

YEAR END REPORT

Period january – march 2023

PEPTONIC Medical AB (publ) org nr 556776–3064
(www.spotlightstockmarket.com, ticker: PMED)

- **Significantly improved results**
- **Continuous very positive development in core business Medical Consumer**
- **Improved results but declining sales in business unit Lifestyle Consumer**

GROUP

2022 FIRST QUARTER (jan-mar)

- Net sales of products SEK 8 874 (8 908) thousand
- Gross profit SEK 4 869 (5 596) thousand, 55% (63%)
- Operating loss SEK -6 654 (-10 875) thousand
- Loss per share -0,008 (-0,059) SEK

IMPORTANT EVENTS DURING THE PERIOD

- At an extraordinary general meeting on January 9, it was decided to change the articles of association in consideration of the upcoming issue. The general meeting also elected Daniel Rudeklint and Anders Blom to the board at the same time that Susanne Axelsson left the board.
- An exclusive distribution agreement for Central America with Windsor Pharmaceuticals was announced on 24 January. The agreement concerns the sale of Peptonic's vaginal self-tests VagiVital AL and VagiVital VS with a planned start of distribution in the second quarter of 2023.

- On February 1, the rights issue of units, consisting of shares and warrants of series TO2, TO3 and TO4, was completed. The rights issue was subscribed to a total of approximately 81 percent and provides the Company with approximately SEK 55.0 million, of which approximately SEK 44.3 million in cash and approximately SEK 10.6 million through offsets, before deductions for costs attributable to the Rights issue.
- On February 7, the company announces flagging. Through the recently completed rights issue, both Maida Vale Capital AB and Vidarstiftelsen, upwards and downwards respectively, have passed the flagging limit of 15 percent.

IMPORTANT EVENTS AFTER THE PERIOD

- On April 12, the company announces that Apotek Hjärtat will start selling the company's leading intimate care product VagiVital® AktivGel in most of its physical stores, starting in May.
- On April 20, a non-exclusive agreement was signed with the medical technology company Siemens Healthineers for the distribution of Peptonic's portfolio of diagnostic products for vaginal health.

Word from our CEO

It is with great joy we can report that the positive development of the core business, clinically proven intimate self-care products, continues in to 2023 with strong sales growth, new partner agreements and continuous very positive development in the home market Sweden. The development in our business unit Lifestyle Consumer, which mainly focuses on sustainable period products, remains challenging. Our focus in this business area is primarily to reduce costs, improve bottom line and gradually turn the sales around with a focus on selected markets. It is therefore encouraging that earnings improved in the first quarter. The efforts to turn the sales around continues.

In January, we signed an exclusive distributor agreement for Central America with Windsor Pharmaceutical, headquartered in Panama, concerning our self-tests for vaginal infections and amniotic leakage. The products will be sold under Windsor Pharmaceuticals' own brand Amniotest. We are very pleased to have landed this agreement with Windsor Pharmaceutical, which has a specific focus on women's health in Central America.

After the period, we signed an equally significant agreement with the listed German medical device company Siemens Healthineers for the distribution and marketing of our patented test for vaginal infections. This agreement is attractive in many aspects. With a partner with a turnover of €21.7 billion last year, we will have a very strong force behind educating users concerning the benefits of our unique and patented technology, raising awareness, and driving sales. It is a quality mark that Siemens Healthineers add our novel technology around vaginal infections to its portfolio.

During the Covid pandemic, we saw a growing trend among people to take greater responsibility for their own health with self-care products and at the same time relieve healthcare systems worldwide. It is important then that these self-care solutions are clinically proven. As a result, in 2022, we formed the Medical Consumer business unit with a focus to offer consumers innovative and clinically proven self-care solutions. I am happy to see how this trend is developing in a very positive direction.

Within Medical Consumer, Sweden constitutes an important reference market. The rapid growth in 2022 compared to the previous year continues and during Q1 2023 we recorded an all-time high in Sweden for an individual quarter. After the end of the period, we also announced that the leading product VagiVital AktivGel will be available at approximately 300 of Apotek Hjärtat's 400 physical stores. We expect continued rapid growth for the VagiVital range in Sweden in 2023.

Medical Consumer is since 2022 Peptonics' core focus and accounted for 70% of sales in Q1 2023, corresponding to a growth of almost 60% compared to the same period in 2022. The focus of

Lifestyle Consumer is, as mentioned above, to improve its bottom line. Compared to the same period in 2022, the result in Lifestyle Consumer improved with 53%, while sales dropped 52%.

Thanks to a successful rights issue during the first quarter 2023, we have gained a solid financial position and a strong ownership structure, where the two largest owners together control roughly 30% of the capital and votes in the company, divided between Maida Vale with 15.7% and Vidarstiftelsen with 14.6%. Our new strong and long-term owner base contributes, apart from the financing, with competence and a global network in the areas where we operate. I view this very positively. It provides a completely different opportunity for our future expansion by enabling accelerated growth with new products, strengthening our organization and distribution network, and reaching out to new geographies.

With a firm financial position and a continued positive development going forward of our very focused commercial plan and exciting business relations globally, I look forward to updating you on upcoming milestones.

Erik Sundquist

CEO

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. See www.vagivital.com

The company was founded in 2009 and the share has been traded since 2014 on Spotlight (www.spotlightstockmarket.com), short code: PMED in Stockholm.

Since August 2020, Lune Group Oy Ltd. is a wholly owned subsidiary of the Pe 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

Group

Revenue – Sales of goods during the first quarter amounted to SEK 8,874 (8,908) thousand. Which is just below compared to the same quarter last year. The sales have not increased compared to the corresponding period last year is explained by the fact that the LifeStyle Consumer business area has declined due to increased competition and thus a lower return on investment regarding marketing skills that have been reduced as a result. Other operating income for the quarter was SEK 193 (521) thousand.

Costs – Costs for the first quarter amounted to SEK -15,721 (-20,303) thousand.

Costs of goods sold for the quarter amount to SEK -4,005 (-3,312) thousand, which corresponds to a gross profit of SEK 4,869 (5,596) thousand and a gross margin of 55% (63%). The reason for the reduced gross margin is primarily a change in customer mix, as the first quarter of 2023 contains a larger proportion of partner business. The main reason for reduced costs is extensive organizational efficiency improvement.

Profit – The group's result after net financial items for the first quarter amounted to SEK -7,998 (-11,258) thousand. The improved result is an effect of implemented efficiencies.

Financial position and liquidity – Cash and bank as of March 31, 2023, amounted to SEK 15,307 (17,461) thousand.

Shareholders equity – The group's equity as of March 31, 2023 amounted to SEK 82,737 (67,761), which gives an equity ratio of 86 (70) percent.

Liabilities – The group's short-term liabilities amounted, as of March 31, 2023, to SEK 13,198 (28,430) thousand. During the quarter, there was a repayment of interest-bearing debts of SEK 21,462,000. Remaining liabilities are only of a short-term nature.

Organization – During the period, the average number of employees was 34 (34). At the end of the period, the number of employees amounted to 34 (34).

INCOME STATEMENT

Group - Peptonic Group

KSEK	Note	3 mon jan-mar 2023	3 mon jan-mar 2022	12 mon jan-dec 2022
Operating income				
Sales of products		8 874	8 908	43 634
Other operating income		193	521	2 770
Total operating income		9 067	9 429	46 404
Operating expenses				
Cost of goods		-4 005	-3 312	-20 239
Other external expenses		-6 085	-10 530	-34 186
Personnel costs		-4 791	-5 604	-21 922
Depreciation		-840	-858	-3 491
Other operating costs		0	0	-172
Total operating expenses		-15 721	-20 303	-80 010
Operating loss		-6 654	-10 875	-33 606
Net financial income		316		
Net financial expense		-1 660	-383	-3 251
Loss before taxes		-7 998	-11 258	-36 857
Taxes		0	0	0
Net loss for the period		-7 998	-11 258	-36 857

BALANCE SHEET

Peptonic Group

KSEK	Note	31-mar 2023	31-mar 2022	31-dec 2022
Assets				
Non-Current assets				
Intangible assets	2	49 773	51 458	50 098
Tangible assets	3	4 336	4 156	4 299
Financial assets		0	0	0
Total non-current assets		54 109	55 614	54 398
Current assets				
Stock		17 518	12 826	15 368
Other receivables		7 420	9 107	8 267
Tax receivable		90	28	89
Prepaid expenses and accrued income		1 489	1 155	4 064
Liquid assets		15 307	17 461	3 566
Total current assets		41 825	40 577	31 354
Total assets		95 934	96 191	85 752
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		25 706	19 164	24 274
Reserves		7 392	9 617	7 392
Other contributed capital		316 645	284 389	273 613
Profit or loss brought forward incl year result		-267 007	-277 186	-258 187
Total equity		82 737	67 761	47 092
Current liabilities				
Liabilities interest bearing		2 333	11 405	4 180
Trade payables		6 041	5 179	22 881
Other payables		1 968	3 977	5 720
Prepaid income and accrued expenses		2 855	7 870	5 879
Total current liabilities		13 198	28 430	38 660
Total equity and liabilities		95 934	96 191	85 752

FINANCIAL INFORMATION

Parent company PEPTONIC Medical AB

Revenue – Sales of goods during the first quarter amounted to SEK 1,331 (1,650) thousand. The lower sales are explained by a single larger order from a partner during Q1 2022 of approximately SEK 500 thousand. Other operating income for the quarter was SEK 0 (0) thousand.

Costs – Costs for the first quarter amounted to SEK -5,868 (-7,139) thousand. During the period, costs for goods sold were SEK -456 (-820) thousand. The biggest reason for reduced costs is organizational efficiency.

Profit – The company's result after net financial items for the first quarter amounted to SEK -6,024 (-5,263) thousand. Profit is charged with financial costs of SEK -1,627 thousand, of which SEK 1,298 thousand refers to interest costs on debts that were settled during the first quarter of 2023.

Financial position and liquidity – Cash and bank as of March 31, 2023, amounted to SEK 11,303 (12,145) thousand.

Shareholders equity – The company's equity as of March 31, 2023 amounted to SEK 95,603 (120,142) thousand, which gives an equity ratio of 92 (87) percent. The new issue that was carried out during the first quarter has resulted in an increase in the company's equity of approx. SEK 43 million.

Liabilities – The company's liabilities amounted, as of March 31, 2023, to SEK 8,344,000 (17,268), of which SEK 4,801,000 are interest-bearing. During the quarter, there has been a repayment of interest-bearing debts of SEK 21,462 thousand to Formue Nord, Vidarstiftelsen and MV Capital.

Organization – During the period, the average number of employees was 3 (3). At the end of the period, the number of employees amounted to 3 (3).

Share – The total number of outstanding shares as of March 31, 2023 was 1,028,225,944 (191,639,642). The number of outstanding warrants amounts to 589,111,800. If the warrants are fully exercised, the number of shares increases by 589,111,800.

INCOME STATEMENT

Peptonic Medical AB

KSEK	Note	3 mon jan-mar 2023	3 mon jan-mar 2022	12 mon jan-dec 2022
Operating income				
Sales of products		1 331	1 650	6 483
Intercompany sales		0	619	2 611
Other operating income		0	0	0
Total operating income		1 331	2 269	9 094
Operating expenses				
Cost of goods		-456	-820	-3 885
Other external expenses		-2 978	-3 987	-12 388
Personnel costs		-1 736	-1 637	-7 742
Depreciation		-698	-695	-53 529
Other operating costs		0	0	-172
Total operating expenses		-5 868	-7 139	-77 715
Operating loss		-4 537	-4 870	-68 622
Net financial income		140	0	0
Net financial expense		-1 627	-393	-789
Loss before taxes		-6 024	-5 263	-69 411
Taxes		0	0	0
Net loss for the period		-6 024	-5 263	-69 411

BALANCE SHEET

Peptonic Medical AB

KSEK	Note	31-mar 2023	31-mar 2022	31-dec 2022
Assets				
Non-Current assets				
Intangible assets	2	49 340	50 826	49 703
Tangible assets	3	34	46	36
Financial assets	4	12 892	53 450	12 892
Total non-current assets		62 266	104 323	62 632
Current assets				
Stock		3 851	2 970	3 122
Other receivbles		905	3 688	831
Group company receivables		24 860	13 907	19 432
Prepaid expenses and accrued income		762	377	2 469
Liquid assets		11 303	12 145	371
Total current assets		41 681	33 088	26 224
Total assets		103 947	137 410	88 856
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		25 706	19 164	24 274
Development Cost Fund		7 392	9 617	7 392
Non- restrictes equity				
Share premiun reserv non-restricted		316 645	247 346	273 613
Profit or loss brought forward		-248 116	-182 499	-178 705
Net loss for the period		-6 024	-5 263	-69 411
Total equity		95 603	120 142	57 164
Current liabilities				
Liabilities interest bearing		961	2 901	2 515
Trade payables		4 801	5 132	19 332
Other payables		534	2 913	4 544
Prepaid income and accrued expenses		2 048	6 323	5 301
Total current liabilities		8 344	17 268	31 692
Total equity and liabilities		103 947	137 410	88 856

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). The accounting principles are unchanged compared to the previous year.

Intangible assets

Patent and development costs are capitalized and depreciated in 20 years from the first revenue that the group receives. The depreciations started in year 2019. Capitalized patent and development costs are estimated to result in future revenues for the Group. From 2019 they are depreciated at 5% per annum. Which corresponds to the estimated life of the commercial rights.

Note 1 – Other operating costs

Group/parent company

During the period companies represented by members of the Board of Directors were contracted as consultants. Total compensation for consultancy services amounted to SEK 67 (240) 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.

Note 2

Peptonic Group

	31-mar 2023	31-mar 2022	31-dec 2022
Capitalized development costs			
Accumulated acquisition value			
Opening balance	53 148	52 900	52 900
Sold out and Other disposals	0	0	0
Capitalizations during the period	119	8	248
	53 267	52 908	53 148
Accumulated depreciation value	-10 772	-7 980	-7 980
Depreciation of the year	-699	-701	-2 792
	-11 471	-8 681	-10 772
Net booked amount at end of period	41 796	44 228	42 376
Patents och licenses			
Accumulated acquisition value			
Opening balance	9 177	8 438	8 438
Sold out and Other disposals	0	0	0
Capitalizations during the period	332	17,0309	739
	9 509	8 455	9 177
Depreciation			
Accumulated depreciation value	-1455	-1148,4	-1148,4
Depreciation of the year	-77	-76,761	-307
	-1532	-1225,161	-1455
Net booked amount at end of period	7 977	7 230	7 722
Group goodwill			
Accumulated acquisition values			
At the beginning of the period	23 495	23 495	23 495
Activations for the period	0	0	0
	23 495	23 495	23 495
Depreciation at the beginning of the period	-23 495	-23495	-23 495
This year's depreciations	0	0	0
Outgoing depreciation	-23 495	-23495	-23 495
Net booked amount at end of period	0	0	0
Total intangible assets	49 773	51 458	50 098

Note 2

Parent company - Peptonic Medical AB

	31-mar 2023	31-mar 2022	31-dec 2022
Capitalized development costs			
Accumulated acquisition value			
Opening balance	51 873	51 625	51 625
Sold out and Other disposals	0	0	0
Capitalizations during the period	0	8	248
	51 873	51 633	51 873
Accumulated depreciation value	-9 892	-7 419	-7 419
Deprecation of the year	-618	-618	-2 473
	-10 510	-8 037	-9 892
Net booked amount at end of period	41 363	43 596	41 981
Patents och licenses			
Accumulated acquisition value			
Opening balance	9 177	8 438	8 438
Sold out and Other disposals	0	0	0
Capitalizations during the period	332	17,0309	739
	9 509	8 455	9 177
Depreciation			
Accumulated depreciation value	-1455	-1148	-1148
Deprecation of the year	-77	-76,761	-307
	-1532	-1224,761	-1455
Net booked amount at end of period	7 977	7 230	7 722
Total intangible assets	49 340	50 826	49 703

KEY FIGURES

Peptonic Group

	3 mon jan-mar 2023	3 mon jan-mar 2022	12 mon jan-dec 2022	12 mon jan-dec 2021
Sales goods, KSEK	8 874	8 908	43 634	31 643
Gross profit sales goods, KSEK	4 869	5 596	23 394	19 070
Gross margin, %	55%	63%	54%	60%
Operating profit, KSEK	-6 654	-10 875	-33 606	-73 718
Return on equity, %	Negativt	Negativt	Negativt	Negativt
Equity ratio, %	86	70	55	62
Earnings per share, SEK	-0,008	-0,059	-0,152	-0,385
Liquidity per share, SEK	0,015	0,091	0,015	0,053
Equity per share, SEK	0,080	0,354	0,194	0,271
Share price per closing, SEK	0,060	0,490	0,140	0,625
Share price/Equity per share, %	75%	139%	72%	230%
Numbers of shares	1 028 225 944	191 639 642	242 743 544	191 639 642

Audit

This year-end report has not been subject to be reviewed by the company's auditors.

Assurance

The board and the managing director assure that the year-end report provides a fair overview of the company's operations, position and results.

FINANSIELL KALENDER

Quarterly report, 1	2023-04-24
Annual General Meeting	2023-05-24
Quarterly report, 2	2023-08-11
Quarterly report, 3	2023-10-24
Year-end report, 2023	2024-02-23

The annual general meeting will be held on May 24, 2023, in Stockholm. The annual report will be available on the Company's website, www.peptonicmedical.se, no later than 3 weeks before the general meeting and can then also be requested from the Company by e-mail erik.sundquist@peptonicmedical.se.

Stockholm on 24 april, 2023

Jan Bardell, Chairmen of the Board

Daniel Rudeklint, Board member

Anders Blom, Board member

Anders Norling, Board member

Erik Sundquist, 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.