brands takes time and is costly, the development in Sweden and Finland shows it can be done with Peptonic brands.

To expand the business internationally more cost-effectively, the strategy going forward is an increased focus on signing solid agreements with solid distributors in local markets. Peptonic does this with a relevant broadening of the portfolio and a better packaging and presentation of the profitable business models created in the domestic markets Sweden and Finland. With a rapidly increasing competition digitally, the company will focus on a smaller number of online stores in the future, also this with the intention of expanding internationally in a more cost efficient way.

For the sake of order, the company would like to inform that the preliminary investigation that the Swedish Environmental Crime Agency initiated in September 2020 concerning serious insider crime is still ongoing. The company and its representatives continues to cooperate with the authority in the matter.

Bromma, November 10, 2021

Erik Sundquist, CEO

COMPANY BRIEF

Peptonic Medical AB (publ) is an innovative medtech company that conducts research, development and sales of medical devices and lifestyle products in the field of women's health. Peptonic launched its first product, VagiVital® Active Gel against vaginal atrophy, in July 2018. In April 2021, VagiVital® Moisturizing V Cleanser, was launched, a moisturizing and preventive intimate wash. The company was founded in 2009 and the share has been traded on Spotlight (www.spotlightstockmarket.com) in Stockholm since 2014.

Since August 2020, Lune Group Oy Ltd. has been a wholly owned subsidiary of Peptonic Medical. The company was founded in 2005 with the purpose to lead a light-hearted menstrual revolution in positive spirit via patented menstrual cups. The company is now evolving into leading the way in sustainable, intimate well-being.

In October 2021, all assets of Israeli company Common Sense Ltd were acquired. Common Sense has developed unique and patented self-tests to accurately diagnose bacterial vaginosis and amniotic fluid leakage respectively.

FINANCIAL INFORMATION

The acquisition of Lune Group OY was completed on 2020-06-03, this report includes their results from and on 2020-06-03 in the consolidated accounts.

Revenue - Sales of goods during the third quarter amounted to SEK 7,234 (9,260) thousand. Other operating income for the quarter was SEK -52 (43) thousand. During the first nine months of the year, sales of goods amounted to SEK 28,949 (13,732) thousand. Other operating income for the period was SEK -43 (70) thousand.

Costs - Costs for the third quarter amounted to SEK -17,038 (-17,133) thousand. Costs for the first nine months of the year amounted to SEK -57,686 (-35,485) thousand. During the period the costs for products have been SEK -12,888 (-4,124) thousand. During the second quarter a reservation for estimated negative profit recognition for business in China has affected other costs with the amount of SEK 1,400 thousand. A re-structuring cost of SEK 500 thousand has also been added to the costs; total SEK 1,900 thousand has affected the outcome for the second quarter and first half year.

Profit - The company's profit after net financial items for the third quarter amounted to SEK -9,853 (-7,273) thousand. For the first nine months of the year the corresponding amount is SEK -28,936 (-20,270) thousand.

Financial position and liquidity - Cash and bank amounted to SEK 10,009 (25,379) thousand as of September 30th, 2021. During the first nine months, the group received a net of SEK 7,500 thousand that were converted to shares through a directed set-off issue to Vidar Foundation.

Shareholders' equity - The group's shareholders' equity as of September 30, 2021, amounted to SEK 72,349 (81,910) thousand, which gives an equity / assets ratio of 87 (92) percent. Equity increased net by SEK 7,500 thousand through the conversion to shares through a directed set-off issue to Vidar Foundation.

Liabilities - The group's liabilities, as of September 30, 2021, amounted to SEK 10,576 (7,320) thousand.

Organization - During the period, the average number of employees was 18 (5). At the end of the period, the number of employees was 17 (16). In addition to this the group had a quality manager hired as consultant, and the accounts are outsourced to an accounting firm. Employees at Lune Group OY, including subsidiaries, refer to a total of 14 employees.

Share - The total number of shares as of September 30, 2021 was 191,639,642 (162,911,613).

INCOME STATEMENT

Group - Peptonic Group

KSEK	Note	3 mon jul-sep 2021	3 mon jul-sep 2020	9 mon jan-sep 2021	9 mon jan-sep 2020	12 mon jan-dec 2020
Operating income						
Sales of products		7 234	9 260	28 949	13 732	35 197
Other operating income		-52	43	-43	70	1 216
Total operating income		7 182	9 303	28 905	13 802	36 413
Operating expenses						
Cost of goods		-2 742	-3 032	-12 888	-4 124	-14 058
Other external expenses	1	-9 122	-8 255	-30 200	-19 380	-35 548
Personnel costs		-4 266	-4 330	-10 501	-8 041	-16 031
Depreciation		-888	-915	-2 644	-2 381	-3 636
Other operating expenses		-20	-35	-1 452	-133	-143
Total operating expenses		-17 038	-16 567	-57 686	-34 059	-69 416
Operating loss		-9 855	-7 264	-28 780	-20 257	-33 003
Net financial income/expense		2	9	-141	-13	-1 186
Loss before taxes		-9 853	-7 255	-28 921	-20 270	-34 189
Taxes		0	-18	-15	-14	-23
Net loss for the period		-9 853	-7 273	-28 936	-20 284	-34 212

BALANCE SHEET

Group - Peptonic Group

KSEK	Note	30-sep 2021	30-sep 2020	31-dec 2020
Assets				
Non-Current assets				
Intangible assets	2	52 938	54 890	54 088
Tangible assets	3	1 333	1 705	1 510
Financial assets		7	10	7
Total non-current assets		54 278	56 606	55 605
Current assets				
Stock		9 403	5 683	6 329
On going fund raising		0	0	2 752
Other receivbles		8 582	412	5 506
Group company receivables		0	0	0
Tax receivable		0	0	0
Prepaid expenses and accrued income		652	1 151	1 609
Liquid assets		10 009	25 379	39 446
Total current assets		28 646	32 625	55 643
Total assets		82 924	89 231	111 248
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		19 254	16 477	16 381
Ongoing right issues		0	0	2 327
Development Cost Fund		11 186	12 032	11 186
Non- restrictes equity				
Share premium reserv non-restricted		213 606	184 926	207 269
Profit or loss brought forward		-116 429	-108 718	-108 496
Net loss for the period		-55 269	-22 807	-34 212
Total equity	3	72 349	81 910	94 456
Current liabilities				
Liabilities interest bearing		7 606	3 616	4 058
Trade payables		0	140	7 500
Other payables		991	214	643
Group company debts		0	0	0
Prepaid income and accrued expenses		1 979	3 351	4 591
Total current liabilities		10 576	7 321	16 792
Total equity and liabilities	4	82 924	89 231	111 248

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

Group/Peptonic Medical AB

During the period companies represented by members of the Board of Directors were contracted as consultants. Board member Anna Tenstam is hired as consultant and responsible for the market area VagiVital. Total compensation for consultancy services amounted to SEK 1,364 (665) thousand and is related to business development 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.

	2021	2020	2020
KSEK	Jan-Sep	Jan-Sep	Jan-Dec
Consulting fees Board of Directors	1,364	665	1,176
Total	1,364	665	1,176

Note 2 – Intangible assets (KSEK)

Patent and development costs are capitalized and depreciated in 20 year from the first revenue that the group receives. The depreciations started in year 2019. Capitalized patent and development costs are estimated to result in future revenues for the Group. From 2019 they are depreciated at 5% per annum. Which corresponds to the estimated life of the commercial rights.

Group - Peptonic Group	30-sep	30-sep	31-dec	31-dec
Capitalized development costs	2021	2020	2020	2019
Accumulated acquisition value				
Opening balance	51 996	49 457	49 457	48 922
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	904	2617	2539	535
	52 900	52 074	51 996	49 457
Accumulated depreciation value	-5 171	-2 473	-2 473	0
Depreciation of the year	-1 855	-1 973	-2 698	-2 473
	-7 026	-4 446	-5 171	-2 473
Net booked amount at end of period	45 875	47 628	46 825	46 984
Patents och licenses				
Accumulated acquisition value				
Opening balance	8 086	7 803	7 803	7 626
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	248,109	223	283	177
	8 334	8 026	8 086	7 803
Depreciation				
Accumulated depreciation value	-841	-535	-535	-152
Depreciation of the year	-230	-229	-306	-383
	-1071	-764	-841	-535
Net booked amount at end of period	7 263	7 262	7 245	7 268
Group goodwill				
Accumulated acquisition values				
At the beginning of the period	23 495	0	0	0
Activations for the period	0	23 495	23 495	0
	23 495	23 495	23 495	0
Depreciation at the beginning of the period	0	0	0	0
This year's depreciations	0	0	0	0
Outgoing depreciation	0	0	0	0
Net booked amount at end of period	23 495	23 495	23 495	0
Total intangible assets	76 633	78 385	77 565	54 252

Note 3 - Tangible fixed assets

Group

The Group has activated tools to produce products.

Note 4 – Equity and liabilities

Group

There is no interest-bearing debt in the Group.

KEY FIGURES

Group - Peptonic Group

	9 mon jan-sep 2021	9 mon jan-sep 2020	12 mon jan-dec 2020	12 mon jan-dec 2019
Sales goods, KSEK	28 949	13 732	35 197	4 408
Gross profit sales goods, KSEK	16 060	9 608	21 138	2 583
Gross margin, %	55%	70%	60%	59%
Operating profit, KSEK	-28 780	-20 257	-33 003	-23 922
Return on equity, %	-40	-32	-59	-35
Equity ratio, %	87,25	92	87	93
Earnings per share, SEK	-0,05	-0,12	-0,15	-0,18
Liquidity per share, SEK	0,05	0,16	0,05	0,26
Equity per share, SEK	0,38	0,50	0,38	0,62
Share price per closing, SEK	0,97	2,54	1,73	1,89
Share price/Equity per share, SEK	2,57	5,05	4,58	3,05
Equity per share, SEK	191 639 642	162 911 613	162 911 613	138 128 306

Parent company Peptonic Medical AB FINANCIAL INFORMATION

Revenue - Sales of goods during the third quarter amounted to SEK 2,061 (769) thousand. Other operating income for the quarter was SEK 3 (16) thousand. During the first nine months of the year the sales of goods amounted to SEK 6,541 (3,657) thousand. Other operating income during the period was SEK -17 (32) thousand.

Costs - Costs for the third quarter amounted to SEK -7,383 (-7,385) thousand. The costs for the first nine months of the year were SEK -27,263 (-22,671) thousand. During the first nine months, costs for products have been SEK -2,961 thousand and market costs have been SEK -3,067 thousand.

Profit - The company's profit after net financial items for the third quarter amounted to SEK -5,320 (-6,601) thousand. For the first nine months the corresponding result is SEK -20,795 (-18,983) thousand.

Financial position and liquidity - Cash and bank as of September 30, 2021, amounted to SEK 7,656 (11,651) thousand. During the half year, the company received a net of SEK 7,500 thousand that were converted to shares through a directed set-off issue to Vidar Foundation.

Shareholders' equity - The company's shareholders' equity as of September 30, 2021, amounted to SEK 110,439 (106,440) thousand, which gives an equity / assets ratio of 97 (92) percent. Equity increased net by SEK 7,500 thousand through the conversion to shares through a directed set-off issue to Vidar Foundation.

Liabilities - The company's liabilities, as of September 30, 2021, amounted to SEK 3,777 (3,834) thousand.

Organization - During the period, the average number of employees was 3 (3). At the end of the period, the number of employees was 3 (3). In addition to this, there is one hired consultant as quality manager, and the accounts are outsourced to an accounting firm.

Share - The total number of shares as of September 30, 2021, was 191 639 642 (162 911 613).

INCOME STATEMENT

Peptonic Medical AB

KSEK	Note	3 mon jul-sep 2021	3 mon jul-sep 2020	9 mon jan-sep 2021	9 mon jan-sep 2020	12 mon jan-dec 2020
Operating income						
Sales of products		2 061	769	6 541	3 657	6 511
Other operating income		3	16	-17	32	100
Total operating income		2 064	785	6 524	3 689	6 611
Operating expenses						
Cost of goods		-767	-188	-2 961	-1 587	-3 202
Other external expenses	1	-3 378	-4 378	-15 560	-13 759	-19 017
Personnel costs		-2 523	-2 089	-5 205	-5 107	-7 722
Depreciated		-695	-695	-2 085	-2 085	-2 780
Other operating		-20	-35	-1 452	-133	-143
Total operating expenses		-7 383	-7 385	-27 263	-22 671	-32 864
Operating loss		-5 319	-6 600	-20 739	-18 982	-26 253
Net financial income/expense		0	-1	-56	-1	-26
Loss before taxes		-5 320	-6 601	-20 795	-18 983	-26 279
Taxes		0	0	0	0	0
Net loss for the period		-5 320	-6 601	-20 795	-18 983	-26 279

BALANCE SHEET

Peptonic Medical AB

KSEK	Note	30-sep 2021	30-sep 2020	31-dec 2020
Assets				
Non-Current assets				
Intangible assets	2	52 139	53 677	53 020
Tangible assets		49	0	0
Financial assets	3	43 369	42 752	42 752
Total non-current assets		95 557	96 429	95 772
Current assets				
Stock		2 485	1 204	1 259
On going fund raising		0	0	2 752
Other receivbles		3 867	443	3 284
Group company receivables		4 300	0	0
Tax receivable		0	0	0
Prepaid expenses and accrued income		351	547	464
Liquid assets		7 656	11 651	33 526
Total current assets		18 660	13 845	41 285
Total assets		114 216	110 274	137 057
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		19 164	16 291	16 291
Ongoing right issues		0	0	2 327
Development Cost Fund		11 186	12 032	11 186
Non- restrictes equity		0	0	0
Share premium reserv non-restricted		249 662	219 805	242 708
Profit or loss brought forward		-122 499	-122 705	-122 499
Net loss for the period		-47 074	-18 983	-26 279
Total equity	3	110 439	106 440	123 734
Current liabilities				
Liabilities interest bearing		2 138	1 863	1 811
Trade payables		0	140	7 500
Other payables		345	0	340
Group company debts		0	0	0
Prepaid income and accrued expenses		1 294	1 831	3 672
Total current liabilities		3 777	3 834	13 323
Total equity and liabilities	4	114 216	110 274	137 057

Note 1 – Related-party transactions

Peptonic Medical AB

During the period companies represented by members of the Board of Directors were contracted as consultants. Board member Anna Tenstam is hired as consultant and responsible for the market area VagiVital. Total compensation for consultancy services amounted to SEK 1,364 (665) thousand and is related to business development 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.

KSEK	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Sep
Consulting fees Board of Directors	1,364	665	1,176
Total	1,364	665	1,176

Note 2 – Intangible assets (KSEK)

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.

Peptonic Medical AB

	30-sep 2021	30-sep 2020	31-dec 2020	31-dec 2019
Capitalized development costs				
Accumulated acquisition value				
Opening balance	50 721	49 457	49 457	48 922
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	904	1286	1264	535
	51 625	50 743	50 721	49 457
Accumulated depreciation value	-4 946	-2 473	-2 473	0
Depreciation of the year	-1 855	-1 854	-2 473	-2 473
	-6 801	-4 327	-4 946	-2 473
Net booked amount at end of period	44 825	46 416	45 775	46 984
Patents och licenses				
Accumulated acquisition value				
Opening balance	8 086	7 803	7 803	7 626
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	248,109	224	283	177
	8 334	8 027	8 086	7 803
Depreciation				
Accumulated depreciation value	-841	-535	-535	-152
Depreciation of the year	-230	-231	-306	-383
	-1071	-766	-841	-535
Net booked amount at end of period	7 263	7 261	7 245	7 268
Total intangible assets	52 088	53 677	53 020	54 252

Note 3 - Financial assets

Parent Company

The acquisition of the shares in Lune Group OY is capitalized under this item. It is a long-term acquisition. In June 2020, 60 percent of the shares were acquired through a non-cash issue. In addition, additional shares were acquired through a private placement of 750,000 Euros. Through this acquisition, the company has a total share of the company of 68% as of 30 June 2020. During the month of July, the entire company was acquired through a non-cash issue on the remaining outstanding shares.

As of September 30, 2021, a total of SEK 42,752 thousand has been capitalized for the acquisition, the same level as per December 31, 2020. Of these, the non-cash issue refers to a value of SEK 31,678 thousand and the private placement to Lune Group OY SEK 7,911 thousand. Capitalized

acquisition costs relate to SEK 3,163 thousand. Liquidity has been charged with SEK 11,285 thousand for the acquisition, a directed new issue in connection with the acquisition has raised a net SEK 7,195 thousand. In total, net liquidity was charged with SEK 4,090 thousand due to the acquisition.

Note 4 – Equity and liabilities

Parent company

There are no interest-bearing debts.

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

Year-end report, 2021

February 25th 2022

Stockholm, November 10th, 2021

Hans von Celsing, Chairmen of the Board

Anna Tenstam, Board member

Marianne Östlund, Board member

Leni Ekendahl, Board member

Erik Sundquist, 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.