

YEAR END REPORT

Period from January 2021 to December 2021

**Peptonic Medical Israel Ltd and CommonSense Marketing Inc is consolidated in the group
from 2021-10-20**

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

**Group, Peptonic Medical Israel Ltd and CommonSense Marketing Inc are included from
2021-10-20**

2021 FOURTH QUARTER (Oct-Dec)

- Net sales of products KSEK 5,642 (7,258)
- Gross profit KSEK 3,388 (3,866), Gross margin 60% (53%)
- Operating loss KSEK -43,974 (-10,702)
- Loss per share SEK -0.23 (-0.07)

FULL YEAR 2021 (Jan-Dec)

- Net sales of products KSEK 31,643 (21,283)
- Gross profit KSEK 19,070 (13,089), Gross margin 60% (61%)
- Operating loss KSEK -73,718 (-31,053)
- Loss per share SEK -0.38 (-0.19)

Adjusted earnings before non-recurring costs and the acquisition of Common Sense

2021 FOURTH QUARTER (Oct-Dec)

- Net sales of products KSEK 5 088 (7,258)
- Gross profit KSEK 3,490 (3,866), Gross margin 69% (53%)
- Operating loss KSEK -9,589 (-10,702)
- Loss per share SEK -0.05 (-0.07)

FULL YEAR 2021 (Jan-Dec)

- Net sales of products KSEK 30,971 (21,283)
- Gross profit KSEK 18,634 (13,089), Gross margin 60% (61%)
- Operating loss KSEK -35 262 (-31,053)
- Loss per share SEK -0.18 (-0.19)

PEPTONIC medical AB (publ)

Gustavslundsvägen 143, SE-167 51 Bromma. Tel: +46 8 530 20 110. Fax: +46 470 731 550.

www.peptonicmedical.se · info@peptonicmedical.se

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 Inborr. 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 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.
- 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.

- 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.
- December 14th, 2021, the Company announces that LloydsApotek is expanding its distribution with three more products from Peptonic's range. LloydsApotek operates 75 pharmacies in about 40 locations around Sweden. They also have a full-scale e-commerce. LloydsApotek already sells VagiVital® ActiveGel in its physical stores as well as through its own e-commerce channel. Now the distribution is expanded in the same channels with Lunette Menstrual Cups, Lunette Cup Wipes and Lunette Intimate Cleanser. Lunette Menstrual Cup is a design protected, sustainable and high-quality solution for period management. Lunette is recommended by 99% of its users where an important aspect is that the Lunette Menstrual cup feels more refreshing than other more conventional solutions. Lunette Cup Wipes are your cleaning solution when you are on the go and water is not an option. Lunette Intimate Cleanser is developed to give moisture while you wash, it is pH-balancing and it makes you feel clean and fresh in a gentle way. The launch will take place in week 6 of 2022.
- On December 16, 2021, the Company announces that the Board's proposal in accordance with the notice convening the Extraordinary General Meeting held on 16 December 2021 was approved unanimously. The Annual General Meeting decided to increase the company's share capital through new issue of shares and warrants (in the form of Units) with preferential rights for the shareholders with a maximum of 21,293,293 s.k. units. Each unit consists of three (3) newly issued shares in the company and two (2) newly issued warrants in the company of series TO1. This means that a maximum of 63,879,879 new shares and a maximum of 42,586,586 new warrants may be issued. The decision entails that the company's share capital is increased by a maximum of SEK 6,387,987.90 through the issue of shares. Further entails the decision that the company's share capital may be increased by a further maximum of SEK 4,258,658.60 at full

exercise of the issued warrants. The new share issue will be completed in March 2022. Vidarstiftelsen has guaranteed 80% of the issue at a cost of 7% of the guarantee (where none Remuneration is paid for pro-rata subscription, which corresponds to 13.89% of the shares. The warrants can will be signed in November 2022. The decision was supported by all shareholders voting at the meeting. Which means that the exemption granted by the Swedish Securities Market Board to Vidarstiftelsen from any obligation to bid was supported by the required majority. The foundation's representative who was present at the meeting did not participate the decision because they considered themselves unfair in the matter.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- On January 7th, 2022, the Company announces that its wholly owned subsidiary Lune Group Oy Ltd has signed a joint marketing agreement with the American company Womanizer. A strategic partnership between Womanizer and Lunette - two brands with the vision of ending the taboo around masturbation and menstrual health - ensures that 30,000 Lunette menstrual cups reach new customers through new channels in March 2022. In continuation of an already rewarding relationship between the brands, and to mark International Women's Day on March 8, every buyer of the best-selling Womanizer Premium Vibrator will receive a Lunette menstrual cup. In the joint campaign program, Womanizer will buy the products from Lune Group Oy Ltd at a discounted price.
- On January 28th, 2022, the Company informs that it has received information from the Swedish Environmental Crime Agency regarding a fine of SEK 0.5 million against the Company. The Company has previously announced that EBM has initiated an investigation in 2020 concerning a serious insider crime due to measures that the Company has taken within the framework of a financing arrangement between the company and a financial player. The basis for the claim arises from this case. The company and its representatives also intend to continue to cooperate with the authority in the matter.

From the CEO

2021 was a very eventful year for Peptonic Medical.

We start where it ended, with the completion of the acquisition of the assets from the Israeli company Common Sense Ltd. This is because the acquisition is an important step in the company's strategy going forward.

Peptonic is a medical technology start up group with the vision to become a leading player in clinically proven self-care solutions for women. This is based on the principle of diagnose - treat - prevent. The first area is intimate care. If problems with genital health arise, a woman should be given the opportunity to solve the problems herself with proven products from Peptonic. The products should inspire confidence and offer everything from diagnosis to solution to preventive measures. With the acquisition of Common Sense, Peptonic has taken another important step towards the realization of this strategy. The background to the choice of strategy is that the company has identified a clear and rapidly growing need and a societal trend.

In connection with the covid pandemic, people's propensity and willingness to take care of their own health has increased significantly. In a comprehensive survey, in which 4,400 people in Germany, Spain, Italy and the United Kingdom were interviewed during the pandemic, 65% answered that they are now more likely to take care of their own health. It is also interesting to note that 63-84% of those surveyed in each country are inspired by taking increased personal responsibility for their health and thereby reducing the burden on healthcare systems. In this trend, the respondents want to see clinically proven self-care solutions, 82% answered that this is very important.

The portfolio currently includes a self-test to diagnose vaginal infections, a self-test to identify amniotic fluid leakage, a treatment for vaginal atrophy and a moisturizing and thus preventive intimate wash. During the autumn of 2021, a clinical study for an adapted variant of VagiVital ActiveGel for treatment against fungal infections has been initiated at Karolinska Hospital. The company is also working to develop treatments for bacterial vaginosis and vestibulitis, it is not yet determined whether this will be in-licensing, acquisition or own development.

The company's more lifestyle-oriented brand in intimate health, Lunette, has in 2021 continued to develop positively in the domestic market Finland. The addition of primarily additional sustainable menstrual products has contributed to strengthening the position as a leading player in the area. Internationally, it has been tougher and sales development has been negative (-23%). An important analysis of this is that the investment needs to be consolidated into much fewer markets in order to then gradually build up.

The company's strategy regarding sales is to create profitable references in the domestic markets, which are then taken further internationally. VagiVital's business in Sweden grew by just over + 30% in 2021 and the company has previously informed that it expects the domestic market for VagiVital to be profitable in 2022. Regarding Lunette's home market Finland, sales of Lunette grew during the year by just over + 10% and are profitable. The Nordic region currently accounts for just over 30% of the company's global sales. Sales also developed positively during the year through several successful influencer collaborations.

In the Nordic region, the sales channels are a mix of own online stores, retail online stores and retail physical stores. It is the company's analysis that this mix of distribution models works best. The digital part of the business is growing fastest, and marketing is also primarily digital, where the company has found a working model.

The model is now being taken to the US, where VagiVital has been launched on Amazon and in its own online store, and will then gradually build up the distribution network both digitally and in physical stores. In the United States, there are also a number of partners for whom Peptonic produces vaginal self-tests which are sold under the partners' own brands. Peptonic's own brand VagiVital is built up in parallel with these and will over time have a unique range with the concept that is created - diagnose, treat, prevent.

In markets outside the Nordic region and the US, the company's current intention is to build sales through collaborations with local distributors. During the year, it was the company's assessment that the portfolio needs to be broadened to better attract partners who can take a holistic approach and launch Peptonic's portfolio locally.

In 2021, the company has informed that it has terminated the agreement with Yuanjia Bio for the Chinese market due to a non-payment of SEK 4 million, and that it has an ongoing arbitration case in China to try to get back outstanding debt.

During the year, the organizations for Lunette and VagiVital were merged into one, which led to organizational savings corresponding to SEK 6 million for the full year. The company is currently evaluating opportunities to link the Lunette and VagiVital brands even closer to each other.

The products that were added to the company's portfolio through the acquisition of the assets in Common Sense are now sold and marketed by Peptonic's existing organization, which is why the Common Sense sales and marketing organization did not participate in the acquisition. Peptonic is headquartered in Bromma, Sweden, the subsidiary Lune in Finland, the production and development company Peptonic Medical Israel and sales company in the US.

During the year, we chose to burden the result with a number of substantial extraordinary costs, which amount to SEK -38.5 million during the year, of which the quarter was charged with SEK -35.0 million. The extraordinary costs are primarily of an accounting nature and include amortization of goodwill relating to the acquisition of Lune Group, the acquisition of the assets in Common Sense, operations in Common Sense, restructuring costs and costs related to the EBM case. Adjusted profit without these extraordinary costs for the full year 2021 was SEK -35.3 million (SEK -31.1 million) with sales corresponding to SEK 31.0 million (SEK 21.3 million). The adjusted result for the old operations excluding the Common Sense acquisition for the last quarter was SEK -9.5 million (SEK -10.7 million last year) with sales of SEK 5.0 million (SEK 7.3 million). Note that in 2020 there was sales to China of 2.0 MSEK.

Reason	Amount (thousand SEK)	Heading under the income statement
Termination salary of the CEO, 18 months from 15/4 2021, including severance pay of 6 monthly salaries. Expensed until 2023-04-14.	5 746	Personnel costs
Doubtful trade receivable customer China. The entire amount is 100% expensed. Attempts to recover the amount are ongoing.	4 098	Other external costs
Costs for acquisition of the assets in Common Sense, external costs. In comparison with previous years, these costs have not been capitalized.	1 007	Other operating expenses
Own costs in connection with the acquisition of Common Sense.	700	Personnel costs
Legal costs in connection with the EBM investigation.	531	Other external costs
Impairment of goodwill amounted to SEK 23,495 thousand regarding Lune Group OY, in accordance with current accounting rules.	23 495	Depreciation of tangible and intangible fixed assets (group level)
Operating and start-up deficit at the newly started subsidiary Peptonic Medical Israel Ltd, refers to Oct-Dec 2021	2 879	Under each type of cost in the income statement
Total impact of extra costs 2021	38 456	

With the acquisition of Common Sense, Peptonic Medical Israel was started, to which the assets were transferred during the last quarter. Since then, the focus has been on securing the deliveries of raw

material suppliers and accelerating production and shipping against incoming orders. The company did not have time to ship and invoice more than a limited amount during Q4 2021 and is working to catch up. This means that invoicing will improve in the coming periods.

The construction of the portfolio diagnose - treat - prevent costs. Building consumer brands also involves significant marketing costs. Peptonic has announced that during the first quarter of 2022, a rights issue will be carried out to finance continued marketing, FDA approval of the company's product to identify amniotic fluid leakage and continued development of the company's portfolio. It will be relevant with further rounds of financing in the future to reach the goal of the company's vision.

If we look ahead in the longer term, Peptonic has something very exciting going on. Addressable market globally at the consumer level is about \$ 20 billion. With our growing portfolio of diagnose - treat - prevention, we are creating a unique self-care offer in this market. An offer that meets the 65% who after the pandemic will spend more time on self-care, the 82% who believe that these solutions must be clinically proven and the up to 84% who are inspired by relieving healthcare systems by seeking self-care solutions. We do this based on the profitable model we put in the Nordic home market and expand into the world. Next in line is the United States. In other parts, we continue to try to attract local partners. Should partners continue to prove to be a challenge, we will build market by market ourselves based on the Nordic model. We are inspired by the fact that we will help many women to a better and simpler life and that we will relieve healthcare systems around the world.

Stockholm, 25 February 2022

Erik Sundquist, CEO Peptonic Medical

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 creation of Peptonic Medical Israel Ltd and acquisition of CommonSense Marketing Inc was completed on 2021-10-20, this report includes their results from and on 2021-10-20 in the consolidated accounts. The balance sheet is consolidated as of 2021-10-20.

Revenue - Sales of goods during the fourth quarter amounted to SEK 5,642 (7,258) thousand. Other operating income for the quarter was SEK 610 (1,087) thousand. In the full year, sales of goods amounted to SEK 31,643 (21,283) thousand. Other operating income for the period was SEK 622 (1,151) thousand. Other income included income for the Group of SEK 499 thousand for the acquisition of CommonSense Marketing Inc in the fourth quarter.

Income in the interim report for the third quarter was too high due to faulty elimination in the revenues. This has been corrected in this report. The reported profit was correct in the interim report for the third quarter.

Costs - Costs for the fourth quarter amounted to SEK -50,226 (-19,047) thousand. The costs for the full year were SEK -105,893 (-53,487) thousand. During the full year, costs for products were SEK -12,573 (-8,194) thousand and a cost of SEK -23,495 thousand has been taken in the Group for the write-down of goodwill for Lune Group. Besides this, costs of SEK -12,082 thousand has been taken during the year for costs of one-off character.

Costs for products in the interim report for the third quarter was too high due to faulty elimination in the costs of sold goods. This has been corrected in this report. The reported profit was correct in the interim report for the third quarter.

Profit - The Group's profit after net financial items for the fourth quarter amounted to SEK -43,858 (-10,991) thousand. For the full year, the corresponding result is SEK -73,688 (-31,333) thousand.

Financial position and liquidity - Cash and bank as of December 31, 2021, amounted to SEK 10,153 (39,312) thousand. External acquisition costs for the assets of CommonSense Ltd and the company CommonSense Marketing Inc have during the year a net burden on liquidity of SEK -4,495 thousand.

Shareholders' equity - The Group's shareholders' equity as of December 31, 2021, amounted to SEK 52,017 (117,820) thousand, which gives an equity / assets ratio of 62 (88) percent.

Liabilities - The company's liabilities, as of December 31, 2021, amounted to SEK 31,483 (16,618) thousand.

Organization - During the full year, the average number of employees is estimated at 18 (12). At the end of the period, the number of employees was 34 (19). In addition to this, the parent company and Lune Group Oy has four consultants hired on long-term agreements in the market and quality, and the accounts are outsourced to an accounting firm. Employees at Lune Group OY, including subsidiaries, refer to a total of 13 employees and in Peptonic Medical Israel Ltd there are 17 employees.

Share - The total number of shares as of December 31, 2021, was 191,639,642 (162,911,613).

INCOME STATEMENT

Peptonic Group

KSEK	Note	3 mon oct-dec 2021	3 mon oct-dec 2020	12 mon jan-dec 2021	12 mon jan-dec 2020
Operating income					
Sales of products		5 642	7 258	31 643	21 283
Other operating income		610	1 087	622	1 151
Total operating income		6 252	8 345	32 265	22 434
Operating expenses					
Cost of goods		-2 254	-3 392	-12 573	-8 194
Other external expenses	1	-14 876	-10 373	-45 690	-29 515
Personnel costs		-8 905	-4 363	-19 430	-12 350
Depreciation		-24 409	-909	-27 055	-3 285
Other operating costs		218	-10	-1 234	-143
Total operating expenses		-50 226	-19 047	-105 983	-53 487
Operating loss		-43 974	-10 702	-73 718	-31 053
Net financial income/expense		116	-289	30	-280
Loss before taxes		-43 858	-10 991	-73 688	-31 333
Taxes		0	241	0	241
Net loss for the period		-43 858	-10 750	-73 688	-31 092

BALANCE SHEET

Peptonic Group

KSEK	Note	31-dec 2021	31-dec 2020
Assets			
Non-Current assets			
Intangible assets	2	52 210	54 070
Goodwill/badwill	2	0	23 495
Tangible assets	3	4 204	1 485
Financial assets		0	0
Total non-current assets		56 413	79 050
Current assets			
Stock		10 323	6 133
On going fund raising		0	2 752
Other receivbles		5 166	5 602
Tax receivable		524	0
Prepaid expenses and accrued income		920	1 589
Liquid assets		10 153	39 312
Total current assets		27 086	55 388
Total assets		83 500	134 438
Equity and liabilities			
Equity			
Ristricted equity			
Share capital		19 164	16 291
Ongoing right issues		0	2 327
Reservs		9 617	11 186
Other contributed capital		247 337	240 399
Profit or loss brought forward incl year result		-224 101	-152 383
Total equity	3	52 017	117 820
Current liabilities			
Liabilities interest bearing		6 219	3 784
Trade payables		15 347	7 506
Other payables		2 885	628
Prepaid income and accrued expenses		7 032	4 700
Total current liabilities		31 483	16 618
Total equity and liabilities	4	83 500	134 438

STATEMENT OF CASH FLOW

Peptonic Group

KSEK	Note	12 mon jan-dec 2021	12 mon jan-dec 2020
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL			
Operating profit/loss		-73 688	-31 333
Non-cash flow items		26 840	3 285
Paid tax		0	241
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		-46 848	-27 807
Increase (-) decrease (+) inventory		-4 190	-5 539
Increase (-) decrease (+) receivables		3 333	-15 392
Increase (-) decrease (+) liabilities		7 365	2 881
NET CASH FLOW FROM OPERATING ACTIVITIES		-40 340	-45 857
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in immaterial assets, net		-1 256	-2 822
Investment in material assest, incl subsidiaries		-3 024	0
Investment in financial assets, net		476	0
Divstment / reduction of financial assets		0	0
NET CASH FLOW FROM INVESTING ACTIVITIES		-3 804	-2 822
CASH FLOW FROM FINANCING ACTIVITIES			
Rights issue		7 500	32 868
Issue expenses		-15	-1 293
Bridgeloan		7 500	7 500
NET CASH FLOW FROM FINANCING ACTIVITIES		14 985	39 075
TOTAL CASH FLOW FOR THE YEAR		-29 159	3 328
Cash and cash equivalents at beginning of period		39 312	35 984
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		10 153	39 312

CHANGES IN EQUITY

Peptonic Group

KSEK	Share Capital	Reservs	Ongoing right issue	Other contributed capital	Accumul-ated result incl year result	Total shareholders equity
Opening balance January 1, 2020	13 813	12 394	0	182 006	-122 499	85 714
Net loss for the year					-31 092	-31 092
Transferring fund		-1 208		0		0
Right issue	479			7 021		7 500
Non-cash issues	1 999			29 624	0	31 623
On going right issues			2 327	23 041		25 368
Issue expenses				-1 293		-1 293
Closing balance December 31, 2020	16 291	11 186	2 327	240 399	-153 591	117 820
Opening balance January 1, 2021	16 291	11 186	2 327	240 399	-153 591	117 820
Net loss for the year					-73 688	-73 688
Transferring fund		-1 569			1 569	0
Right issue	2 873					7 500
Coneversion difference					400	400
Issue expenses				-15		-15
Closing balance December 31, 2021	19 164	9 617	2 327	240 384	-225 310	52 017

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, fee to her has been paid with SEK 876 (495) thousand. Total compensation for consultancy services amounted to SEK 1,491 (1,176) 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	2020
	Jan-Dec	Jan-Dec
Consulting fees Board of Directors	1,491	1,176
Total	1,491	1,176

Note 2 – Intangible assets (KSEK)

Patent and development costs are capitalized and depreciated over 20 years from the first income crown has been added to the Group, depreciation started for the full year 2019. Capitalized patent and development costs are estimated to bring future income to the Group. In the balance sheet, patent and development costs are stated at acquisition value, reduced by depreciation that has been carried out. The Group's goodwill is written-down completely during year 2021. During 2021 costs for acquisitions and integration has affected the Group's result.

Peptonic Group

	31-dec 2021	31-dec 2020
Capitalized development costs		
Accumulated acquisition value		
Opening balance	51 996	49 457
Sold out and Other disposals	0	0
Capitalizations during the period	904	2539
	52 900	51 996
Accumulated depreciation value	-5 171	-2 473
Depreciation of the year	-2 809	-2 698
	-7 980	-5 171
Net booked amount at end of period	44 921	46 825
Patents och licenses		
Accumulated acquisition value		
Opening balance	8 086	7 803
Sold out and Other disposals	0	0
Capitalizations during the period	352	283
	8 438	8 086
Depreciation		
Accumulated depreciation value	-841	-535
Depreciation of the year	-307	-306
	-1148	-841
Net booked amount at end of period	7 290	7 245
Group goodwill		
Accumulated acquisition values		
At the beginning of the period	23 495	0
Activations for the period	0	23 495
	23 495	23 495
Depreciation at the beginning of the period	0	0
This year's depreciations	-23 495	0
Outgoing depreciation	-23 495	0
Net booked amount at end of period	0	23 495
Total intangible assets	52 210	77 565

Note 3 - Tangible fixed assets

Group

The Group has activated tools to produce products.

Note 4 – Equity and liabilities

Group

There is an interest-bearing debt at SEK 15,000 Thousand in the Group.

KEY FIGURES

Peptonic Group

	12 mon jan-dec 2021	12 mon jan-dec 2020	12 mon jan-dec 2019
Sales goods, KSEK	31 643	21 283	4 408
Gross profit sales goods, KSEK	19 070	13 089	2 583
Gross margin, %	60%	61%	59%
Operating profit, KSEK	-73 718	-31 053	-23 922
Return on equity,%	-174	-61	-35
Equity ratio,%	62	88	93
Earnings per share, SEK	-0.38	-0.19	-0.18
Liquidity per share, SEK	0.05	0.24	0.26
Equity per share, SEK	0.27	0.72	0.62
Share price per closing, SEK	0.63	1.73	1.89
Share price/Equity per share, SEK	2.30	2.39	3.05
Equity per share, SEK	191 639 642	162 911 613	138 128 306

Parent company Peptonic Medical AB

FINANCIAL INFORMATION

Revenue - Sales of goods during the fourth quarter amounted to SEK 1,014 (2,854) thousand. Other operating income for the quarter was SEK 103 (68) thousand. For the full year, sales of goods amounted to SEK 6,511 (7,432) thousand. Other operating income for the same period was SEK 130 (100) thousand.

Costs - Costs for the fourth quarter amounted to SEK -14,886 (-10,193) thousand. The costs for the full year were -42,481 (-32,864). During the full year, costs for products were SEK -3,151 (-3,202) thousand and market costs were SEK -12,809 (-13,130) thousand.

Profit - The company's profit after net financial items for the fourth quarter amounted to SEK -13,723 (-7,296) thousand. For the full year, the corresponding result is SEK -34,928 (-26,279) thousand.

Financial position and liquidity - Cash and bank as of December 31, 2021, amounted to SEK 2,849 (33,526) thousand. During the year, the acquisition of assets from CommonSense Ltd and the company CommonSense Marketing Inc has charged liquidity with SEK -10,193 thousand.

Shareholders' equity - The company's shareholders' equity as of December 31, 2021, amounted to SEK 96,290 (123,734) thousand, which gives an equity / assets ratio of 81 (90) percent.

Liabilities - The company's liabilities, as of December 31, 2021, amounted to SEK 23,144 (13,323) thousand.

Organization - During the period, the average number of employees was 3 (2). At the end of the period, the number of employees was 3 (3). In addition, there are two consultants hired on long-term agreements in the market and quality, and the accounts are outsourced to an accounting firm.

Share - The total number of shares as of December 31, 2021, was 191,639,642 (162,911,613).

INCOME STATEMENT
Peptonic Medical AB

KSEK	Note	3 mon oct-dec 2021	3 mon oct-dec 2020	12 mon jan-dec 2021	12 mon jan-dec 2020
Operating income					
Sales of products		1 014	2 854	6 551	6 511
Intercompany sales		0	0	881	0
Other operating income		103	68	130	100
Total operating income		1 117	2 922	7 562	6 611
Operating expenses					
Cost of goods		-190	-1 615	-3 151	-3 202
Other external expenses	1	-8 012	-5 258	-23 903	-19 017
Personnel costs		-6 363	-2 615	-11 569	-7 722
Depreciation		-697	-695	-2 782	-2 780
Other operating costs		376	-10	-1 076	-143
Total operating expenses		-14 886	-10 193	-42 481	-32 864
Operating loss		-13 769	-7 271	-34 919	-26 253
Net financial income/expense		46	-25	-10	-26
Loss before taxes		-13 723	-7 296	-34 928	-26 279
Taxes		0	0	0	0
Net loss for the period		-13 723	-7 296	-34 928	-26 279

BALANCE SHEET

Peptonic Medical AB

KSEK	Note	31-dec 2021	31-dec 2020
Assets			
Non-Current assets			
Intangible assets	2	51 496	53 020
Tangible assets		46	0
Financial assets	3	53 450	42 752
Total non-current assets		104 993	95 772
Current assets			
Stock		2 060	1 259
On going fund raising		0	2 752
Other receivbles		838	3 284
Group company receivables		8 199	0
Tax receivable		0	0
Prepaid expenses and accrued income		496	464
Liquid assets		2 849	33 526
Total current assets		14 441	41 285
Total assets		119 434	137 057
Equity and liabilities			
Equity			
Ristricted equity			
Share capital		19 164	16 291
Ongoing right issues		0	2 327
Development Cost Fund		9 617	11 186
Non- restrictes equity		0	0
Share premiu reserv non-restricted		248 439	242 708
Profit or loss brought forward		-146 002	-122 499
Net loss for the period		-34 928	-26 279
Total equity	3	96 290	123 734
Current liabilities			
Liabilities interest bearing		1 801	1 811
Trade payables		15 000	7 500
Other payables		652	340
Group company debts		0	0
Prepaid income and accrued expenses		5 691	3 672
Total current liabilities		23 144	13 323
Total equity and liabilities	4	119 434	137 057

STATEMENT OF CASH FLOW

Peptonic Medical AB

KSEK	Note	12 mon jan-dec 2021	12 mon jan-dec 2020
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL			
Operating profit/loss		-34 928	-26 279
Non-cash flow items		2 781	2 780
Paid tax		0	0
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANG		-32 147	-23 499
Increase (-) decrease (+) inventory		-801	-665
Increase (-) decrease (+) receivables		-3 032	-5 535
Increase (-) decrease (+) liabilities		2 321	-259
NET CASH FLOW FROM OPERATING ACTIVITIES		-33 659	-29 958
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in immaterial assets, net		-1 256	-1 548
Investment in material assest, incl subsidiaries		-10 698	-42 751
Investment in financial assets, net		-49	0
Divestment / reduction of financial assets		0	0
NET CASH FLOW FROM INVESTING ACTIVITIES		-12 003	-44 299
CASH FLOW FROM FINANCING ACTIVITIES			
Rights issue		7 500	65 592
Issue expenses		-15	-1 293
Bridgeloan		7 500	7 500
NET CASH FLOW FROM FINANCING ACTIVITIES		14 985	71 799
TOTAL CASH FLOW FOR THE YEAR		-30 677	-2 458
Cash and cash equivalents at beginning of period		33 526	35 984
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		2 849	33 526

CHANGES IN EQUITY
Peptonic Medical AB

	Share Capital	Develop- ment cost fund	Ongoing right issue	Share Premium reserve non- restricted	Accumul- ated losses	Total shareholders equity
KSEK						
Opening balance January 1, 2020	13 813	12 394	0	182 006	-122 499	85 714
Net loss for the year					-26 279	-26 279
Transferring fund		-1 208			1 208	0
Right issue	2 478			37 746		40 224
On going right issues			2 327	23 041		25 368
Issue expenses				-1 293		-1 293
Closing balance December 31, 2020	16 291	11 186	2 327	241 500	-147 570	123 734
Opening balance January 1, 2020	16 291	11 186	2 327	241 500	-147 570	123 734
Net loss for the year					-34 928	-34 928
Transferring fund		-1 569			1 569	0
Right issue	2 873			29 995		32 868
On going right issues			-2 327	-23 041		-25 368
Issue expenses				-15		-15
Closing balance December 31, 2020	19 164	9 617	0	248 439	-180 929	96 290

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, fee to her has been paid with SEK 495 thousand. Total compensation for consultancy services amounted to SEK 1,176 (125) 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.

	2020	2019
KSEK	Jan-Dec	Jan-Dec
Consulting fees Board of Directors	1,491	1,176
Total	1,491	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	31-dec	31-dec
Capitalized development costs	2021	2020
Accumulated acquisition value		
Opening balance	50 721	49 457
Sold out and Other disposals	0	0
Capitalizations during the period	904	1264
	<u>51 625</u>	<u>50 721</u>
Accumulated depreciation value	-4 946	-2 473
Deprecation of the year	-2 473	-2 473
	<u>-7 419</u>	<u>-4 946</u>
Net booked amount at end of period	44 206	45 775
Patents och licenses		
Accumulated acquisition value		
Opening balance	8 086	7 803
Sold out and Other disposals	0	0
Capitalizations during the period	352	283
	<u>8 438</u>	<u>8 086</u>
Depreciation		
Accumulated depreciation value	-841	-535
Deprecation of the year	-307	-306
	<u>-1148</u>	<u>-841</u>
Net booked amount at end of period	7 290	7 245
Total intangible assets	51 496	53 020

Note 3 - Tangible fixed assets

Parent Company

The acquisition of the shares in Lune Group OY is capitalized under this item, as well as the acquisition of assets from CommonSense Ltd and the company CommonSense Marketing Inc. They are considered as long-term acquisitions.

As of December 31, 2021, a total of SEK 53,450 thousand has been capitalized for the acquisitions. During year 2021 SEK 10,699 thousand was used for the acquisition of the assets of CommonSense Ltd and the company CommonSense Marketing Inc, as well as the establishment of the company Peptonic Medical Israel Ltd. In total, net liquidity was charged with SEK 4,495 thousand due to the acquisition.

Note 4 – Equity and liabilities

Parent company

There is an interest-bearing debt on SEK 15,000 thousand, which has been converted to shares in March 2022.

This Year End 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. The Board will not propose any dividend to the Annual General Meeting.

FINANCIAL CALENDER

Annual report 2021	February 28 th 2022
Quarterly report, 1	May 12 th 2022
Annual General Meeting	May 24 th 2022
Quarterly report, 2	August 18 th 2022
Quarterly report, 3	November 10 th 2022
Year end report, 2022	February 24 th 2023

Stockholm, February 25th, 2022

Hans von Celsing, Chairmen of the Board

Anna Tenstam, Board member

Marianne Östlund, Board member

Leni Ekendahl, Board member

Erik Sundquist, CEO

For more information please contact:

Erik Sundquist, CEO PEPTONIC medical AB. Phone: +46 722 499 043

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.