

YEAR END REPORT

Period january – june 2023

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

GROUP

2023 SECOND QUARTER (April-June)

- Net sales of products SEK 11 930 (12 354) thousand
- Gross profit SEK 6 214 (6 269) thousand, 52% (51%)
- Operating loss SEK -7 377 (-8 146) thousand
- Loss per share -0,01 (-0,04) SEK

2023 FIRST HALF YEAR (April-June)

- Net sales of products SEK 20 804 (21 262) thousand
- Gross profit SEK 11 084 (11 865) thousand, 53% (56%)
- Operating loss SEK -14 031 (-19 021) thousand
- Loss per share -0,01 (-0,08) SEK

IMPORTANT EVENTS DURING THE PERIOD

- On April 12, the company announced that Apotek Hjärtat will start selling the company's leading intimate care product VagiVital® AktivGel in most of its physical stores in Sweden, starting in May.
- On April 20, a non-exclusive agreement was signed with the global medical technology company Siemens Healthineers for the distribution of Peptonics, one of the company's diagnostic products for vaginal health.
- On May 5, the company announced that an exclusive agreement had been signed with Cetro Medical AB for training and distribution of VagiVital VS Pro and VagiVital AL to gynecologist and midwife clinics in Sweden.
- On May 10, the company announced that a license agreement had been signed with the Swiss medical technology company Prima Lab SA regarding self-tests for urinary tract infections for sale in Sweden.
- On 23 May, the outcome of the exercise of warrants of series TO2 ("Warrants") was announced. A total of 146,953,745 new shares in the Company were subscribed for at a subscription price of SEK 0.07 per share, meaning that approximately 74.8 percent of the outstanding Warrants were used to subscribe for new shares. Through the use of the Warrants, approximately SEK 10.3 million is added to Peptonic before issue costs, which amounted to approximately SEK 0.5 million. Subscriptions from major shareholders, the board and the management team corresponded to roughly 23.5 percent of the total number of warrants.
- On June 8, the company announced that an arbitration court in China has ruled in Peptonic's favor in the dispute with Yuanjia Biotechnology Co., Ltd. The amount amounts to approximately SEK 4.1 million.
- On June 13, the company announced that the patent application for the intimate wash VagiVital Moisturizing V Cleanser will be approved in the US on June 20, which was also done. This according to information from the USPTO (United States Patent and Trademark Office).
- On June 15, the company announced its declaration of intent with the intention to merge Peptonic AB with Pharmiva AB (publ).

- On June 28, the company announced that the district court in Stockholm has rejected the Ecocrime Authority's request for a corporate fine for Peptonic of SEK 500,000, which is based on a case that occurred in 2019.

IMPORTANT EVENTS AFTER THE PERIOD

- On July 7, the company announced the merger plan for Peptonics and Pharmiva's merger. The company provided an update on the financial development for the period 1 January – 31 May 2023 against the background of the merger proposal.
- On July 11, the company announced that a license agreement had been signed with the Swiss medical technology company Prima Lab SA for the sale in Sweden of self-tests for measuring the FSH hormone.
- On 2 August, the company announced that a final merger document had been drawn up due to the planned merger with Pharmiva.

Message from our CEO

Important steps towards establishing a leading Swedish Femtech Company

We are continuing with quick steps to build the New Peptonic. Our vision is to build a leading company in the rapidly growing global market for women's intimate care. We are developing a portfolio based on the principle: diagnose, treat, prevent where the user shall be able to manage her intimate health all the way from diagnose to treatment and preventive solutions with the company's clinically proven self-care products. During the quarter possibly the most important step so far was taken by signing a letter of intent to merge with Swedish Pharmiva AB.

The Swedish Femtech company Pharmiva has developed a unique and patented self care product for the treatment of bacterial vaginosis. The product is a perfect addition to Peptonic's self test for the same indication, VagiVital VS. The self test for bacterial vaginosis is the best selling product for Peptonic world wide where US is the market where we sell the most. To be able to offer a patented treatment next to the self test in these channels becomes a very strong offer. It will become the first medical condition where we distinctively will be able to put a diagnose, treat and prevent offer on the table. More is coming..

In addition to very strong product and portfolio synergies there are also great organizational synergies in a merger with Pharmiva. Ever since the launch in Sweden Pharmiva's product Vernivia has grown very rapidly in the Swedish market. And already year one the company reached a 10% market share and was awarded the new comer of the year by the national pharma retail chain, Apotek Hjärtat.

Also Peptonic continues to deliver rapid growth in the Swedish market. During the quarter Peptonic's VagiVital AktivGel was made available for sales in Apoteket Hjärtat's physical stores. Furthermore, Pharmiva and Peptonic have a similar approach to consumer marketing, and by merging the two companies a very strong sales and marketing team will be formed in the New Peptonic, which will further accelerate sales growth.

During the quarter Peptonic has also continued taking steps to strengthen the organization. In August Terese Torenfält will start as Partner Manager Europe and as of October Albert Lindgren will start as the company's new CFO. Both Terese and Albert comes with solid and relevant experience in their respective fields, which bodes for accelerated expansion of the business in markets outside Nordics.

The Business Unit Lifestyle Consumer is again delivering growth both in comparison to previous quarter as well as in a comparison to the same period previous year. It is also very encouraging that Heli Kurjanen, General Manager of our subsidiary Lune in Finland, has been awarded the price for the Most Influential Menstrual Care Business Leader Nordics, 2023 by AI Global Media Ltd.

During the fall the focus will be to conclude the merger process with Pharmiva and to build a new much stronger organization enabling accelerated sales growth, geographical expansion, continuous portfolio development and route to profitability according to the set strategy. I look forward to updating you further on coming milestones for the New Peptonic.

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 second quarter amounted to SEK 11,930 (12,354) thousand. Other operating income for the quarter was SEK 190 (329) thousand. In the first half of the year, sales of goods amounted to SEK 20,804 (21,262) thousand. Other operating income for the half year was SEK 383 (850) thousand. The core Medical Consumer business grew during the first half of the year. The Lifestyle Consumer

business area declined, but had a much stronger second quarter. With the exception of two major orders to Orion in the first half of 2022, the company grew in comparison.

Costs – Costs for the second quarter amounted to SEK -19,497 (-20,829) thousand.

Costs of goods sold for the quarter amounted to SEK -5,716 (-6,085) thousand, which corresponds to a gross profit of SEK 6,214 (6,269) thousand and a gross margin of 52% (51%). During the half year, costs for products were SEK -9,721 (-9,397) thousand, which corresponds to a gross profit of SEK 11,084 (11,865) thousand and a gross margin of 53% (56%), where the difference is primarily in the product mix.

Profit – The group's result after net financial items for the second quarter amounted to SEK -7,458 (-9,043) thousand. For the half year, the corresponding result is -15,478 (-20,301) KSEK. The improved result is an effect of implemented organizational efficiencies with reduced costs for external consultants.

Financial position and liquidity – Cash and bank as of June 30, 2023, amounted to SEK 12,722 (9,836) thousand. During the six months, a stock build-up of approx. SEK 3,100 thousand was made.

Shareholders equity – The group's equity as of June 30, 2023 amounted to SEK 84,129 (62,416) thousand, which gives an solvency of 86 (67) percent.

Liabilities – The group's short-term liabilities amounted, as of June 30, 2023, to SEK 14,200 (30,471) thousand. Of which SEK 4,800 thousand refers to interest-bearing deferrals with the Tax Agency.

Organization – During the period, the average number of employees was 31 (31). At the end of the period, the number of employees amounted to 31 (31). During the period, investments corresponding to SEK 500,000 were taken for recruitment of CFO and International Partner Manager. These services will be commissioned in the second half of 2023 and enable faster acceleration.

INCOME STATEMENT

Peptonic Group

KSEK	Note	3 mon apr-jun 2023	3 mon apr-jun 2022	6 mon jan-jun 2023	6 mon jan-jun 2022	12 mon jan-dec 2022
Operating income						
Sales of products		11 930	12 354	20 804	21 262	43 634
Other operating income		190	329	383	850	2 770
Total operating income		12 120	12 683	21 187	22 111	46 404
Operating expenses						
Cost of goods		-5 716	-6 085	-9 721	-9 397	-20 239
Other external expenses	1	-8 065	-8 715	-14 149	-19 245	-34 186
Personnel costs		-4 875	-5 653	-9 666	-11 256	-21 922
Depreciation		-842	-879	-1 682	-1 737	-3 491
Other operating costs		0	502	0	502	-172
Total operating expenses		-19 497	-20 829	-35 218	-41 132	-80 010
Operating loss		-7 377	-8 146	-14 031	-19 021	-33 606
Net financial income		44	0	360	0	0
Net financial expense		-125	-897	-1 785	-1 280	-3 251
Loss before taxes		-7 458	-9 043	-15 456	-20 301	-36 857
Taxes		-22	0	-22	0	0
Net loss for the period		-7 480	-9 043	-15 478	-20 301	-36 857

BALANCE SHEET

Peptonic Group

KSEK	Note	30-jun 2023	30-jun 2022	31-dec 2022
Assets				
Non-Current assets				
Intangible assets	2	49 063	50 879	50 098
Tangible assets	3	4 483	4 142	4 299
Total non-current assets		53 546	55 021	54 398
Current assets				
Stock		18 483	15 325	15 368
Other receivables		10 672	11 582	8 267
Tax receivable		290	0	89
Prepaid expenses and accrued income		2 616	1 123	4 064
Liquid assets		12 722	9 836	3 566
Total current assets		44 783	37 866	31 354
Total assets		98 329	92 887	85 752
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		29 379	24 274	24 274
Reserves		7 392	11 186	7 392
Other contributed capital		322 270	270 942	273 613
Profit or loss brought forward incl year result		-274 913	-243 987	-258 187
Total equity		84 129	62 416	47 092
Current liabilities				
Liabilities interest bearing		3 828	7 471	4 180
Trade payables		6 948	16 022	22 881
Other payables		1 132	1 365	5 720
Prepaid income and accrued expenses		2 291	5 615	5 879
Total current liabilities		14 200	30 471	38 660
Total equity and liabilities		98 329	92 887	85 752

STATEMENT OF CASH FLOW
Peptonic Group

		6 mon jan-jun 2023	6 mon jan-jun 2022	12 mon jan-dec 2022
KSEK	Note			
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL				
Operating profit/loss		-15 478	-20 301	-36 857
Non-cash flow items		1 682	1 737	3 491
Paid tax		-22	0	0
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		-13 818	-18 564	-33 366
Increase (-) decrease (+) inventory		-3 114	-5 002	-5 045
Increase (-) decrease (+) receivables		-1 158	-6 095	-5 810
Increase (-) decrease (+) liabilities		-8 527	-1 686	-357,2049838
NET CASH FLOW FROM OPERATING ACTIVITIES		-26 618	-31 347	-44 579
CASH FLOW FROM INVESTING ACTIVITIES				
Investment in immaterial assets, net		-561	-211	-987
Investment in material asset, incl subsidiaries		0	0	0
Investment in financial assets, net		0	0	0
Divestment / reduction of financial assets		-1 494	282	1 184
NET CASH FLOW FROM INVESTING ACTIVITIES		-2 055	71	197
CASH FLOW FROM FINANCING ACTIVITIES				
Rights issue		65 271	33 729	33 704
Issue expenses		-11 508	-3 445	-3 444
Bridgeload		-15 933	675	7 534
NET CASH FLOW FROM FINANCING ACTIVITIES		37 830	30 959	37 794
TOTAL CASH FLOW FOR THE YEAR		9 156	-317	-6 587
Cash and cash equivalents at beginning of period		3 566	10 153	10 153
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		12 722	9 836	3 566

FINANCIAL INFORMATION

Parent company PEPTONIC Medical AB

Revenue – Sales of goods during the second quarter amounted to SEK 1,560 thousand (4,634 of which 1,992 were internal sales). Other operating income for the quarter was SEK 0 (0) thousand. The difference lies in internal sales and a larger order to Orion in Finland that was placed during the quarter.

In the first half of the year, sales of goods amounted to SEK 2,890 thousand (6,903 of which 2,611 were internal sales). Other operating income for the half year was 0 (0) KSEK. The difference lies in internal sales and two larger orders of approx. SEK 1,800 thousand to Orion in Finland. The important home market Sweden grew during the first half of the year by more than +30% and is expected to grow even faster in the autumn.

Costs – Costs for the second quarter amounted to SEK -6,855 (-7,391) thousand. During the period, costs of goods sold were SEK -495 (-2,487) thousand. Increased costs compared to the corresponding period last year are explained by recruitment costs and permit fees. The costs for the first half of the year were SEK -12,722 (-14,530) thousand. During the period, costs for products have been SEK -951 (-3,307) thousand.

Profit – The company's result after financial net for the second quarter amounted to SEK -4,769 (-3,615) thousand. Profit is charged with financial costs of SEK -42 thousand, the financial income amounts to SEK 568 thousand and refers to unrealized exchange rate differences.

Financial position and liquidity – Cash and bank as of 30 June 2023 amounted to SEK 10,929 (5,562) thousand.

Shareholders equity – The company's equity as of June 30, 2023 amounted to SEK 100,133 (117,696) thousand, which gives an equity ratio of 92 (84) percent. Utilization of warrants of series TO2, which was carried out during the second quarter, has resulted in an increase in the company's equity of approx. SEK 9.7 million.

Liabilities – The company's liabilities amounted, as of June 30, 2023, to SEK 8,196,000 (22,412), of which SEK 4,801 thousand are interest-bearing.

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 – Total number of outstanding shares as of 30 June 2023 was 1,028,225,944 (191,639,642). The number of outstanding warrants amounts to 392,741,200. If the warrants are fully exercised, the number of shares increases by 392,741,200.

INCOME STATEMENT
Peptonic Medical AB

KSEK	Note	3 mon apr-jun 2023	3 mon apr-jun 2022	6 mon jan-jun 2023	6 mon jan-jun 2022	12 mon jan-dec 2022
Operating income						
Sales of products		1 560	2 642	2 890	4 292	6 483
Intercompany sales		0	1 992	0	2 611	2 611
Other operating income		0	0	0	0	0
Total operating income		1 560	4 634	2 890	6 903	9 094
Operating expenses						
Cost of goods		-495	-2 487	-951	-3 307	-3 885
Other external expenses		-3 740	-2 773	-6 718	-6 760	-12 388
Personnel costs		-1 922	-1 330	-3 657	-2 967	-7 742
Depreciation		-697	-700	-1 396	-1 395	-53 529
Other operating costs		0	-101	0	-101	-172
Total operating expenses		-6 855	-7 391	-12 722	-14 530	-77 715
Operating loss		-5 295	-2 757	-9 832	-7 627	-68 622
Net financial income		568	0	708	0	0
Net financial expense		-42	-858	-1 669	-1 251	-789
Loss before taxes		-4 769	-3 615	-10 793	-8 878	-69 411
Taxes		0	0	0	0	0
Net loss for the period		-4 769	-3 615	-10 793	-8 878	-69 411

BALANCE SHEET
Peptonic Medical AB

KSEK	Note	30-jun 2023	30-jun 2022	31-dec 2022
Assets				
Non-Current assets				
Intangible assets	2	48 874	50 317	49 703
Tangible assets	3	32	41	36
Financial assets	4	13 935	53 450	12 892
Total non-current assets		62 841	103 809	62 632
Current assets				
Stock		4 777	2 845	3 122
On going fund raising		0	0	0
Other receivbles		1 096	2 653	831
Group company receivables		27 708	24 897	19 432
Tax receivable		0	0	0
Prepaid expenses and accrued income		978	341	2 469
Liquid assets		10 929	5 562	371
Total current assets		45 488	36 299	26 224
Total assets		108 329	140 108	88 856
Equity and liabilities				
Equity				
Ristricted equity				
Share capital		29 379	24 274	24 274
Ongoing right issues		0	0	0
Development Cost Fund		7 392	11 186	7 392
Non- restrictes equity				
Share premiun reserv non-restricted		322 270	272 044	273 613
Profit or loss brought forward		-248 116	-180 930	-178 705
Net loss for the period		-10 793	-8 878	-69 411
Total equity		100 133	117 696	57 164
Current liabilities				
Liabilities interest bearing		1 604	1 995	2 515
Trade payables		4 801	15 994	22 926
Other payables		154	1 066	950
Group company debts		0	0	0
Prepaid income and accrued expenses		1 636	3 356	5 301
Total current liabilities		8 196	22 412	31 692
Total equity and liabilities	4	108 329	140 108	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 (408) 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

	30-jun 2023	30-jun 2022	31-dec 2022	31-dec 2021
Capitalized development costs				
Accumulated acquisition value				
Opening balance	53 148	52 900	52 900	51 996
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	33	0	248	904
	53 181	52 900	53 148	52 900
Accumulated depreciation value	-10 772	-7 980	-7 980	-5 171
Deprecation of the year	-1 442	-1 388	-2 792	-2 809
	-12 214	-9 368	-10 772	-7 980
Net booked amount at end of period	40 967	43 533	42 376	44 921
Patents och licenses				
Accumulated acquisition value				
Opening balance	9 177	8 438	8 438	8 086
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	528	211	739	352
	9 705	8 649	9 177	8 438
Depreciation				
Accumulated depreciation value	-1 455	-1 148	-1 148	-841
Deprecation of the year	-154	-154	-307	-307
	-1 609	-1 302	-1 455	-1 148
Net booked amount at end of period	8 096	7 347	7 722	7 290
Group goodwill				
Accumulated acquisition values				
At the beginning of the period	23 495	23 495	23 495	23 495
Activations for the period	0	0	0	0
	23 495	23 495	23 495	23 495
Depreciation at the beginning of the period	-23 495	-23 495	-23 495	0
This year's depreciations	0	0	0	-23 495
Outgoing depreciation	-23 495	-23 495	-23 495	-23 495
Net booked amount at end of period	0	0	0	0
Total intangible assets	49 063	50 879	50 098	52 210

Note 2

Peptonic Medical AB

Capitalized development costs

	30-jun 2023	30-jun 2022	31-dec 2022	31-dec 2020
Accumulated acquisition value				
Opening balance	51 873	51 625	51 625	50 721
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	33	0	248	904
	51 906	51 625	51 873	51 625
Accumulated depreciation value	-9 892	-7 419	-7 419	-4946
Deprecation of the year	-1 236	-1 236	-2 473	-2 473
	-11 128	-8 655	-9 892	-7 419
Net booked amount at end of period	40 778	42 970	41 981	44 206

Patents och licenses

Accumulated acquisition value				
Opening balance	9 177	8 438	8 438	8 086
Sold out and Other disposals	0	0	0	0
Capitalizations during the period	528	211	739	352
	9 705	8 649	9 177	8 438
Depreciation				
Accumulated depreciation value	-1455	-1148	-1148	-841
Deprecation of the year	-154	-154	-307	-307
	-1609	-1302	-1455	-1148
Net booked amount at end of period	8 096	7 347	7 722	7 290

Total intangible assets

	48 874	50 317	49 703	51 496
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Note 3 – Tangible fixed assets

Group/parent company

In the group, there are activated tools for the production of products.

Note 4 – Financial fixed assets

Parent company

As of 06/30/2023, a total of SEK 13,935 thousand is for shares in wholly owned subsidiaries.

KEY FIGURES

Peptonic Group

	6 mon jan-jun 2023	6 mon jan-jun 2022	12 mon jan-dec 2022	12 mon jan-dec 2021
Sales goods, KSEK	20 804	21 262	43 634	31 643
Gross profit sales goods, KSEK	11 084	11 865	23 394	19 070
Gross margin, %	53%	56%	54%	60%
Operating profit, KSEK	-14 031	-19 021	-33 606	-73 718
Return on equity, %	Negativt	Negativt	Negativt	Negativt
Equity ratio, %	86	67	55	62
Earnings per share, SEK	-0,01	-0,08	-0,15	-0,38
Liquidity per share, SEK	0,01	0,04	0,01	0,05
Equity per share, SEK	0,07	0,26	0,19	0,27
Share price per closing, SEK	0,08	0,49	0,14	0,63
Share price/Equity per share, SEK	1,12	1,91	0,72	2,30
Equity per share, SEK	1 175 179 689	242 743 544	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, 2	2023-08-11
Quarterly report, 3	2023-10-24
Year-end report, 2023	2024-02-23

Stockholm on 11 of august, 2023

Anders Blom, Chairmen of the Board

Daniel Rudeklint, Board member

Anna Stinger, Board member

Anders Norling, Board member

Tarek Shoeb, 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.