

INTERIM REPORT

Period from January 2015 to March 2015

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

2015 FIRST QUARTER (Jan-Mar)

- Operating loss KSEK -2,644 (-1,004)
- Loss per share SEK -0.33 (-4.39)

IMPORTANT EVENTS DURING THE PERIOD

- In March, the US patent office informed Peptonic Medical that the formulation patent will be approved in the USA. Patent expiry is in 2032.
- Peptonic Medical and Swetox entered a research collaboration on the mechanisms of action of oxytocin. The project will add new safety data to Vagitocin®.
- The company raised SEK 14.4 million in a private placement at a share price equal to the average trading price during the three preceding months.
- Patient recruitment to Peptonic Medical's ongoing phase 2b study was completed by the end of March.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- At the AGM Mr Anders Wiklund and Prof. Emeritus Andris Kreicbergs were elected as new members to the Board. At the same time, Mr. Christer Sjögren and Mr. Ingvar Wiberger resigned from the Board.
- Johan Inbarr, CEO, subscribed for 160,000 warrants as authorized by the AGM as part of an adopted incentives scheme.

From the CEO

During the period, activity level has continued to be high, and many positive things have occurred.

Patient recruitment for the clinical phase 2b study continued at a high rate and was completed at the end of March in accordance with the plan. All five clinical centres have seen a steady in-flow of patients. This is probably a sign of the need for new and safe treatments for vaginal atrophy, and that many women are suffering from the symptoms. To date, more than half of the total number of patients to be included have completed the study. Provided there are no major setbacks, results from this study should be announced by end of September.

Proceeds from the private placement in March were SEK 14.4 million. The proceeds will be used primarily for planning and preparing for the next stage in the development of Vagitocin[®], that is, the phase 3 clinical studies. These activities are already well underway. Key activities are i.a. manufacturing scale-up, completion of the Swetox research project, planning and preparation for the end-of-phase 2b meetings with the regulatory authorities in the USA (FDA) and Europe (EMA) and creating and maintaining contacts with potential partners going forward.

Globally US is the single largest market for vaginal atrophy. Hence, the grant of the company's formulation patent in the US is of great importance. This will increase the value and attractiveness of Vagitocin[®], and it's a prerequisite for a favourable outcome of a licensing deal in this territory. With the above grant, the patent is now granted in the USA, Europe and Singapore. The patent has been applied for in many more countries and additional approvals are to be expected within the next few months.

Stockholm May 8, 2015

Johan Inbarr

CEO, PEPTONIC medical AB

COMPANY BRIEF

PEPTONIC medical AB 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 and effective medical use and offers an alternative to estrogen and estrogen-like acting compounds for menopausal and postmenopausal women. PEPTONIC medical AB's mission is to develop safe and effective drugs based on the known beneficial properties of oxytocin.

FINANCIAL INFORMATION

Net sales – Currently the company has no net sale.

Costs – Costs for the first quarter were KSEK -2,644 (-1,004).

Result – Loss before tax for the first quarter was KSEK -2,629 (-1,004).

Financial position and liquidity – Liquid assets was KSEK 20,338 (4,521) as of March 31, 2015. During the first three months the company received KSEK 14,488 in new share issues, it was still ongoing at the quarter end.

Equity – PEPTONIC medical AB's equity amounted to KSEK 52,769 (29,904) as of March 31, 2015, resulting in a solidity of 86 (94) percent.

Organization – The average number of employees during the period was 2 (1). At the end of the period the number of employees was 2 (1).

Share – Total numbers of shares in the company amounted to 7,971,054, as of March 31, 2015. After the ongoing registration of the new issued shares will the shares increase with 1,470,906 shares to a total of 9,441,960 shares. It was registered at the Swedish company act the 8th of April 2015.

INCOME STATEMENT

KSEK	Note	3 months Jan-Mar 2015	3 months Jan-Mar 2014	12 months Jan-Dec 2014
Operating income				
Other operating income		-	-	10
Total operating income		-	-	10
Operating expenses				
Other external expenses	1	-1,534	-527	-7,410
Personnel costs		-1,110	-477	-2,713
Depreciation		-	-	-2
Total operating expenses		-2,644	-1,004	-10,125
Operating loss		-2,644	-1,004	-10,115
Net financial income/expense		15	-	18
Loss before taxes		-2,629	-1,004	-10,097
Taxes		-	-	-
Net loss for the period		-2,629	-1,004	-10,097

BALANCE SHEET

KSEK	Note	Mar 31 2015	Mar 31 2014	Dec 31 2014
Assets				
Non-Current assets				
Intangible assets	2	40,530	26,480	34,606
Tangible assets		35	-	35
Financial assets		-	-	-
Total non-current assets		40,565	26,480	34,641
Current assets				
Raw materials and consumables		-	-	-
Other receivbles		567	419	456
Tax receivable		-	60	-
Prepaid expenses and accrued income		182	170	207
Liquid assets		20,338	4,521	10,528
Total current assets		21,087	5,170	11,191
Total assets		61,652	31,650	45,832
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		797	297	797
Ongoing right issues		14,488	-	-
Non- restrictes equity				
Share premiun reserv non-restricted		72,578	52,979	72,578
Profit or loss brought forward		-32,465	-22,368	-22,368
Net loss for the period		-2,629	-1,004	-10,097
Total equity	3	52,769	29,904	40,910
Current liabilities				
Trade payables		2,414	972	1,330
Other payables		111	172	183
Prepaid income and accrued expenses		6,358	602	3,409
Total current liabilities		8,883	1,746	4,922
Total equity and liabilities		61,652	31,650	45,832

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 437 (340) and is mostly 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.

	2015	2014	2014
KSEK	Jan-Mar	Jan-Mar	Jan-Mar
Consulting fees Board of Directors	437	340	1,957
Total	437	340	1,957

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.

	Mar 31	Mar 31	Dec 31
	2015	2014	2014
Capitalized development costs			
Accumulated acquisition value			
Opening balance	28,274	20,132	20,132
Capitalizations during the period	5,449	911	8,142
	33,723	21,043	28,274
No depreciation has been made as no income has been acquired	-	-	-
Net booked amount at end of period	33,723	21,043	28,274
Patents och licenses			
Accumulated acquisition value			
Opening balance	6,332	5,236	5,236
Capitalizations during the period	475	-	-
Reclassifications do to exchange of shares to patent rights	-	201	1,096
	6,807	5,437	6,332
No depreciation has been made as no income has been acquired	-	-	-
Net booked amount at end of period	6,807	5,437	6,332
Total intangible assets	40,530	26,480	34,606

Note 3 – Equity and liabilities

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

KEY FIGURES

	3 months	3 months	12 months
	Jan-Mar	Jan-Mar	Jan-Dec
	2015	2014	2014
Operating loss, KSEK	-2,644	-1,004	-10,115
Return on equity, %	-22.4	-17.1	-28.1
Solidity, %	86	94	89
Earnings per share, SEK	-0.3	-4.4	-1.3
Liquid assets per share, SEK	2.6	15.0	1.3
Shareholders' equity per share, SEK	6.6	102.3	5.1
Share price per closing, SEK	10.60	NA	8.90
Share price/Shareholders' equity per share, SEK	1.6	NA	1.8
Number of share per closing	7,971,054	297,098	7,971,054

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

Quarterly report, 2	August 17 th 2015
Quarterly report, 3	November 11 th 2015
Year end report, 2015	February 26 th 2016

Stockholm, May 8th, 2015

Ron Long, Chairmen of the Board

Kerstin Uvnäs Moberg, Board member

Anders Wiklund, Board member

Andris Kreicbergs, Board member

Nadia Whittlely, Board member

Johan Inborr, CEO

For more information please contact:

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

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.