

YEAR END REPORT

Period from January 2020 to December 2020

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

Peptonic Medical AB (publ) org nr 556776-3064

(www.aktietorget.se ticker: PMED)

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

2020 FOURTH QUARTER (Oct-Dec)

- Net sales of products KSEK 7,258 (394)
- Gross profit KSEK 3,866 (321), Gross margin 53% (81%)
- Operating loss KSEK -10,702 (-11,508)
- Loss per share SEK -0.07 (-0.08)

FULL YEAR 2020 (Jan-Dec)

- Net sales of products KSEK 21,283 (4,408)
- Gross profit KSEK 13,089 (2,583), Gross margin 61% (59%)
- Operating loss KSEK 31,053 (-23,922)
- Loss per share SEK -0.19 (-0.18)

IMPORTANT EVENTS DURING THE PERIOD

- February 13th, 2020, Peptonic Medical AB announced that it has received a purchase order from its Chinese partner *Shijiazhuang Yuanjia Biotechnology Co. Ltd. ("Yuanjia Bio")* for 53,000 units of VagiVital® for delivery in May 2020. The Products are to be used for collecting user experience data and for building brand awareness among gynaecologists and gynaecology clinics across the country.
- February 25th, 2020, Peptonic Medical AB announced that it has submitted a so called 510(k) application to the US Food and Drug Administration (FDA) to obtain approval to market and sell VagiVital® in the USA.
- April 9th, 2020 - Peptonic Medical AB announced that its self-care product VagiVital® will be available for purchase in all eighty LloydsApotek's retail shops in Sweden from May this year
- May 7th, 2020 - Peptonic Medical AB announced that the Company has filed a patent application concerning the use of its self-care vaginal gel VagiVital® for the treatment of vulvar vestibulitis syndrome (VVS).
- May 14th, 2020 - Peptonic Medical AB announced that it has filed a patent application for an intimate wash based on the Company's vaginal gel VagiVital® and a specifically selected oil. The market as well as the number of applications of products for intimate health are growing. And fastest of these the intimate washes, that can generally be divided into soaps and oils. The challenge for an intimate wash is to clean without causing undesired effects in this delicate area of the body. Peptonic has identified a method to meet this challenge by developing an intimate wash based on its gentle and water-based vaginal gel VagiVital® in combination with an oil.
- May 14th, 2020 - Peptonic Medical AB announced that it has entered into an agreement to acquire a majority of the shares in Lune Group Oy ("Lune"), a Finnish company that sells the Lunette® menstrual cup.
- June 3rd, 2020 - Peptonic Medical AB announced that all conditions for the acquisition pursuant of Lune Group OY to the agreement have been fulfilled and Peptonic has today completed the acquisition of 60 existing shares in Lune. In connection with the completion, the board has resolved on an issue of 12,228,133 new shares against payment in kind to the current shareholders of Lune as payment for the existing shares in Lune. The board has further resolved on a directed issue of 4,787,037 new shares to Vidarstiftelsen resulting in a cash contribution to Peptonic of 7.5 MSEK which will be used as cash payment for newly issued shares in Lune. The share issues have been resolved in accordance with the authorization from the annual general meeting 2019 and in accordance with the terms that were announced through a press release on 14 May 2020.
- June 30th, 2020, the Company announced that the Annual General Meeting resolved to, for the period until the end of the next Annual General Meeting, elect Anna Tenstam and re-elect Hans von Celsing, Leni Ekendahl and Marianne Östlund as Board members. Hans von Celsing was also elected chairman.
- July 7th, 2020 – Peptonic Medical AB announced that it had decided to use the call option to acquire the remaining shares in Lune from the sellers. The purchase price for the shares amount to MEUR 1.2 (approx. MSEK 12.5, exchange rate 10.43 SEK/EUR) and payment shall be made in the form of new shares in Peptonic. The board of directors intends to within shortly resolve on an issue of 7 442 774 new shares against payment in kind to the sellers, subject to the subsequent approval by the general meeting the 28th of July.
- The Extraordinary General Meeting the 28th of July, 2020, approved the acquisition of outstanding shares in Lune Group OY.
- August 14th, 2020 – Peptonic Medical AB announced that it has received a purchase order from its Chinese partner *Shijiazhuang Yuanjia Biotechnology Co. Ltd.* for 106,000 units of VagiVital® for delivery in two shipments – 53,000 units before the end of the year, and 53,000 units during Q1 2021.
- August 27th 2020 – Peptonic Medical AB announced the results of a customer survey that was performed during spring/early summer this year among VagiVital users. It shows great user satisfaction and effective symptom relief. Of the nearly one hundred respondents, that had used VagiVital for one month or longer, 83 per cent reported symptom relief.
- September 3, 2020 - Peptonic Medical AB informed about the results of the latest clinical study with VagiVital®. The objective of this 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 results show strong relief of the most bothersome symptoms such as vaginal dryness, vaginal itching and pain during sexual intercourse (dyspareunia). In addition, vaginal pH decreased as a result of treatment with VagiVital®. All improvements were statistically significant (p<0.001) and the magnitude of the improvements were at least on the same level as seen in previous clinical studies with VagiVital®.

- November 9th 2020 - Peptonic Medical AB announced that the Company has submitted an application for patent protection for the treatment of genital fungal infections and bacterial vaginosis with a modified VagiVital® formulation. The background to this application is i.a. positive results from in vitro studies showing an effective antifungal effect. Women suffering from fungal infections have spontaneously used VagiVital® and reported good results. In the new formulation, the properties that are judged to contribute to the positive treatment effect have been strengthened.
- November 9th 2020 – Peptonic Medical AB announced that it has exercised the option to obtain a loan of 7.5 MSEK from Vidarstiftelsen according to an agreement as signed in May 2020.
- November 11th 2020, the Company announces that it has received approval from the US Food and Drug Administration (FDA) regarding VagiVital® Active gel, which gives the company permission to market and sell the product in the USA. VagiVital® is a hormone-free active gel. The unique physiological properties of the gel mean that women's need to moisturize the vagina is met in a new, advanced way. The introduction of VagiVital®, the company's own gel for improving vaginal health, marks the first launch in the US of the company's health products for women. VagiVital® is new to the US market, but has been available in a number of markets in Europe since 2018 and is in an introductory phase in selected markets in Asia.
- November 19th 2020, the Company announces that the Board of Peptonic Medical AB has, with the support of authorization from the Annual General Meeting on 30 June 2020, decided to carry out an issue of shares with preferential rights for existing shareholders (the "Rights Issue"). The subscription period runs during the period 1–15 December 2020. The subscription price amounts to SEK 1.09 per share. Through the Rights Issue, the Company will be provided with up to approximately SEK 25.4 million before issue costs. The rights issue is covered by subscription commitments up to a total amount of approximately SEK 3.7 million, corresponding to approximately 14.6% of the rights issue. Prior to the forthcoming rights issue, the company has chosen not to procure issue guarantees from third parties. On November 26, the memorandum will be published.
- November 30th 2020, the Company announces that Lune Group Oy Ltd., ('Lune'), which is owned by Peptonic Medical AB and which is best known for Lunette® Menskoppar, is launching reusable cloth napkins. Like the menstrual cups, the new cloth bandages are made in Finland. The pioneer in Finnish femtech, the menstrual cup manufacturer Lune Group Oy Ltd., is expanding its product range with a reusable cloth bandage. The pads are skin-friendly and are suitable for use during menstruation, mild incontinence or as an additional protection together with Lunette® menstrual cups. The launch will first take place via Lunette's online stores globally. This is to gather experience from users before the cloth bandages are launched via retailers and wholesalers.
- December 1st 2020, the Company announces that they have signed an agreement with Common Sense, Ltd. (Common Sense) on the distribution of a self-diagnostic test for bacterial vaginosis. The distribution rights apply to 28 countries, of which exclusive rights apply to Sweden, Norway and Denmark. Among the non-exclusive countries are e.g. England, Germany, France, Spain, Italy and Australia. Peptonic will launch the self-test under the VagiVital® brand. The self-tests have been developed by Common Sense and are sold today in the USA and in a number of countries in Europe e.g. England, Italy and the Netherlands. In clinical studies the self-test has shown a sensitivity of 91.8% and a specificity of 92.8%. The read-out of the self-test is given in a few seconds and no samples need to be sent for laboratory analyses.
- December 17th 2020, the Company announces that the Company's issue of shares with preferential rights of approximately SEK 25.4 million, which was decided and announced on November 19, 2020 and for which the subscription period ended on December 15, 2020 (the "Rights Issue"), has been completed. In the Rights Issue, 21,775,059 shares were subscribed for, corresponding to approximately 94% of the Rights Issue, with the support of subscription rights. In addition, 40,642,271 shares were subscribed for, corresponding to approximately 175% of the Rights Issue, without the support of subscription rights. In total, the Rights Issue has been subscribed for approximately 268%. The company will receive approximately SEK 25.4 million through the Rights Issue before deductions for issue costs.

IMPORTANT EVENTS AFTER THE END OF 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. The loan agreement was signed in connection with Peptonic's acquisition of the majority of the shares in Lune Group Oy Ltd in May 2020. In

connection with this transaction, a directed share issue of SEK 7.5 million was made to Vidarstiftelsen at a share price corresponding to 115% of the volume-weighted average price of Peptonic's share of Spotlight Stock Market during the ten trading days immediately before the issue. The Board believes that a conversion is now beneficial for the company as additional interest costs can be avoided and the money can be used for investments to further develop the company. The conversion of the loan means that the number of shares in Peptonic increases by 5,454,942 to 191,639,642 (including newly issued, but not yet registered shares from the rights issue in December 2020) and that Vidarstiftelsen's share of the shares in Peptonic increases by 2.85% to 13.86%.

- 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. Prior Mr. Svensson have held international leadership roles with companies such as Johnson & Johnson, Q-Med and Merz. "We are extremely pleased to welcome Mikael Svensson to Peptonic Medical to lead our US commercialization activities as we continue the rapid growth of our company", said Johan Inborr, CEO of Peptonic. "Mikael's strategic perspectives and operational experience from his 15 years in the US will be extremely useful as we leverage our innovative products and expand our footprint in the US."

From the CEO

For many years to come we will remember 2020 as a year when our view of life in general and of how we work and do business in particular was challenged and re-evaluated. This was forced upon us by the Covid-19 pandemic, which affected us to a much greater extent than we could have imagined a year ago.

We have all been affected by the Covid-19 pandemic. This applies both privately and in our working lives. Strong recommendations from the Public Health Authorities and politicians to stay at home, not travel more than absolutely necessary, avoid personal meetings, etc. has clearly reduced the number of visitors to pharmacies and other retail outlets. This, in turn, has led to reduced sales in the physical sales channels, which can be seen in the sales of our products. After reaching record sales levels in January and February, sales of VagiVital dropped quite sharply in pharmacy stores during the spring and summer. Some recovery could be seen in the autumn. However, online sales have increased during the year. For VagiVital, online sales in Sweden increased by 66% and for Lunette, online sales increased by 50% in Finland and by 22% in the USA. Sales via the online stores in Norway and Denmark also developed well during the year. This is a positive development that we will try to accelerate as this is a growing trend in all industries.

The acquisition of Lune Group Oy Ltd marks the single most significant event in Peptonic during the year. It is an important step in building Peptonic of the future. Lune adds both products (menstrual cups and intimate hygiene products) and a global distribution network, which will help Peptonic grow into a company that offers products for both treatments of medical conditions and to increase the quality of life for women.

Through Lune, we have gained access to an international market organization in which we see great development potential. There is also great potential in improving distribution in e.g. the United States and we are now adding more resources in further developing this. Lune has a well defined and clear brand identity that we will be able to build on. In Business Unit Lunette, we will be able to have more consumer-oriented products (non-medical technology products), which means that the portfolio can be expanded faster under the existing brand. Something that is now also happening. Based on a skilled and passionate work to engage consumers online, organic traffic is generated to Lune's online stores. This is something we will continue to develop and also transfer to Business Unit VagiVital in the future.

The two brands Lunette® and VagiVital® mean that the customer base is broadened to include women of all ages - from adolescence to post menopause. Under the Lunette brand, we will develop a product portfolio for 'menstruation, sex and fertility', while VagiVital® will include products for 'intimate self-care'. This provides great opportunities to increase sales of current and future products through smart product positioning, own product development and new collaborations. Peptonic will also be a much more interesting partner both for distributors in new markets, but also for companies that want to enter the Swedish and Nordic markets. Through the acquisition, Peptonic manifests its view on the importance of responsible use of medicines and self-care based on evidence and which contributes to increased sustainability.

Examples of this strategy are the in-house development of an intimate wash and the agreement on the distribution of a self-test for bacterial vaginosis, which was signed in December. Peptonic received exclusive rights to the self-test in Sweden, Norway and Denmark, as well as non-exclusive rights in another 25 countries.

The work of integrating the two companies and finding and utilizing the synergies has been ongoing throughout the year and continues. Much focus has been and will be placed on the future digital business, which has been accentuated as a result of the COVID-19 pandemic.

During the year, we delivered over 100,000 tubes of VagiVital to China and an additional 53,000 tubes will be delivered during the first quarter of this year. The product (VagiVital Daily Care) is a modified version of the medical device that is to be registered. The difference lies in the packaging texts, which for VagiVital Daily Care lack certain medical claims. The product is used in a large study in China (Real World User Experience Study) to collect effect data (including most troublesome symptoms) and user experiences, which will then be used to complete the registration application for the medical device. Recruitment for the study takes place through local hospital gynecologists and the participants pay for the product themselves. The price the participants pay for the product is heavily discounted compared to the price offered online via VagiVital's online store in China (www.vagivital.cn). This is to reward those who want to participate in the study. To date, hospitals in about 15 provinces have joined the study and additional hospitals in other provinces will be involved.

The process of registering VagiVital in China is ongoing. One step in the process is a chemical analysis of the product in a state laboratory. This is to ensure that the product does not contain harmful substances. Due to the Covid pandemic, the laboratory has an unusually long queue of products to be analyzed, which means a delay compared to an original plan. Our partner in China, Yuanjia Bio, estimates that the analysis results will not be available until the autumn. Meanwhile, the recruitment of patients for the study and thus the sale of VagiVital Daily Care continues.

The study conducted with VagiVital on cancer patients treated with aromatase inhibitors (so-called anti-estrogen) after a cancer treatment was completed during the summer. The results were reported in September and showed a very good symptom relieving effect regarding the most troublesome symptoms. This is particularly gratifying, as this patient group often has more severe symptoms than the general population. The study primarily measured the change in the symptom of vaginal atrophy that each patient experienced as most troublesome in self-assessment tests. The symptoms associated with vaginal atrophy that were measured included dyspareunia (pain during sexual intercourse), vaginal dryness, vaginal irritation and itching, and dysuria (pain during urination). Secondly, the change in vaginal pH was measured as an objective parameter. Patients were treated with one dose of VagiVital® daily for 12 weeks. The results give us further arguments in the promotion of VagiVital to gynecologists and midwives.

In November, we received market approval for VagiVital in the USA. This paves the way for a launch in this large, but at the same time, tough market. In parallel with the registration process, we have evaluated various alternative distribution channels in the USA. We have strengthened our organization in the USA by hiring Mikael Svensson as General Manager USA. He will develop and lead the business for both of our brands in the US market.

Sales in the VagiVital Business Unit during the year amounted to KSEK 6,511 - an increase of 48% from 2019. The loss for the VagiVital business area (including the entire parent company's costs) was KSEK 26,253. Sales in Business Unit Lunette amounted to KSEK 25,800 during the year, which is a decrease of 29% compared with 2019. The loss for the business area was KSEK 6,720 for the full year (Lune refers to the full year 2020 including time before we consolidated the company). For the consolidated group (Lune Group OY consolidated from 1/6 2020), sales were KSEK 21,283 and the loss was KSEK 31,053.

In 2021, we will focus on increasing sales of already launched products, as well as launching several new products under both our brands. We will invest in online sales and expand our sales channels by opening more online stores and signing new distribution agreements.

I would like to extend a big thank you to employees, board members, consultants and all support persons for invaluable efforts and continued confidence in our business concept.

Bromma, February 26th, 2021

CEO

Johan Inbarr

COMPANY BRIEF

Peptonic Medical AB (publ) is an innovative biomedical company that conducts research on and development of drugs and medical devices in the field of women's health. Our vision is to offer safe and effective treatments for women-specific diseases and medical conditions. Peptonic Medical launched VagiVital® in July 2018. This is a hormone-free product for the treatment of vaginal atrophy and vaginal dryness. The company's development program also includes Vagitocin® - a product that contains oxytocin for the treatment of vaginal atrophy. The development of Vagitocin® has been put on hold pending new information regarding the mechanism of action of oxytocin in this indication. The company was founded in 2009 and the share has been traded since 2014 on Spotlight (www.spotlightstockmarket.se), short code: PMED) in Stockholm.

Since August 2020, Lune Group Oy Ltd. is a wholly owned subsidiary of the Peptonic Medical. Lune Group Oy Ltd. is a company founded by Heli Kurjanen in 2005. The company's business concept is to lead a menstrual revolution in a positive spirit. By focusing on sustainable development, environmental issues and the promotion of sexual health, the company has developed to take the lead for the menopausal companies. Lunette® menstrual cups are an alternative to disposable menstrual protection and last for several years. The company has resellers in 50 countries and sells Lunette products to over 100 countries via its web shop. Lune Group has in the USA the subsidiary Lune North America Inc. Lunette® menstrual cups are designed, manufactured and packaged in Finland. For more information about Lunette®, visit www.lunette.com.

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. The balance sheet is consolidated as of 2020-06-30.

When the entire company was acquired in July 2020, no provision has been made for a minority interest.

Revenue - Sales of goods during the fourth quarter amounted to SEK 7,258 (394) thousand. Other operating income for the quarter was SEK 1,087 (5) thousand. In the full year, sales of goods amounted to SEK 21,283 (4,408) thousand. Other operating income for the period was SEK 1,151 (64) thousand. Other income included general Corona support for the Finnish subsidiary Lune of approximately SEK 1 million during the fourth quarter.

Costs - Costs for the fourth quarter amounted to SEK -19,047 (-11,907) thousand. The costs for the full year were -53,487 (-28,394). During the full year, costs for products were SEK 8,194 (1,825) thousand and market costs were approximately SEK 24.2 million (including salaries).

Profit - The Group's profit after net financial items for the fourth quarter amounted to SEK -10,991 (-11,462) thousand. For the full year, the corresponding result is SEK -31,333 (-24,509) thousand.

Financial position and liquidity - Cash and bank as of December 31, 2020, amounted to SEK 39,312 (35,984) thousand. During the fourth quarter, the company received a net 24,590 through a rights issue that was carried out in December 2020. External acquisition costs for Lune Group have during the year a net burden on liquidity of SEK 4,090 thousand.

Shareholders' equity - The Group's shareholders' equity as of December 31, 2020 amounted to SEK 117,820 (85,714) thousand, which gives an equity / assets ratio of 88 (93) percent.

Liabilities - The company's liabilities, as of December 31, 2020, amounted to SEK 16,618 (6,237) thousand.

Organization - During the full year, the average number of employees is estimated at 12 (2). At the end of the period, the number of employees was 19 (3). In addition to this, the parent company 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 16 employees.

Share - The total number of shares as of December 31, 2020 was 162,911,613 (138,128,306). After registration of the completed new share issue, the number of shares will increase by 23,273,087 shares to 186,184,700 shares. These were registered with the Swedish Companies Registration Office 2021-02-09.

INCOME STATEMENT

Peptonic Group

KSEK	Note	3 mon oct-dec 2020	3 mon oct-dec 2019	12 mon jan-dec 2020	12 mon jan-dec 2019
Operating income					
Sales of products		7 258	394	21 283	4 408
Other operating income		1 087	5	1 151	64
Total operating income		8 345	399	22 434	4 472
Operating expenses					
Cost of goods		-3 392	-73	-8 194	-1 825
Other external expenses	1	-10 373	-5 802	-29 515	-17 041
Personnel costs		-4 363	-2 979	-12 350	-6 475
Depreciation		-909	-2 855	-3 285	-2 855
Other operating costs		-10	-198	-143	-198
Total operating expenses		-19 047	-11 907	-53 487	-28 394
Operating loss		-10 702	-11 508	-31 053	-23 922
Net financial income/expense		-289	46	-280	-587
Loss before taxes		-10 991	-11 462	-31 333	-24 509
Taxes		241	0	241	0
Net loss for the period		-10 750	-11 462	-31 092	-24 509

BALANCE SHEET

Peptonic Group		31-dec	31-dec
KSEK	Note	2020	2019
Assets			
Non-Current assets			
Intangible assets	2	77 565	54 252
Tangible assets	3	1 485	0
Financial assets		0	0
Total non-current assets		79 050	54 252
Current assets			
Stock		6 133	594
On going fund raising		2 752	0
Other receivbles		5 602	945
Tax receivable		0	0
Prepaid expenses and accrued income		1 589	176
Liquid assets		39 312	35 984
Total current assets		55 388	37 699
Total assets		134 438	91 951
Equity and liabilities			
Equity			
Ristricted equity			
Share capital		16 291	13 813
Ongoing right issues		2 327	0
Development Cost Fund		11 186	12 394
Non- restrictes equity		0	0
Share premiun reserv non-restricted		242 708	182 006
Profit or loss brought forward		-123 600	-97 990
Net loss for the period		-31 092	-24 509
Total equity		117 820	85 714
Current liabilities			
Liabilities interest bearing		3 784	1 974
Trade payables		7 506	0
Other payables		628	495
Prepaid income and accrued expenses		4 700	3 768
Total current liabilities		16 618	6 237
Total equity and liabilities	4	134 438	91 951

STATEMENT OF CASH FLOW

Peptonic Group

KSEK	Note	12 mon Jan-Dec 2020	12 mon Jan-Dec 2019
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL			
Operating profit/loss		-31 333	-24 509
Non-cash flow items		-3 285	2 855
Paid tax		241	-
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		-34 377	-21 654
Increase (-) decrease (+) inventory		-5 539	23
Increase (-) decrease (+) receivables		-8 822	-338
Increase (-) decrease (+) liabilities		2 881	2 827
NET CASH FLOW FROM OPERATING ACTIVITIES		-45 857	-19 142
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in immaterial assets, net		-2 822	-711
Investment in material assets, net		0	-
Acquisition of subsidiaries, net cash impact		12 932	0
Investment in financial assets, net		0	0
Divestment / reduction of financial assets		-	-
NET CASH FLOW FROM INVESTING ACTIVITIES		10 110	-711
CASH FLOW FROM FINANCING ACTIVITIES			
Rights issue		32 868	56 752
Issue expenses		-1 293	-1 780
Bridgeloan		7 500	-10 500
NET CASH FLOW FROM FINANCING ACTIVITIES		39 075	44 472
TOTAL CASH FLOW FOR THE YEAR		3 328	24 619
Cash and cash equivalents at beginning of period		35 984	11 365
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		39 312	35 984

CHANGES IN EQUITY

KSEK	Share Capital	Development cost fund	Ongoing right issue	Share Premium reserve non-restricted	Accumulated losses	Total shareholders equity
Opening balance January 1, 2019	8 603	14 538	0	132 244	-100 134	55 251
Net loss for the year					-24 509	-24 509
Transferring fund		-2 144			2 144	0
Right issue	5 210			51 542	0	56 752
Issue expenses				-1 780		-1 780
Closing balance December 31, 2019	13 813	12 394	0	182 006	-122 499	85 714
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		1 208		0
Right issue	479			7 021		7 500
Share issues against payment in kind, Lune OY	1 999			30 725	-1 101	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	242 708	-154 692	117 820

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 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.

KSEK	2020 Jan-Dec	2019 Jan-Dec
Consulting fees Board of Directors	1 176	125
Total	1 176	125

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 will begin to be depreciated first in 2021 for 20 years, as in 2020 costs for the acquisition and integration will be charged to the Group's earnings.

Peptonic Group	31-dec 2020	31-dec 2019
Capitalized development costs		
Accumulated acquisition value		
Opening balance	49 457	48 922
Sold out and Other disposals	0	0
Capitalizations during the period	2 539	535
	51 996	49 457
Accumulated depreciation value	-2 473	0
Depreciation of the year	-2 698	-2 473
	-5 171	-2 473
Net booked amount at end of period	46 825	46 984
Patents och licenses		
Accumulated acquisition value		
Opening balance	7 803	7 626
Sold out and Other disposals	0	0
Capitalizations during the period	283	177
	8 086	7 803
Accumulated depreciation value	-535	-152
Depreciation of the year	-306	-383
	-841	-535
Net booked amount at end of period	7 245	7 268
Group goodwill		
Accumulated acquisition values		
At the beginning of the period	0	0
Activations for the period	23 495	0
	23 495	0
Depreciation at the beginning of the period	0	0
This year's depreciations	0	0
Outgoing depreciation	0	0
Net booked amount at end of period	23 495	0
Total intangible assets	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 an interest-bearing debt at SEK 7,500 Thousand in the Group.

KEY FIGURES

Peptonic Group

	12 mon jan-dec 2020	12 mon jan-dec 2019	12 mon jan-dec 2018
Sales goods, KSEK	21 283	4 408	383
Gross profit sales goods, KSEK	13 089	2 583	283
Gross margin, %	61%	59%	74%
Operating profit, KSEK	-31 053	-23 922	-14 381
Return on equity,%	-31	-35	-26
Equity ratio,%	88	93	80
Earnings per share, SEK	-0.19	-0.18	-0.17
Liquidity per share, SEK	0.24	0.26	0.13
Equity per share, SEK	0.72	0.62	0.64
Share price per closing, SEK	1.73	1.89	0.50
Share price/Equity per share, SEK	2.39	3.05	0.78
Total shares	162 911 613	138 128 306	86 028 600

Parent company Peptonic Medical AB**FINANCIAL INFORMATION**

Revenue - Sales of goods during the fourth quarter amounted to SEK 2,854 (394) thousand. Other operating income for the quarter was SEK 68 (5) thousand. For the full year, sales of goods amounted to SEK 6,511 (4,408) thousand. Other operating income for the same period was SEK 100 (64) thousand.

Costs - Costs for the fourth quarter amounted to SEK -10,193 (-11,907) thousand. The costs for the full year were -32,864 (-28,394). During the full year, costs for products were SEK 3,202 thousand and market costs were SEK 13,130 thousand.

Profit - The company's profit after net financial items for the fourth quarter amounted to SEK -7,296 (-11,462) thousand. For the full year, the corresponding result is SEK -26,279 (-24,509) thousand.

Financial position and liquidity - Cash and bank as of December 31, 2020, amounted to SEK 33,526 (35,984) thousand. During the fourth quarter, the company received a net SEK 24,590 thousand through a rights issue that was carried out in December 2020. During the year, the acquisition of Lune Group OY has charged liquidity with SEK 11,285 thousand.

Shareholders' equity - The company's shareholders' equity as of December 31, 2020 amounted to SEK 123,734 (85,714) thousand, which gives an equity / assets ratio of 90 (93) percent. Equity increased by SEK 64,299 thousand through the non-cash acquisitions of Lune Group OY, the private placement to the Vidar Foundation and the rights issue in December.

Liabilities - The company's liabilities, as of December 31, 2020, amounted to SEK 13,323 (6,237) 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 four 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, 2020 was 162,911,613 (138,128,306). After registration of the completed new share issue, the number of shares will increase by 23,273,087 shares to 186,184,700 shares. These were registered with the Swedish Companies Registration Office 2021-02-09.

INCOME STATEMENT

Peptonic Medical AB

KSEK	Note	3 mon oct-dec 2020	3 mon oct-dec 2019	12 mon jan-dec 2020	12 mon jan-dec 2019
Operating income					
Sales of products		2 854	394	6 511	4 408
Other operating income		68	5	100	64
Total operating income		2 922	399	6 611	4 472
Operating expenses					
Cost of goods		-1 615	-73	-3 202	-1 825
Other external expenses	1	-5 258	-5 802	-19 017	-17 041
Personnel costs		-2 615	-2 979	-7 722	-6 475
Depreciati		-695	-2 855	-2 780	-2 855
Other ope		-10	-198	-143	-198
Total operating expenses		-10 193	-11 907	-32 864	-28 394
Operating loss		-7 271	-11 508	-26 253	-23 922
Net financial income/expense		-25	46	-26	-587
Loss before taxes		-7 296	-11 462	-26 279	-24 509
Taxes		0	0	0	0
Net loss for the period		-7 296	-11 462	-26 279	-24 509

BALANCE SHEET

Peptonic Medical AB		30-dec	31-dec
KSEK	Note	2020	2019
Assets			
Non-Current assets			
Intangible assets	2	53 020	54 252
Tangible assets	3	0	0
Financial assets		42 752	0
Total non-current assets		95 772	54 252
Current assets			
Stock		1 259	594
On going fund raising		2 752	0
Other receivbles		3 284	945
Tax receivable		0	0
Prepaid expenses and accrued income		464	176
Liquid assets		33 526	35 984
Total current assets		41 285	37 699
Total assets		137 057	91 951
Equity and liabilities			
Equity			
Ristricted equity			
Share capital		16 291	13 813
Ongoing right issues		2 327	0
Development Cost Fund		11 186	12 394
Non- restrictes equity		0	0
Share premiun reserv non-restricted		242 708	182 006
Profit or loss brought forward		-122 499	-97 990
Net loss for the period		-26 279	-24 509
Total equity	3	123 734	85 714
Current liabilities			
Liabilities interest bearing		1 811	1 974
Trade payables		7 500	0
Other payables		340	495
Prepaid income and accrued expenses		3 672	3 768
Total current liabilities		13 323	6 237
Total equity and liabilities	4	137 057	91 951

STATEMENT OF CASH FLOW

Peptonic Medical AB

KSEK	Note	12 mon Jan-Dec 2020	12 mon Jan-Dec 2019
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CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL

Operating profit/loss		-26 279	-24 509
Non-cash flow items		2 780	2 855
Paid tax		-	-

NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANG **-23 499** **-21 654**

Increase (-) decrease (+) inventory		-665	23
Increase (-) decrease (+) receivables		-5 535	-338
Increase (-) decrease (+) liabilities		-259	2 827

NET CASH FLOW FROM OPERATING ACTIVITIES **-29 958** **-19 142**

CASH FLOW FROM INVESTING ACTIVITIES

Investment in immaterial assets, net		-1 548	-711
Investment in material asset, incl subsidiaries		-42 751	-
Investment in financial assets, net		0	0
Divestment / reduction of financial assets		-	-

NET CASH FLOW FROM INVESTING ACTIVITIES **-44 299** **-711**

CASH FLOW FROM FINANCING ACTIVITIES

Rights issue		65 592	56 752
Issue expenses		-1 293	-1 780
Bridgeloan		7 500	-10 500

NET CASH FLOW FROM FINANCING ACTIVITIES **71 799** **44 472**

TOTAL CASH FLOW FOR THE YEAR

-2 458 **24 619**

Cash and cash equivalents at beginning of period **35 984** **11 365**

CASH AND CASH EQUIVALENTS AT END OF THE YEAR **33 526** **35 984**

CHANGES IN EQUITY

	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, 2019	8 603	14 538	0	132 244	-100 134	55 251
Net loss for the year					-24 509	-24 509
Transferring fund		-2 144			2 144	0
Right issue	5 210			51 542	0	56 752
Issue expenses				-1 780		-1 780
Closing balance December 31, 2019	13 813	12 394	0	182 006	-122 499	85 714
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	242 708	-148 778	123 734

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	1,176	125
Total	1,176	125

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	2020	2019
Accumulated acquisition value		
Opening balance	49 457	48 922
Sold out and Other disposals	0	0
Capitalizations during the period	1 264	535
	50 721	49 457
Accumulated depreciation value	-2 473	0
Deprecation of the year	-2 473	-2 473
	-4 946	-2 473
Net booked amount at end of period	45 775	46 984
Patents och licenses		
Accumulated acquisition value		
Opening balance	7 803	7 626
Sold out and Other disposals	0	0
Capitalizations during the period	283	177
	8 086	7 803
Depreciation		
Accumulated depreciation value	-535	-152
Deprecation of the year	-306	-383
	-841	-535
Net booked amount at end of period	7 245	7 268
Total intangible assets	53 020	54 252

Note 3 - Tangible fixed 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 December 31, 2020, a total of SEK 42,752 thousand has been capitalized for the acquisition. 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 is an interest-bearing debt on SEK 7,500 thousand, which has been converted to shares in February 2021.

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 2020	April 15 th 2021
Quarterly report, 1	May 12 th 2021
Annual General Meeting	June 9 th 2021 (preliminary)
Quarterly report, 2	August 18 th 2020
Quarterly report, 3	November 10 th 2021
Year end report, 2021	February 25 th 2022

Stockholm, February 26th, 2021

Hans von Celsing, Chairmen of the Board Anna Tenstam, Board member

Marianne Östlund, Board member Leni Ekendahl, Board member

Johan Inbarr, CEO

For more information please contact:

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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.