

## INTERIM REPORT

Period from January 2017 to September 2017

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

### 2017 THIRD QUARTER (Jul-Sep)

- Operating loss KSEK -2,969 (-1,983)
- Loss per share SEK -0.07 (-0.10)

### FIRST NINE MONTHS 2017 (Jan-Sep)

- Operating loss KSEK -8,209 (-8,304)
  - Loss per share SEK -0.19 (-0.40)
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## IMPORTANT EVENTS DURING THE PERIOD

- On March 10th, the Company announced that the primary efficacy endpoints of the first part of its phase 2b study, in which the Vagitocin® gel was investigated for the treatment of vaginal atrophy, were not met. However, further analyses of the study data showed that the gel, both without and with the active ingredient (oxytocin), had a marked and statistically significant alleviating effect on the Most Bothersome Symptoms (MBS) after the twelve week treatment. To enter a clinical phase 3 programme, a new phase 2b study would be required. Hence, the Company has decided to focus on bringing the oxytocin-free gel to the market as a non-prescription product.
- On May 17<sup>th</sup>, the Company announced that the results of the exploratory part of its clinical phase 2b study show comparable treatment effects to the first part (main study). In short, this means that no significant differences were found between placebo and oxytocin for any of the defined clinical endpoints, whereas the placebo gel gave a strong effect on the Most Bothersome Symptom (MBS). All study subjects of the placebo arm (10 out of 10) reported symptom relief and half of them were symptom free at the end of the treatment period.
- At the AGM on the 18<sup>th</sup> of Mayt Leni Ekendahl and Marianne Östlund were elected as new board members. Arne Ferstad and Hans von Celsing were re-elected, Hans von Celsing as chairman.
- In June the Company closed a financing round of 13.4 MSEK (before issue costs) consisting of a preferential rights issue (12.3 MSEK) and a private placement (1.1 MSEK).As a result, the number of shares will increase from 20.6 million to 43.0 million. All new shares has been registered at the Swedish "Bolagsverket".
- On May 30<sup>th</sup> the Company announced that it has filed a patent application concerning the use of its vaginal gel for the treatment of symptoms associated with vaginal atrophy. The application was filed with The Swedish Patent and Registration Office. During the coming twelve months, the Company will decide in which additional countries the application will be filed.

## IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- In October the Company announced that it has recruited Mr Erik Sundquist as VagiVital™ Brand Manager. In his role, Mr Sundquist will be responsible for the commercialization of the Product – a vaginal gel developed in-house for the treatment of vaginal atrophy and vaginal dryness.
- On October 31<sup>st</sup>, the Company announced that it has signed a collaboration and sponsorship agreement with '1.6 & 2.6 Million Club'. The 1.6 Million Club is a non-profit women's health organization that was founded in 1998 by Alexandra Charles, president ever since. She was inspired by the cardiologist, Karin Schenck-Gustafsson, and gynecology professor, Britt-Marie Landgren, who could both tell of just how male-dominated the field of research was, and how women were discriminated within the health care sector.

## From the CEO

Peptonic Medical develops new, effective and safe treatments and products in the field of Women's Health. We want to contribute to improve the availability and efficacy of products for female specific diseases. In a move to achieve these objectives, the Company has entered a sponsor and collaboration agreement with the '1.6 & 2.6 Million Club'. This is a non-profit organisation that was founded in 1998, and today it is one of the largest women's organisations in Sweden. The 1.6 Million Club was established with the purpose of improving and creating equal research and healthcare, and in order to spread objective information, it has approximately 33 000 members today. Ten years later, the 2.6 Million Club was established for younger women, from 25 years and upwards. The 1.6 and 2.6 Million Clubs share the same objective, and anybody over the age of 18 is welcome as a member in the association (including men).

During the third quarter we have focussed on obtaining the CE mark for VagiVital™. To achieve this a Quality Management System needs to be implemented (ISO 13485) and a Technical File has to be produced and approved. So far, the work has progressed according to plan, which means that the CE mark should be obtained during the first quarter of 2018. Once this is in place, the product can be marketed and sold throughout Europe. A corresponding registration project for the US market will commence soon after the CE mark.

The first market launch for VagiVital™ will be in Sweden. In preparation for the launch a major effort has to be made around product positioning, design, PR, sales channel development etc. To lead this work, Mr Erik Sundquist has been recruited as the VagiVital™ Brand Manager. Mr Sundquist has a long career and experience from launching and marketing medical devices both in Sweden and internationally.

Associate Professor, Mrs Aino Fianu Jonasson, who acted as principal investigator in the most recent clinical study has accepted to act as Medical Advisor of Peptonic. She will support the Company in medical matters and in the communication with e.g. the gynaecologists concerning VagiVital™.

We also have ambitions to launch VagiVital™ on markets outside Sweden. This in partnerships with distributors. There is a continued great interest in VagiVital™ among partner candidates. Because VagiVital™ is a medical device, the regulatory path is shorter and less costly and for a drug. Discussion with potential distributors are underway.

In Peptonic, we have exciting times ahead of us and we will keep telling the market of the progress we are making.

Johan Inbarr

CEO

Stockholm, November 9th, 2017

## COMPANY BRIEF

Peptonic Medical AB (publ) is an innovative Swedish biopharma company developing products within the field of women's health. The Company was founded in 2009 and its first candidate drug product is Vagitocin® – an estrogen-free product for the treatment of vaginal atrophy.

VagiVital® is a registered trademark of Peptonic Medical. The product is being developed for the non-prescription use for the treatment of vaginal atrophy.

Find out more at [www.peptonicmedical.se](http://www.peptonicmedical.se)

## FINANCIAL INFORMATION

**Net sales** – Currently the company has no net sale.

**Costs** – Costs for the third quarter were KSEK -2,969 (-1,983). Costs for the first nine months were KSEK -8,209 (-8,304).

**Result** – Loss before tax for the third quarter was KSEK -2,970 (-1,982). Loss before tax for the first nine months was KSEK -8,243 (-8,294).

**Financial position and liquidity** – Liquid assets was KSEK 11,115 (16,477) as of September 30, 2017.

**Equity** – PEPTONIC medical AB's equity amounted to KSEK 64,424 (64,607) as of September 30, 2017, resulting in a solidity of 91 (92) 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 43,014,300 (20,602,984) as of September 30, 2017.

**INCOME STATEMENT**

KSEK	Note	3 months Jul-Sep 2017	3 months Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016	12 months Jan-Dec 2016
<b>Operating income</b>						
Other operating income		-	-	-	-	-
<b>Total operating income</b>		-	-	-	-	-
<b>Operating expenses</b>						
Other external expenses	1	-1,525	-944	-4,515	-4,736	-5,709
Personnel costs		-1,444	-1,036	-3,684	-3,559	-4,541
Depreciation		-0	-3	-10	-9	-1,070
<b>Total operating expenses</b>		<b>-2,969</b>	<b>-1,983</b>	<b>-8,209</b>	<b>-8,304</b>	<b>-11,320</b>
<b>Operating loss</b>		<b>-2,969</b>	<b>-1,983</b>	<b>-8,209</b>	<b>-8,304</b>	<b>-11,320</b>
Net financial income/expense		-1	1	-34	10	62
<b>Loss before taxes</b>		<b>-2,970</b>	<b>-1,982</b>	<b>-8,243</b>	<b>-8,294</b>	<b>-11,258</b>
Taxes		-	-	-	-	-
<b>Net loss for the period</b>		<b>-2,970</b>	<b>-1,982</b>	<b>-8,243</b>	<b>-8,294</b>	<b>-11,258</b>

**BALANCE SHEET**

KSEK	Note	Sep 30 2017	Sep 30 2016	Dec 31 2016
<b>Assets</b>				
<b>Non-Current assets</b>				
Intangible assets	2	58,833	52,556	54,995
Tangible assets		0	13	10
Financial assets		-	-	-
<b>Total non-current assets</b>		<b>58,833</b>	<b>52,569</b>	<b>55,005</b>
<b>Current assets</b>				
Other receivbles		491	10	649
Tax receivable		-	953	-
Prepaid expenses and accrued income		127	185	111
Liquid assets		11,115	16,477	12,169
<b>Total current assets</b>		<b>11,733</b>	<b>17,625</b>	<b>12,929</b>
<b>Total assets</b>		<b>70,566</b>	<b>70,194</b>	<b>67,934</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
<b>Ristricted equity</b>				
Share capital		4,301	2,060	2,060
Ongoing right issues		-	-	-
Development Cost Fund		13,191	0	9,767
<b>Non- restrictes equity</b>				
Share premium reserv non-restricted		126,048	117,266	117,265
Profit or loss brought forward		-70,873	-46,425	-56,192
Net loss for the period		-8,243	-8,294	-11,258
<b>Total equity</b>		<b>64,424</b>	<b>64,607</b>	<b>61,643</b>
<b>Current liabilities</b>				
Trade payables		1,729	2,050	1,708
Other payables		225	248	434
Prepaid income and accrued expenses		4,188	3,289	4,149
<b>Total current liabilities</b>		<b>6,142</b>	<b>5,587</b>	<b>6,291</b>
<b>Total equity and liabilities</b>	3	<b>70,566</b>	<b>70,194</b>	<b>67,934</b>

**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 921 (1,020) and is related to R&D-services and 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.

	<b>2017</b>	2016	2016
KSEK	<b>Jan-Sep</b>	Jan-Sep	Jan-Dec
Consulting fees Board of Directors	<b>921</b>	1,020	1,340
<b>Total</b>	<b>921</b>	<b>1,020</b>	<b>1,340</b>

### 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 2017	Sep 30 2016	Dec 31 2016
<b>Capitalized development costs</b>			
Accumulated acquisition value			
Opening balance	47,695	37,892	37,892
Capitalizations during the period	3,424	6,579	9,767
	<b>51,083</b>	<b>44,471</b>	<b>47,659</b>
No depreciation has been made as no income has been acquired	-	-	-
<b>Net booked amount at end of period</b>	<b>51,083</b>	<b>44,471</b>	<b>47,659</b>
<b>Patents och licenses</b>			
Accumulated acquisition value			
Opening balance	7,336	7,515	7,515
Capitalizations during the period	414	570	879
Reclassifications do to exchange of shares to patent rights	-	-	-
	<b>7,750</b>	<b>8,085</b>	<b>8,394</b>
Depreciation - closed down of patent families, because of short of time to end of patent	-	-	-1,058
<b>Net booked amount at end of period</b>	<b>7,750</b>	<b>8,085</b>	<b>7,336</b>
<b>Total intangible assets</b>	<b>58,833</b>	<b>52,556</b>	<b>54,995</b>

### Note 3 – Equity and liabilities

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



**KEY FIGURES**

	<b>9 months Jan-Sep 2017</b>	<b>9 months Jan-Sep 2016</b>	<b>12 months Jan-Dec 2016</b>
Operating loss, KSEK	-8,209	-8,304	-11,320
Return on equity, %	-17.4	-16.7	-17.4
Solidity, %	91	92	91
Earnings per share, SEK	-0.2	-0.4	-0.6
Liquid assets per share, SEK	0.3	0.8	0.6
Shareholders' equity per share , SEK	1.5	3.1	2.99
Share price per closing, SEK	0.71	7.70	6.45
Share price/Shareholders' equity per share, SEK	0.47	2.5	2.16
Number of share per closing	43,014,300	20,602,984	20,602,984

**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, 2017

February 27<sup>th</sup> 2018

### **Stockholm, November 9th, 2017**

Hans von Celsing, Chairman of the Board

Arne Ferstad, Board member

Marianne Östlund, Board member

Leni Ekendahl, Board member

Johan Inbarr, CEO

### **For more information please contact:**

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*This information is information that Peptonic Medical AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 9<sup>th</sup> November 2017.*

*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.*