

INTERIM REPORT

Period from January 2016 to September 2016

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

2016 THIRD QUARTER (Jul-Sep)

- Operating loss KSEK -1,983 (-2,683)
- Loss per share SEK -0.10 (-0.28)

FIRST NINE MONTHS 2016 (Jan-Sep)

- Operating loss KSEK -8,304 (-9,190)
- Loss per share SEK -0.40 (-0.97)

IMPORTANT EVENTS DURING THE PERIOD

- Mr Hans von Celsing was elected as new Chairman of the Board and Mr Arne Ferstad as Board member in May and July, respectively.
- On the 3rd of May, the first patients entered Peptonic Medical's clinical phase 2b study. The aim of the study is to investigate the effect of Peptonic Medical's product candidate Vagitocin[®] on vaginal atrophy in menopausal and post-menopausal women. The Phase 2b study is a double-blind, placebo-controlled, multi-centre study and comprise two arms of 80 patients each, in total 160 patients.
- In July the company completed a private placement of 6 MSEK (before transaction costs equivalent to 10% of the total rights issue amount) to a selected group of 10 new investors. This in accordance with the mandate given to the Board of Directors at the AGM in May. A total of 1 428 572 shares were issued at a subscription price of SEK 4.20 per share.
- By 30th of September 177 patients had been screened and 119 of them had started treatment after randomization. Another 16 patients were ready to be enrolled. In total, 160 patients will be treated.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- On the 25th of October the company announced that the last study subjects of the ongoing phase 2b study had been accepted to be enrolled. The last patients were expected to enter the study within a fortnight. In total, 160 study subjects are participating in the study, the objective of which is to investigate the effect of Peptonic Medical's candidate drug Vagitocin[®] in the treatment of vaginal atrophy in post-menopausal women. In this study, a glass syringe is used for containing and administration of the vaginal gel.

From the CEO

This week, the last study subjects of the ongoing phase 2b study will be enrolled and start the treatment. We are pleased to have reached this point, despite this delay in the time plan. The recruitment for the explorative study will continue without delay and we expect it to be completed in early December.

The reason for the extended recruitment period is the slower than expected patient recruitment during the early autumn. Recently, an intensified advertising has led to an increased patient inflow.

Generally, the study has progressed well with no practical problems.

We have also started the preparations for the clinical phase 3 programme. Our aim is to cut the lead times between the phase 2 and 3 studies, for example, by scaling up the manufacturing process to produce material for stability studies and for the clinical studies.

During the autumn, we have spent time and resources on investigating new potential indications for oxytocin. We have consulted medical experts and assessed the medical needs of these indications. We have also developed regulatory and clinical development plans for the different alternatives. What remains is to assess the probability of reaching the market within a certain time period, obtain assumed prices and reach certain market penetration rates. Our aim is to complete this work and make final decisions before the end of the year.

Stockholm

10 November 2016

Johan Inbarr

CEO

COMPANY BRIEF

Peptonic Medical AB (publ) is an innovative Swedish pharmaceutical company developing oxytocin based products e.g. for the treatment of menopausal symptoms, such as vaginal atrophy. Oxytocin has a long history of safe medical use and offers an alternative to estrogen and estrogen-like acting compounds for menopausal and postmenopausal women. Peptonic Medical AB (publ)'s mission is to develop safe and effective drugs based on oxytocin.

FINANCIAL INFORMATION

Net sales – Currently the company has no net sale.

Costs – Costs for the third quarter were KSEK -1,983 (-2,683). Costs for the first nine months were KSEK -8,304 (-9,190).

Result – Loss before tax for the third quarter was KSEK -1,982 (-2,683). Loss before tax for the first nine months was KSEK -8,294 (-9,175).

Financial position and liquidity – Liquid assets was KSEK 16,477 (10,537) as of September 30, 2016. During the third quarter has the company completed a private placement which has increased liquidity with KSEK 5,400 net.

Equity – PEPTONIC medical AB's equity amounted to KSEK 64,607 (46,257) as of September 30, 2016, resulting in a solidity of 92 (81) percent.

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

Share – Total numbers of shares in the company amounted to 20,602,984 as of September 30, 2016.

INCOME STATEMENT

KSEK	Note	3 months Jul-Sep 2016	3 months Jul-Sep 2015	9 months Jan-Sep 2016	9 months Jan-Sep 2015	12 months Jan-Dec 2015
Operating income						
Other operating income		-	-	-	-	-
Total operating income		-	-	-	-	-
Operating expenses						
Other external expenses	1	-944	-1,648	-4,736	-5,682	-9,274
Personnel costs		-1,036	-1,032	-3,559	-3,499	-4,696
Depreciation		-3	-3	-9	-9	-13
Total operating expenses		-1,983	-2,683	-8,304	-9,190	-13,983
Operating loss		-1,983	-2,683	-8,304	-9,190	-13,983
Net financial income/expense		1	0	10	15	23
Loss before taxes		-1,982	-2,683	-8,294	-9,175	-13,960
Taxes		-	-	-	-	-
Net loss for the period		-1,982	-2,683	-8,294	-9,175	-13,960

BALANCE SHEET

KSEK	Note	Sep 30 2016	Sep 30 2015	Dec 31 2015
Assets				
Non-Current assets				
Intangible assets	2	52,556	45,023	45,407
Tangible assets		13	26	23
Financial assets		-	-	-
Total non-current assets		52,569	45,049	45,430
Current assets				
Other receivbles		10	1,049	328
Tax receivable		953	-	-
Prepaid expenses and accrued income		185	135	160
Liquid assets		16,477	10,537	28,431
Total current assets		17,625	11,721	28,919
Total assets		70,194	56,770	74,349
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		2,060	944	944
Ongoing right issues		-	-	973
Non- restrictes equity				
Share premiun reserv non-restricted		117,266	86,953	112,021
Profit or loss brought forward		-46,425	-32,465	-32,465
Net loss for the period		-8,294	-9,175	-13,960
Total equity		64,607	46,257	67,513
Current liabilities				
Trade payables		2,050	7,217	1,769
Other payables		248	472	241
Prepaid income and accrued expenses		3,289	2,824	4,826
Total current liabilities		5,587	10,513	6,836
Total equity and liabilities	3	70,194	56,770	74,349

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 692 (1,090) and is related to R&D-services. All transactions between related parties are based on market conditions. No other key executives or their immediate family members have been directly or indirectly involved in any business transaction with the Company that is or was unusual in its character or terms and conditions and took place during the period.

	2016	2015	2015
KSEK	Jan-Sep	Jan-Sep	Jan-Dec
Consulting fees Board of Directors	1,020	1,625	1,706
Total	1,020	1,625	1,706

Note 2 – Intangible assets

Patents and development costs are capitalized and amortized over five years after the first income has been acquired. Capitalized patent-and development costs are estimated to result in future revenues for the company. Patent and development costs are stated at acquisition value in the balance sheets.

	Sep 30	Sep 30	Dec 31
	2016	2015	2015
Capitalized development costs			
Accumulated acquisition value			
Opening balance	37,892	28,274	28,274
Capitalizations during the period	6,579	9,288	9,618
	44,471	37,562	37,892
No depreciation has been made as no income has been acquired	-	-	-
Net booked amount at end of period	44,471	37,562	37,892
Patents och licenses			
Accumulated acquisition value			
Opening balance	7,515	6,332	6,332
Capitalizations during the period	570	1,129	1,183
Reclassifications do to exchange of shares to patent rights	-	-	-
	8,085	7,461	7,515
No depreciation has been made as no income has been acquired	-	-	-
Net booked amount at end of period	8,085	7,461	7,515
Total intangible assets	52,556	45,023	45,407

Note 3 – Equity and liabilities

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

KEY FIGURES

	9 months Jan-Sep 2016	9 months Jan-Sep 2015	12 months Jan-Dec 2015
Operating loss, KSEK	-8,304	-9,190	-13,983
Return on equity, %	-16.7	-28.1	-25.8
Solidity, %	92	81	91
Earnings per share, SEK	-0.4	-1.0	-0.7
Liquid assets per share, SEK	0.8	1.1	1.5
Shareholders' equity per share, SEK	3.1	4.9	3.5
Share price per closing, SEK	7.70	4.98	6.10
Share price/Shareholders' equity per share, SEK	2.5	1.0	1.7
Number of share per closing	20,602,984	9,441,960	19,174,412

*

*Inclusive shares paid during 2015, but not registered at Bolagsverket until January 2016

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, 2016 February 27th 2017

Stockholm, November 10th, 2016

Hans von Celsing, Chairman of the Board Kerstin Uvnäs Moberg, Board member

Arne Ferstad, Board member Johan Inborr, CEO

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Note: This document has been prepared in both Swedish and English. The Swedish version shall govern in case of differences between the two documents. The document contains certain statements about the Company's operating environment and future performance. These statements should only be regarded as reflective of prevailing interpretations. No guarantees can be made that these statements are free from errors.