Prostatype Genomics

Annual report 2023

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About Prostatype Genomics

Prostatype® is a genetic test that is available to patients and treating urologists as a supplementary decision support tool to answer the question of radical treatment or no radical treatment of prostate cancer. The test is developed by a research group at Karolinska Institutet and is provided by Prostatype Genomics AB.

Comments by Prostatype Genomics' CEO Fredrik Rickman

In 2023, we were able to significantly strengthen the scientific evidence for our gene test Prostatype®, while taking important steps towards US market entry and establishing the test in selected markets in Europe and Asia. In Q1 2024, significant regulatory progress was then achieved in the United States, and our US study progressed faster than expected, which means that we expect to be able to enter the US market shortly. Market access with approved Medicare reimbursement of up to 3,800 USD per test, a key milestone for the Company, is expected in the fourth quarter of this year.

With all of 2023 behind us, it is evident that it became a year of significant progress when it comes to establishing Prostatype®, and the service based on this test, as a highly accurate and scientifically proven method for risk-classifying diagnosed prostate cancer ahead of choosing a treatment program.

Healthcare systems and urologists in many countries are already well aware that an improved risk classification for this patient group will enable a significantly improved quality of life for the patient group, as well as shorter healthcare queues and lower healthcare costs. We must however work diligently when entering each market: we need extensive and preferably regionally conducted studies, market approval, partners to carry out analyses of all tests, and access to broad reimbursement systems to be able to reach all relevant patients.

In 2023, we made progress in all of these areas:

- A scientific article was published in the leading journal The Prostate® at the beginning of the year, and we worked successfully with studies in, among other places, Spain (multicentre study with seven hospitals), Taiwan, Uppsala (long-term follow-up period of 20 years and longer) and in the United States where an extensive study with 1,200 patients and a broad ethnicity coverage started at the end of the year.

- We made progress in European markets, especially in Spain where we signed an agreement with Eurofins Megalab and noted some initial sales ahead of regional study results.

- Finally, and most exciting: we recruited Steven Gaal as President of our wholly owned US subsidiary with the aim of gaining market access for Prostatype® in this market, where there is an established Medicare reimbursement system, and Professor Gerald Adriole as CMO, and we have since then progressed rapidly towards reaching the US market. Steven Gaal has previous experience from successfully launching an obtaining Medicare coverage for a prostate cancer gene testing product, which allows us to work in a time and cost-effective manner.

We now see the US market, which current annual sales of approx. 2 billion SEK and a potential that we estimate to at least 6 billion SEK, as our main focus. It is therefore encouraging that our progress continued into early 2024. In Q1, we managed to achieve three out of four important pre-market entry regulatory milestones,

which means that we now have a so-called CLIA certificate, which is needed to be able to sell our test ourselves and receive full reimbursement directly from Medicare, as well as an agreement to utilise lab facilities and staff at ResearchDx to analyse the tests.

In the second quarter of 2024, we started a collaboration with the internationally recognized Professor E. David Crawford, MD ahead of the US commercial launch, and we were able to announce that the US study is progressing faster than expected, with about 40% of the whole study completed per mid-April 2024.

Based on the rapid US progress, we expect to receive interim results from the US study and submit the Medicare application for reimbursement in Q2-Q3 2024, as well as obtain Medicare approval for Prostatype® in Q4 2024. This would take the Company to a whole new level, i.e. being ready to launch Prostatype broadly in the world's largest market. At the same time, we are evaluating potential commercial partners, and we do not rule out a sale of the entire Company if we can secure terms that benefit both the patient group and our shareholders.

Finally, I would like to once again thank all our shareholders who contributed to our financing during the year. It has been and continues to be a very tough funding climate for small biotech companies like us, and we are grateful that we have been able to obtain the capital that will allow us to move closer to US market entry and reimbursement at a rapid pace.

Stockholm in April 2024

Fredrik Rickman
CEO Prostatype Genomics

About the Company and the Prostatype® genetic test

Prostatype Genomics offers the gene test Prostatype® for prognostication of diagnosed prostate cancer, one of the most common cancer types affecting around one in eight men. Prostatype® is based on a patented technology to measure the expression of embryonic cancer stem cells and makes it possible to reduce the proportion of radical treatment by approx. 30-60%. By introducing Prostatype® into the healthcare chain as a supplementary decision-making basis when choosing treatment, it will be possible to significantly improve the quality of life for millions of men and at the same time reduce healthcare queues and achieve very large cost savings on both the healthcare and the society level.

There is extensive scientific support for Prostatype®, and the Company's testing service has already been launched in selected markets in Europe. However, the major sales revenue is expected to come from the United States where Prostatype® is expected to receive Medicare approval for reimbursement of approx. 3,800 USD per test in Q4 2024.

US market currently valued at 2 billion SEK – with a three times larger market potential

Annual sales in the US market for prognostic gene tests for prostate currently amounts to approx. 2 billion SEK per year, and the US market potential for next-generation gene tests such as Prostatype® is valued to at least 6 billion SEK per year. The Company aims to achieve a significant market share in the United States in 2025–2026, with a maintained gross profit margin and an attractive industry-relevant operating margin.

The Company continuously evaluates possible collaborations or a sale of the entire Company, taking the interests of the shareholders and the patient group into account.

Prostatype® Test System

The Prostatype® system identifies the genetic fingerprint for prostate cancer by measuring information from the genes of the cancer stem cells in the tissue sample (biopsy) already obtained in connection with the patient being diagnosed. In other words, Prostatype Genomics uses the patient's original biopsy, which means that the patient in question does not need to undergo additional tests to be able to diagnose the prostate cancer while increasing the precision of the treatment decision.

Prostatype® is intended to be used as a complement to the current clinical diagnostic and prognostic methods routinely used by healthcare systems. Prostatype® is the only prostate cancer gene test that measures gene expression in embryonic cancer stem cells in prostate cancer in a format that allows independent laboratories to perform tests.

Prostatype® Genomics Test System is a package consisting of Prostatype® RTqPCR kit, patient database and algorithms, PWS (Prostatype Web System) and associated P-score.

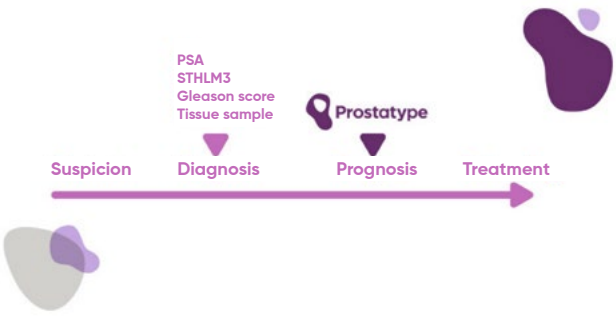


Illustration showing where in the process Prostatype® becomes relevant during diagnosis and potential treatment of prostate cancer.

Image showing the Prostatype® packaging.

Strong scientific support for Prostatype®

There is extensive scientific support for Prostatype® from several completed studies and publication in the respected peer-reviewed scientific journal the Prostate. In addition, a unique long-term follow-up study is underway at Uppsala University with a 20-year follow-up period, as well as an extensive US study with approximately 1,200 prostate cancer patients and a wide range of ethnicities, which is expected to be completed in 2024.

Validation study at Skåne University Hopsital

A validation study at Skåne University Hospital, with docent Göran Ahlgren as the principal investigator, showed that 36.7 percent of the patients whose prostate cancer was categorized as intermediate risk type can be recategorized to low-risk type. Around 42 percent of the patients whose prostate cancer was categorized as high-risk using the existing methods could be recategorized into low- (10.5 percent) and intermediate-risk type (31.5 percent). None of the patients whose cancer was graded with a P-score in the low or intermediate category died as a result of prostate cancer, which further strengthens the prognostic value and reliability of the P-score. These results were published in the internationally recognized peer-reviewed journal the Prostate in 2023.

Multicentre study in Spain

In a multicentre study with 126 prostate cancer patients at seven hospitals, coordinated by the Spanish National Association of Urology, the final results showed that the treatment plan could have been modified for 39% of the patients if Prostatype® had been used as a basis for choosing the treatment plan at the time of diagnosis. The study also showed that:

- Prostatype® can predict progression, i.e. predict which patients need curative treatment immediately upon diagnosis and who are therefore not suitable for active monitoring.

- Prostatype® confirms the cases in which it may be appropriate to postpone curative treatment for some men with low-risk prostate cancer.

Long-term follow-up study at Uppsala University Hospital

An ongoing long-term follow-up study at Uppsala University Hospital with Prostatype® shows a very good accuracy for Prostatype® even after a full 20 years of follow-up time after diagnosis. Interim results with 180 of a total of approximately 500 patients show that none of the analysed patients who were classified as low risk by Prostatype® died of their prostate cancer during a 20-year follow-up period.

This study is based on a previously completed clinical study in 2021-2022, which was completed with positive results.

US study with 1.200 patients and broad etnicity coverage

In the United States, a study is being conducted with approx. 1,200 prostate cancer patients and a wide range of ethnicities, which will form the basis of the Medicare reimbursement application in this market. Interim results are expected in Q2-Q3 2024, and the study is expected to be fully completed in 2024.

Additional regional studies

More regional studies with Prostatype® have been conducted with consistently positive results, including a pilot study in China with 100 patients and a validation study in Taiwan with 148 patients and expected publication in a scientific journal during the first half of 2024.

Progress in 2023

Further strengthened scientific support for the Prostatype® genetic test

- Results from the study with Prostatype® at the University Hospital in Uppsala, which show high accuracy in predicting the aggressiveness of the cancer, were published in the leading scientific journal "the Prostate".
- In a study at Skåne University Hospital, Prostatype® delivered significantly better results in predicting death from prostate cancer within 10 years after diagnosis compared to both D'Amico and CAPRA, today's leading classification systems for prostate cancer.
- Prostatype® demonstrated superiority in assessing the aggressiveness of individual patients' prostate cancer in a study in Taiwan. The study was presented at the South East Asian Urology Association conference in Dubai by Professor Jacob Pang, the study's principal investigator.
- Positive interim results were presented from an ongoing multicentre study with Prostatype® in Spain.
- Promising interim results were presented in a unique long-term follow-up study at Uppsala University Hospital with a follow-up period of 20 years and in some cases longer. The results indicate the possibility to broaden use cases for Prostatype®.

New partner collaborations för Prostatype® analysis

- A collaboration was initiated with Life Genomics AB, who will handle the entire laboratory process for Prostatype® analysis in the Nordics.
- A collaboration was initiated with Spanish Eurofins Megalab, a part of one of the world's largest laboratory groups with operations in Europe, the United States, Asia and Latin America. The agreement initially means that Eurofins Megalab will handle the entire laboratory process for analysing Prostatype® in Spain and Portugal.

Strengthened organisation in the United States and Sweden

- Steven Gaal was recruited to the role of President of the Company's wholly owned subsidiary in the United States, Prostatype Genomics Inc., and is responsible for establishing and launching Prostatype® on the American market. Steven has over 18 years of experience from leading positions in the sales of cancer diagnostic tools and services and has extensive experience in genomic testing in both start-ups and established companies.
- Professor Gerald L. Andriole, MD, was appointed as Global Chief Medical Officer. With more than 35 years of experience in urology, Professor Andriole brings experience and expertise to Prostatype Genomics' work to commercialize Prostatype® in the United States and globally. Gerald most recently served as Professor in the Department of Urology and Director of the Brady Urological Institute in the National Capital Region at Johns Hopkins University.
- Anders Koch, with extensive experience in streamlining operations during international growth, assumed the position as the new CFO of the Company in November.

Progress so far in 2024

Significant progress towards market entrance in the United States

- In February, the Company, through its wholly owned subsidiary in the United States, achieved three important milestones towards US market entry: laboratory agreement with ResearchDx, acquisition of CLIA certificate and laboratory accreditation by the CAP.

  By holding its own CLIA certificate, the Company will be able to receive reimbursement payments directly from Medicare and commercial payers. This significantly increases the Company's potential revenue and profit margin in the US market compared to previously discussed options for obtaining US market access, such as signing a license agreement with a CLIA laboratory partner where the partner is responsible for the entire testing and reimbursement process. The last remaining regulatory step before being able to enter the US prostate cancer market is an ongoing lab validation.
- In April, the Company initiated a collaboration with Professor E. David Crawford, MD, an internationally recognized prostate cancer expert, who will be the first US urologist with access to the Prostatype® testing service for clinical use, as well as the Company's first customer in the United States.
- In April, it was announced that the US trial with Prostatype®, which includes approximately 1,200 prostate cancer patients with a wide range of ethnicities, is progressing significantly faster than expected, with approx. 40% of the entire trial already completed.

Further strengthened scientific support for Prostatype®

- In April, very strong interim results were announced from the long-term follow-up study with Prostatype® in Uppsala from 180 out of a total of approximately 500 patients. None of the analysed patients classified as low risk by Prostatype® died of their prostate cancer during up to 20 years of follow-up time.
- In April, strong positive final results were announced from the Spanish multicentre study with Prostatype® at seven hospitals in collaboration with the Spanish National Association of Urology. If Prostatype® had been used as a basis at the time of diagnosis, as much as 39% of the patients would have received a modified treatment plan. Prostatype® was launched in Spain in 2023, and Prostatype Genomics now believes that it has a strong basis for promoting a wider use of the product and thus increased sales in this market.

Expected milestones in 2024 – 2025

Q2 2024

- US lab validation completed, Prostatype® allowed to be sold in the US market
- Initiated market launch in the United States
- First US patients using Prostatype®

Q2-Q3 2024

- Completed interim data with African American patients from the US study
- Submitted application to Medicare for reimbursement in the US market

Q4 2024

- Medicare approval for reimbursement in the US market (current reimbursement level is approx. 3,800 USD per test)
- Initiated comprehensive US market launch
- Data from the US study published in a scientific journal

Q1 2025 and thereafter

- Upscaling of sales in the US market with significant recurring income
- Continued rising recurring income from focus markets in Europe and Asia

> With approx. 1.200 patients in our study, the results that we get will be fantastic from a regulatory point of view.

Interview with Prostatype Genomics' CMO Gerald Andriole on the company's US clinical strategy

The Company's CMO Gerald "Jerry" Andriole plays an important part in making sure that Prostatype Genomics' ambitious US clinical strategy, with the ongoing large clinical validation study as the most important project towards receiving reimbursement approval by Medicare, becomes successful.

Can you start with briefly describe your background in the urology and prostate cancer field?
I have been an academic urologist for over 20 years, most recently Professor and Director of Urology in the National Capital Region at the Brady Urologic Institute at Johns Hopkins University. I also formerly served as the Robert K. Royce Distinguished Professor and Chief of Urologic Surgery at Barnes-Jewish Hospital, the Siteman Cancer Center, and Washington University School of Medicine in St. Louis, Missouri.

My entire career has been devoted to prostate cancer. I led the largest US screening trial for prostate cancer screening, NCI's PLCO Cancer Screening Trial, and also the international REDUCE Chemoprevention Trial and the Prostate Committee of the SUO Clinical Trials Consortium. This consortium conducted a number of prostate cancer trials in the US, mostly in academic medical centers.

Considering these excellent merits, what were the key reasons behind accepting the position as Chief Medical Officer at Prostatype from June 2023?
Reason number one was the really strong scientific evidence showing that Prostatype is an excellent test. The second one, and almost as important, was that it seemed to be a team of people with integrity that are easy to work with. These two together made it an easy decision.

What is the status in the US when it comes to using genetic biomarker tests for prostate cancer patients?
I would say that it is not common enough. There is no perfect data, but it is estimated that less than a third of the men diagnosed with prostate cancer in the US that could be eligible for active surveillance are being tested.

The other important point to make is that relying on just the clinical information to determine if a patient is suitable for active surveillance is not that accurate. In one study, over 60 percent of the men were in the group who on the basis of clinical criteria were recommended or allowed to undergo active surveillance, and within 10 years 60 percent of these men received aggressive treatment. The other worrisome feature is that even when these men were treated with either surgery or radiation therapy, the effectiveness was less for this group of men compared to another group of men who were treated early with those treatment modalities.

So, there is a certain cost to delegate patients to active surveillance if they in fact would have benefited from early aggressive treatment. Not just the expense, and the biopsies that men do not like to have, you may not be able to salvage every patient if you wait for the clinical factors to change. And I would say that most US urologists recognize this. So why are they not using genetic tests? The reason for this is that the existing genetic tests are not that good. They provide a marginal amount of additional information, and they are not robust enough in the mind of many urologists in the US to be used commonly or on every patient who is potentially eligible for active surveillance.

How important would you say that reimbursement is when it comes to increasing the usage of genetic tests for prostate cancer prognostication in the US?
Reimbursement is important. However, it is not the limiting reason for the use of currently available tests in only a minority of the men who are potentially eligible for active surveillance. So, reimbursement is an important first step, but the second step, and potentially more important, is to have a good test that actually works.

It seems that the US is several years ahead of Europe when it comes to using genetic testing for prostate cancer patients. Why do you think that is?
That is a good question. It might be that the medical legal climate is more severe in the US compared to Europe. As a urologist, I do not want to run the risk of undertreating a patient who needs to be treated. So, the "potential error" that I would make is to overtreat the patient, that way no one could come back to me years later and question my decision if a patient not aggressively treated later dies from prostate cancer.

So, the use of some sort of corroborative evidence that aggressive treatment was not necessary is probably reassuring for most urologists in the US. I think that could be a part of it. Furthermore, a lot of patients and patient advocacy groups in the US are very vocal, and they are aware of these tests and want to be tested. All things being equal, I think urologists in the US are more likely to order these tests.

It is also important to point out that the tests from our competitors are not available in Europe, as they are sold by US companies that have not expanded beyond their home market.

Can you describe what makes the Prostatype test stand out compared to genetic tests from competitors available in the US today?

I think the major distinguishing feature is that the Prostatype test uses embryonic stem cell gene testing as the core prediction, in terms of the aggressiveness of the cancer, whereas the three other tests use genes that are equally active in some cases in normal cells within the prostate. The theory of cancer is that embryonic stem cells that becomes cancer stell cells is what is intrinsically responsible for local invasion of a cancer and metastasis spreading of the cancer. So, these genes would be fundamental to the aggressiveness of a cancer, where the genes used in the other tests are also part of the normal functioning everyday cells.

Another thing is that many patients may have multiple cancers in their prostate, and the behaviour of these cancers are dependant of their clonal variation, the primary index clone where the cancer started. Again, embryonic cancer stem cells are fundamental and thought to be the same or at least very similar among all different cancers in the prostate.

By random chance, a urologist may detect a cancer that is not the worst in the prostate during a biopsy. Our test would classify this cancer as aggressive, whereas another test that do not rely on these fundamental genes could misclassify the cancer as not aggressive. So, the urologist may miss the most aggressive cancer, get a false sense of security, and the patient gets a false sense of security. And that may underly the relatively large proportion of patients who start out on active surveillance who end up requiring aggressive treatment, but the aggressive treatment is administered to late. Our test is in essence must more reliable, regardless of where you measure in the prostate.

What would the overall patient wellbeing and cost benefits be if the Prostatype test was to be implemented broadly in the US?
We are living in the worst of all possible worlds now, where a patient may have false reassurance that active surveillance is appropriate, and not withstanding that he has to undergo all the human emotional and economic costs of frequent PSA testing, frequent MRI, and frequent biopsies for a few years, and even then, despise all of this, a large proportion of these patients require the same treatment, and the treatment may actually be more expensive then due to inflation etc.

If you could correctly classify the patient upfront, everybody would be happy. You could furthermore know not just who needs to be treated right away. Because the Prostatype test is so accurate, we may not need to do such an intensive retesting as active surveillance is done now, with frequent PSA, MRI, biopsies etc. We may

be able to stretch that out in time and do much less aggressive, less intensive testing for the men who are classified as low risk.

What reactions do you get from other US key opinion leaders and clinicians when you present the benefits of the Prostatype test and the clinical evidence to back this up?
They love it. People who have seen the data from the existing studies that have been done in Sweden are blown away. The segregation into low, intermediate and high-risk cancer after 15 years is very accurate in terms of predicting metastasis, survival and adverse pathology. The population of US urologist are anxiously awaiting this test. I think they see it as a significant improvement of what is available today.

Can you talk briefly about the ongoing US clinical study, including its main goals and interim readouts?
The main purpose of the ongoing study is to validate the strength of the Prostatype test to predict the four outcomes of interest: the overall prostate cancer specific mortality, prostate cancer metastasis, the presence of adverse pathology at the time of diagnosis, and we are also looking at biochemical recurrence rate as a fourth end point that will be of interest to urologists and patients.

We are doing this in a very large study of a very diverse population with African Americans, Caucasian Americans, and other ethnic groups of Americans. Furthermore, it will also include a diverse population of cancers. Some will be small cancers, potentially eligible for surveillance, all the way up to some of the largest cancers, which may already be on the brink of spreading outside of the prostate.

So, we are able to look at the whole spectrum of the ability of the Prostatype test, not just in the segment of the low-risk patients, and we are looking at it in a population as diverse as the US is. At the time of the publication of this annual report, we estimate that approx. 1.200 patients will be evaluated in this study, and we expect interim data during the second or third quarter 2024, and all of the data should be ready in 2024. The interim readout will add African American data that we do not have from earlier studies, and this will be sent to Medicare as a part of our application for reimbursement.

In fact, 55-60 percent of the patients in the study will be African American, so this might well be the largest data tranche on African American men with a genetic marker like this.

With such a large and diverse study, it sounds like you are building a really strong data package to send to Medicare for the reimbursement approval process. How does this study compare to the studies performed by competing gene tests that have already received reimbursement approval from Medicare?
Most studies for the competing gene tests on the market today are based on studies with 100-200 patients. With approx. 1.200 patients in our study, the results that we get will be fantastic from a regulatory point of view.

The principal investigator for this study is Steven Friedman, which is a globally well-respected name as an investigator in this field that you also know well. Can you talk a bit on the importance of having him running the study?
Steve Friedman is well admired by all urologists in the US as an investigator, and I would say in Europe as well. Furthermore, the data and bio repository that we will be using for this study is recognised as a well curated, well characterized repository, again adding reassurance that the results from the study will be considered valid by everyone looking at it. There will not be any question regarding the integrity of the bio repository and data capturing or other aspects, as we are really working with a top-notch group.

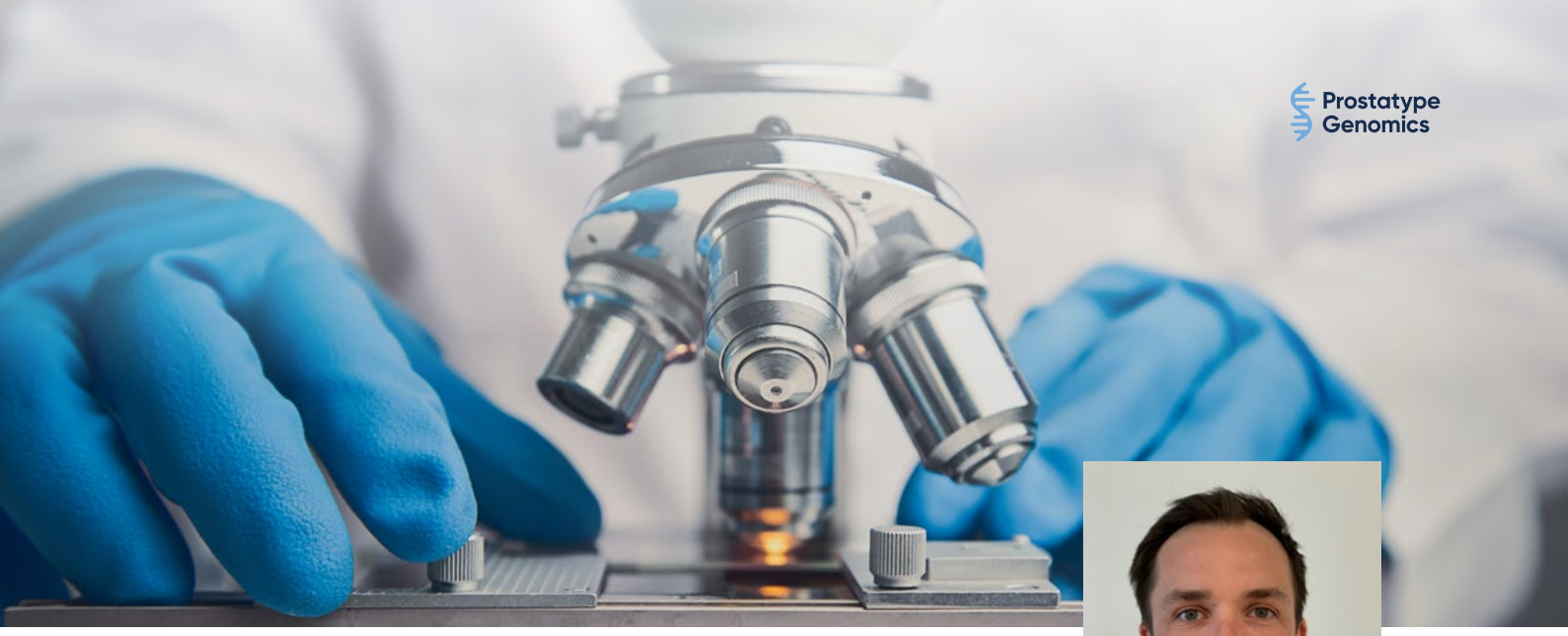
In addition to the study results in itself, you will be able to use the study to validate that the Prostatype test provides the same results as in your other labs, which is important to see for Medicare. That seems like a quite clever way to speed up the process and reduce costs?
Yes, I would say that it is a stroke of genius to perform the validation of the US lab in connection with the study. I do not know who to credit for this, if it was Steve Friedman or maybe our CEO Fredrik Persson who came up with this idea, but it is really great for our overall progress in the US.

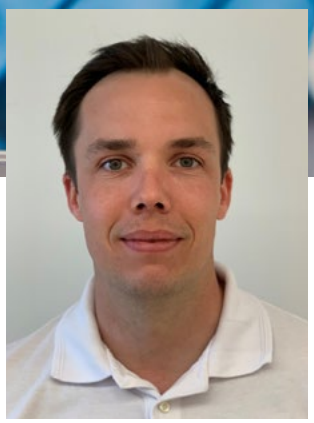
Will this study potentially enable a broader use of the Prostatype test?
Yes, we can look at the ability of the test to estimate and appropriate surveillance intensity by working backwards, so we know how intensely the patient was surveyed, what their Prostatype test was at the outset, and we can then use these data so that we can make that kind of better prediction.

Considering how large and ambitious this study is, do you think it will also benefit the clinical and regulatory acceptance and use of the Prostatype test in the rest of the world outside of the US?
Oh yes, most definitely.

To sum things up, what are the key milestones in the US in 2024 for Prostatype, and what do you look forward to the most?
The big news will be the clinical validation study, especially with such a diverse patient population, and this is what I am most excited about. The validation of the US lab will, as stated earlier, be done in connection with this. And everything else pivots off of the study: once the data from the study comes out and we are able to present them in US and international meetings, as well as publish the results in academic journals, we will get even more attention from the urologist community due to how powerful this test is. And of course, simultaneously bringing this data to Medicare as a part of the reimbursement approval process is also important. Our expected schedule for this is, at the time of publiccation of this annual report, is to receive interim data and submit a Medicare application in Q2-Q3 2024, and then to get approval in Q4 2024, pending Medicare's process that is not dependent on us.

Finally, is there something more that you would like to highlight in the US medical strategy going forward that could be of interest for investors?
I have been able to dig into some of the fundamental basic science of the Prostatype test that was published ten years ago, and one of the things that struck me is that even the cells within the biopsies of the men who were known to have cancers elsewhere in the prostate, the normal cells in biopsies that did not show cancer, harboured some of the same genetic signatures as the cancer cells. And that got me thinking that we have a problem in urology that most of our biopsies are negative, and we as urologist as well as our patient wonder: did the needle just miss the cancer? If we could assess these negative biopsies and see if we did not or did miss the cancer, and then tailor how we follow up these patients based on this it would be of great value. This is a real possibility, as our test is looking at embryonic stem cells, the fundamental first movers in the development of the cancers that can be found in normal cells as well.





Interview about the ongoing long-term follow-up study with Prostatype

The promising interim results from the ongoing long-term follow-up study with the genetic test Prostatype, which is being carried out by scientific researchers at UppsalaUniversity Hospital, have attracted a lot of attention in both Europe and the United States. We have interviewed Pontus Röbeck, a speciality trained urologist and scientific researcher who has been accepted to present these data at the annual and prestigious AUA (American Urological Association) conference in May 2024.

Can you start by giving us some background information on this study?
This long-term follow-up study is a continuation and further development of an earlier study with the genetic test Prostatype. In the earlier study, I, together with the associate professors Mikael Häggman, Anca Dragomir and Sam Ladjevardi, among others, were able to show a very good correlation between the Prostatype score (P-score) in biopsies from prostate cancer patients and their prostate preparation after surgery. Our results were published in the research field's leading scientific journal the Prostate in the summer of 2023.

To obtain even more comprehensive clinical data for Prostatype's accuracy, we are now conducting a study with up to 500 patients. This study is unique when it comes to genetic biomarkers for prostate cancer as its follow-up times amount to 25 years, and even longer in some cases. This is possible due to having access to an excellent biobank of records and material from patients diagnosed between 1990 and 2001.

Promising interim data for the first patients in the study was completed by the end of 2023, and interim data for 180 patients was completed in April 2024. We expect to complete the full study and publish the final results in a scientific journal before the end of 2024.

Can you tell us a little more about the interim results, and if there was anything that surprised you
I would say that the most promising find is that all of the first patients who had a high P-score according to Prostatype actually also died of their prostate cancer. The difference was significant compared to patients who had a high D'Amico score in the study (a risk classification method commonly used in healthcare), here the correlation was not nearly as good. I think this was very interesting to see.

Furthermore, we saw that among the patients who had a very low P-score, no one had a recurrence of their cancer after the prostate had been surgically removed. This is also exciting, and we saw a difference compared to the D'Amico score here as well.

All in all, these preliminary results show that the P-score correlates well with the outcome, and also significantly better than the usual method for risk classification that we compared with, both in terms of prostate specific mortality and relapse after surgery.

You have been selected, in tough competition, to present the interim results at the largest urology conferences in both Europe and the United States, and you chose the American conference. What was your reasoning behind this decision?
That's right, we were first accepted to EUA's annual conference in Paris, and then also to AUA's annual conference in May. AUA has strict requirements including that you may not present the same data at any previous conference. Considering that this conference is a bit bigger and more recognized, while the United States is by far the largest market for genetic testing in prostate cancer, we chose this conference.

> This study is unique when it comes to genetic biomarkers for prostate cancer as its follow-up times amount to 25 years, and even longer in some cases.

It will of course be very exciting to hold this presentation and discuss the results with other participating scientific researchers and urologists.

Being selected for both of these conferences, and also with interim results, must indicate a great interest and that you have potential to arrive at valuable conclusions in the study?
Yes, it's really exciting. We notice a great interest among both scientific researchers and urologists. We still have work to do with the study, but if the interim results hold, it will reinforce the image that the Prostatype genetic test can be a valuable tool for urologists. And the stronger the clinical evidence becomes, the more likely it is that national guidelines and care plans will be updated to reflect this.

Can you explain a little why Prostatype's genetic test can be such a valuable tool for urologists and prostate cancer patients?
At its core, the reason is that there is such a great need for better tools to predict how serious a prostate cancer is, and thus which patients should undergo radical treatment such as surgery or radiation, as well as in which cases it is better to follow the patients in active monitoring.

Other methods for risk grouping such as D'Amico, Cambrige Prognostic Group and NCCN all have sources of error, which means that patients can be overtreated. Here I see that genetic tests such as Prostatype have an important role to play in providing a better basis for decisions to urologists, and many urologists in both Europe and the United States are of the same opinion.

Additionally, this study may open up more uses for Prostatype in the future, such as providing a better decision-making basis for which patients should undergo follow-up treatment after surgery. The very long follow-up period, around 25 years and sometimes longer, allows us to uniquely follow the entire patient journey over decades, and see exactly which patients actually died of their prostate cancer, which patients relapsed despite surgery, etc.

How is it that long-term follow-up studies are so rare if one can obtain such important clinical data from them?
The short answer is that they are both difficult and laborious to conduct. Firstly, it requires an excellent biobank and patient data for a very long time period, and we are very good at this in Sweden. Then you have to retrieve all the tissue samples and manage to extract material and analyse them, which is time-consuming and challenging work, especially for really old biopsies.

Also in this study, we have not been able to include data for all patients due to these challenges. However, we have taken this into account as we have such a large patient base, which means that the study is progressing in a good way and roughly at the pace I had expected.

Many readers probably do not know how the D'Amico score is produced. Can you tell us briefly about this, and what makes Prostatype's P-score unique?
The D'Amico score uses several clinical factors such as the PSA value, the urologist's assessment after feeling the prostate and the so-called Gleason grading, which is a measure of how serious the cancer is considered to be based on deviation from normal in the prostate tissue. The P-score also includes these factors, but in addition three specific genes are included, which in combination seems to give a much better accuracy when it comes to prognosticating prostate cancer mortality.

Key figures

	Group		Parent company		
TSEK	**2023**	**2022**	**2021**	**2020***	**2019-06-30**
Net sales	1,356	683	10	684	74
EBITDA	-37,372	-26,785	-15,460	-15,765	-7,708
Total Assets	49,222	30,950	40,203	33,663	17,574
Total Equity	24,674	26,151	35,906	28,290	8,546
Net cash-flows	-8,793	-8,840	4,467	13,170	-5,516
Equity/Assets-ratio	50%	84%	89%	84%	49%
Number of employees EoP	6	6	6	5	4
Number of shares at the end of the period	119,460,007	22,859,497	15,088,761	13,186,870	102,082
Number of shares at the end of the period after full dilution	119,460,007	30,775,263	19,133,952	17,232,061	102,082
Average number of shares for the period	80,820,327	18,202,992	13,947,626	6,644,476	102,082
Earnings per share, SEK					
- Before dilution	-0.35	-1.27	-1.04	-1.32	-83.72
- After dilution	-0.35	-0.95	-1.02	-1.30	-83.72

* Extended financial year, 18 months.

Definitions of key ratios

Operating margin	Operating profit/loss after depreciation / net sales
Profit margin	Year's profit/loss / net sales
Return on capital employed	Profit/loss after financial items / adjusted equity
Equity ratio	Adjusted equity / total assets
Earnings per share	Profit/loss for the year / number of shares at the end of the period
Earnings per share diluted	Profit/loss for the year / (number of shares + warrants at the end of the period)

Directors' report

The Board of Directors and the CEO of Prostatype Genomics AB, 556726-0285, with its registered office in Stockholm, hereby submit the annual report for the financial year 2023-01-01 – 2023-12-31.

General information about the business

Prostatype Genomics' business concept is to develop prognostic methods against cancer. Prostatype® is a product for the classification of prostate cancer, which is the most common cancer among men in many countries, in particular in Western Europe and North America.

About 10,000 men in Sweden and 500,000 in Europe are diagnosed with prostate cancer annually. In the US 300,000 per year. Most people, about 65 percent, have a slowly growing cancer and the risk is small that the disease will become really serious in ten to fifteen years' time. Methods used today for diagnosis and prognosis are serum PSA, assessment of tissue samples from the prostate according to the Gleason Score and other clinical assessments. These methods are not sufficient to be able to assess the future development of the tumour in the early stages of the disease in the individual patient. Since the prognosis methods used today are uncertain, men with slowly growing cancer risk being unnecessarily treated with radical methods such as prostatectomy and/or radiotherapy, which often leads to side effects such as urine leakage, impotence and gastrointestinal problems, which in turn leads to reduced quality of life for the individual patient.

A method that can determine a tumor's development in direct relation to treatment choices provides the opportunities to individualize treatment according to the patient's needs. A classification of patients' prognosis also lowers healthcare costs by limiting resource-intensive treatments to patients whose tumour disease has a more negative prognosis.

The company has granted patents for Prostatype® in Europe, Japan, Hong Kong, Canada, China and in the US.

Group relationship

The group consists of the parent company Prostatype Genomics AB (reg. no. 556726-0285) and the wholly owned subsidiary Prostatype Genomics Inc., (reg. no. 6005878), Delaware, USA.

Significant events during the financial year

Strengthened scientific support for the genetic testProstatype®

The study conducted at the University Hospital in Uppsala under the leadership of associate professor Michael Häggman, and published in the leading scientific publication "the Prostate" shows that Prostatype® correctly assesses the aggressiveness of the prostate cancer tumor when you compare gene expression from tissue samples, so-called biopsies, with "fact", i.e., the removed prostate (radical prostatectomy). In another study, conducted at Skåne University Hospital, Prostatype® shows significantly better results in predicting death from prostate cancer within 10 years compared to both D'Amico and CAPRA, today's leading classification system for prostate cancer.

In a study at Chang Gung Memorial Hospital in Taipei (Taiwan), Prostatype® demonstrated superiority in assessing the aggressiveness of individual patients' prostate cancer. The study was presented at the South East Asian Urology Association conference in Dubai by Professor Jacob Pang, leader of the study. The initial results from the company's ongoing multicentre study with 160 patients conducted together with seven leading Spanish hospitals and the Spanish National Association of Urology show that approximately 60% of patients would have been reclassified if Prostatype® had been used for prognosis and treatment decisions after diagnosis.

Furthermore, very promising interim results were obtained in a unique long-term follow-up study which is carried out with Uppsala University Hospital, where patients with prostate cancer are followed up for a full 20 years and in some cases longer. The results indicate that the use of Prostatype® can be broadened to more areas of use. Full interim results will be presented at the prestigious AUA conference in the US in May 2024.

New collaboration partners

During the year, Prostatype Genomics initiated collaborations with Life Genomics AB and Spanish Eurofins Megalab. For the entire Nordic market, Life Genomics will handle all steps in the laboratory process required to analyze Prostatype®, which means that the Company can focus on marketing the test to patients and doctors.

Eurofins Megalab is a leader in clinical analysis on the Spanish laboratory market and is part of one of the world's largest laboratory groups with operations in Europe, the USA, Asia and Latin America. The agreement initially means that Eurofins Megalab will manage all steps in the laboratory process required to analyze Prostatype® on the Spanish and Portuguese markets.

Strengthened organization

Steven Gaal was recruited to the role of President of the Company's wholly owned subsidiary in the USA, Prostatype Genomics Inc., and is responsible for establishing and launching Prostatype® on the American market. Steven has over 18 years of experience from leading positions in the sales of cancer diagnostic tools and services and has extensive experience in genomic testing in both start-up and established companies.

Professor Gerald L. Andriole, MD, was appointed as the Company's Global Chief Medical Officer. With more than 35 years of experience in urology, Professor Andriole brings

experience and expertise to Prostatype Genomics' work to commercialize Prostatype® in the US and globally. Gerald most recently served as Professor in the Department of Urology and Director of the Brady Urological Institute in the National Capital Region at Johns Hopkins University. Prior to that, he was professor and chief of urologic surgery at Barnes-Jewish Hospital, Siteman Cancer Center, and Washington University School of Medicine in St. Louis, Missouri.

During the fourth quarter, Anders Koch, with extensive experience in streamlining operations during growth on an international level, was appointed and took up the position as the new CFO for the Company. He succeeded Michael af Winklerfelt who left the company after three years.

Rights issues

During the year, the company's general meeting decided on two rights issues with preferential rights for existing shareholders ("preferential rights issue"). The first was carried out during the second quarter and the second was completed just after the end of the year.

On May 21, 2023, the annual general meeting decided on a rights issue of up to approximately SEK 34.3 million before issue costs. The issue was secured to approximately 70% and the subscription price was SEK 0.25. After the subscription period of April 27 – May 11, it was established that it had been subscribed to approximately 70%, and the company thus received approximately SEK 24.0 million before issue costs. The number of shares increased by 96,009,888 shares, after which 588,000 shares were issued as compensation to the guarantors.

On December 7, 2023, the general meeting decided on a rights issue of up to approximately SEK 47.8 million before issue costs. The issue was secured to approx. 45% and the subscription price was SEK 0.04. The subscription period, which ran between December 13 and December 27, 2023, was however extended to January 5, 2024.

The outcome from the warrants in series TO2 that were issued in connection with the rights issue in 2022 was limited, in total only 2,622 warrants were exercised at the price of SEK 2.90, corresponding to approximately SEK 7,600.

Multi-year overview

	Group		Parent company		
TSEK	**2023**	**2022**	**2021**	**2020 ***	**2019-06-30**
Net sales	1,356	683	10	684	74
Earnings before depreciation (EBITDA)	-37,372	-26,785	-15,460	-15,765	-7,708
Balance Sheet	49,222	30,950	40,203	33,663	17,574
Equity	24,674	26,151	35,906	28,290	8,546
Cash flow	-8,793	-8,840	4,467	13,170	-5,516
Solidity	50%	84%	89%	84%	49%
Earnings per share before dilution	-0.35	-1.27	-1.04	-1.32	-83.72

* Extended financial year, 18 months.

Earnings and financial position

Turnover and results

Net sales amounted to 1,356 TSEK (683). The group is still in the initial phase of commercialization, and thus the net sales is in line with expectations.

The operating profit/loss (EBIT) amounted to -39,247 TSEK (-28,689), which corresponds to a decrease of approximately 37 percent compared to the corresponding period last year, the change is mainly due to the start-up of operations in the USA.

The group's costs mainly consist of commercialization, testing and personnel.

Earnings per share for the year amounted to -0.35 SEK (-1.27).

Investments

Investments mainly relate to our product development in and for the US and amount to a total of -8,566 TSEK (0).

The group's intangible assets represent values for expenses, development work and patents regarding the company's product. Development expenses and patents are written of on a straight-line basis over 10 years.

Cash flow and cash and cash equivalents

The total cash flow in 2023 amounted to -8,793 TSEK (-8,840). The group's cash and cash equivalents amounted to 2,682 TSEK (11,489) as of December 31, 2023.

As of 31 December 2023, the group has cash and cash equivalents of 2,682 TSEK and bridge loans amounting to 11.2 MSEK. Over the end of the year, the company has an ongoing preferential rights issue, where the known

outcome as of 5 January 2024 is reported in the financial statements as an ongoing issue in equity and as a short-term claim among the assets.

Personnel

At the end of 2023, the group had 7 (6) employees, of which 2 (2) were women.

The parent company

The parent company's net sales and operating profit amounted to 1,356 TSEK (683) and -32,845 TSEK (-28,689) respectively for the period. The company invested -5,720 TSEK (-) in product development and financed subsidiaries with -9,760 TSEK (-). During the year, bridge loans totaling 16.2 MSEK (-) were taken out, of which 5 MSEK were repaid. The net cash flow amounted to -9,420 TSEK (8,840) and cash and cash equivalents at the end of the period amounted to 2,069 TSEK (11,489).

Significant events after the end of the financial year

Significant progress towards US market launch

Prostatype Genomics is aiming to enter the US prostate cancer market with its Prostatype® biomarker testing service by offering it as a so-called LDT test. LDT stands for "Laboratory Developed Test" and makes it possible to launch the testing service without the lengthy process of achieving an FDA approval.

In February, the company, through its wholly-owned US subsidiary, achieved three major regulatory milestones towards entering the US market: a CLIA laboratory agreement with ResearchDx, acquisition of a CLIA Certificate, and CAP laboratory accreditation.

ResearchDx, based in Irvine, California, USA, will perform testing of Prostatype® for the US market. The agreement constitutes an important step towards being able to launch Prostatype® as a so-called LDT product (Laboratory Developed Test) in the US market.

By holding its own CLIA certificate, the Company will be able to receive reimbursement payments directly from Medicare and commercial payers. This significantly increases the Company's potential revenue and profit margin in the US compared to previously discussed options for gaining access to the US market, such as entering into a license agreement with a CLIA laboratory partner where the partner would be responsible for the entire testing and reimbursement process. The last remaining regulatory step before it becomes possible to reach the prostate cancer market in the US is an ongoing lab validation.

The US study with Prostatype®, which includes approximately 1,200 patients with prostate cancer with a broad ethnicity coverage, is progressing significantly faster than expected. Approximately 40% of the entire study has already been completed. The Company will compile interim data from the study and apply to get Prostatype® approved for reimbursement in the United States by Medicare when approximately 150 African American patients have been analysed. The Company expects to submit the Medicare application in Q2-Q3 2024 and receive approval in Q4 2024.

The company also announced that Professor E. David Crawford, MD, an internationally recognized expert in prostate cancer, will be the first US urologist with access to the Prostatype® testing service for clinical use as well as the company's first customer in the United States. Providing early access and partnering with Professor Crawford in preparation for release nationwide will help ensure that urologist's expectations are met when launching this next generation of prognostic testing to benefit patients battling prostate cancer.

Prostatype Genomics announces very strong interim results from long-term follow-up study with Prostatype® in Uppsala

Interim results from 180 of a total of approximately 500 patients in the ongoing long-term follow-up study at Akademiska University Hospital in Uppsala, Sweden, with the Company's genetic test Prostatype® show excellent accuracy for Prostatype® even after 20 years of follow-up time after diagnosis. None of the analysed patients classified as low risk by Prostatype® died from their prostate cancer during 20 years of follow-up time. The interim results from the Uppsala study, together with data from the ongoing US study with Prostatype® and data from other conducted studies, will be included in the Company's upcoming Medicare application in the United States with the aim to get Prostatype® approved for reimbursement in Q4 2024.

Prostatype Genomics announces strong positive final results from multicentre study with Prostatype® in Spain

The retrospective multicentre study in Spain with the Company's gene test Prostatype®, which includes 126 patients with prostate cancer at seven hospitals and is coordinated by the Spanish National Urology Association, has now been completed with strong positive results. The final results show that the treatment plan could have been modified for 39% of the patients if Prostatype® had been used as a decision basis at the time of diagnosis. Prostatype® was launched in Spain in 2023, and Prostatype Genomics now see good conditions to facilitate a broader use of the product and thus increase sales in this market.

Preferential rights issue and associated warrants of series TO3

The outcome from the rights issue that was decided on December 7, 2023 of up to approximately 47.8 MSEK before issue costs at a subscription price of 0.04 SEK was subscribed to approximately 52.3% and the company thus received approximately 25.0 MSEK before issue costs, of which 8 MSEK was used to repay bridge loans raised during the fourth quarter of 2023. The number of shares increased by 624,804,960 shares, after which a further 44,021,483 shares were issued as compensation to the guarantors.

In connection with this rights issue, a warrant in series TO3 was issued for each newly subscribed share. After the subscription period, which was April 5 – 19, it was established that 202,524,736 options and shares were subscribed at the price of 0.04 SEK, of which 800 TSEK was set off. This corresponds

to an subscription rate of approx. 81.0 percent, and the Company received procceds of approximately 7.3 MSEK before issuing costs.

In January, the reduction of the share capital by 5,973,000 SEK, which was decided at the extraordinary general meeting on December 7, 2023, was carried out.

Funding, liquidity and capital requirements

Financing

At the end of the financial year, the group has 11,667 TSEK (867) in external loan financing, of which 67 TSEK (467) is reported in long-term liabilities.

Liquidity

The group's cash and cash equivalents at the end of the year amounted to SEK 2,682 thousand. During the second half of 2023, the company has had strained liquidity as the rights issue carried out during the second quarter was not fully subscribed. The board therefore decided at an extraordinary general meeting on 7 December 2023 on a second rights issue. In the meantime, bridging loans totaling SEK 11.2 million were signed, of which SEK 3.2 million from JDS Invest AB, which is owned by board member Håkan Englund. The issue, which was completed after the end of the financial year, brought in approximately SEK 25 million before issue costs, after issue costs and repaid bridging loans net approximately SEK 12 million, of which SEK 7 million was invested in the validation tests required in the USA and the new CLIA license.

Capital requirements

The group is in need of additional financing to continue operations according to the current business plan, and the board estimates that the short-term need in 2024, or until approval of cost reimbursement from Medicare in the USA is obtained, amounts to between 30 and 40 MSEK. After approval from Medicare, the group will need further growth financing.

The board is actively working with various alternatives for short- and long-term financing, and the report is prepared based on the assumption of continued operation. In the event that additional financing is not acquired, it would indicate that the group may lack the liquidity required for the group to be able to continue its operations during the next 12 months.

The share

The company's share is listed on the NASDAQ First North Growth Market under the designation PROGEN and is traded with ISIN code SE0014684569.

On December 31, 2023, the share capital amounted to 7,167,600 SEK (1,371,569) distributed over 119,460,007 shares (22,859,497). All shares are issued and fully paid.

After the period, the ongoing preferential rights issue was completed with a subsequent compensation issue, whereby the number of shares increased by 624,804,960 and 44,021,483 shares and the share capital by 6,248,049 SEK and 440,214 SEK, respectively. On January 15, 2024, the reduction of the share capital by 5,973,000 SEK, which was decided at the extraordinary general meeting on December 7, 2023. After the share issues mentioned above and reduction, the share capital amounts to 7,882,864 SEK.

In connection with the rights issue, 249,921,984 warrants were also issued with exercise period April 5–19 2024. The subscription price was set at 0.04 SEK and the preliminary outcome shows that 202,524,736 warrants and shares were subscribed and that the share capital thereby increased by 2,025,247.36 SEK.

Largest shareholders

The largest individual shareholders in Prostatype Genomics AB at the end of the financial year are Henrik Nilsson (12.5%), Håkan Englund (7.9%), Paul Gustavsson (4.4%), Johan Waldhe (4.36%), Staffan Ek (4.1%) and Lars Svensson (4.1%).

After the ongoing rights issue ended in January, the largest individual shareholders were Håkan Englund (7.9%), Johan Waldhe (7.4%), Henrik Nilsson (4.6%), Filip Norlin (4.27%) and Lars Svensson (3.4%).

A list of the largest shareholders can be found on the company's website (www.prostatypegenomics.com).

Transactions with related parties

Bridge loans

During the second half of 2023, the company has signed a loan agreement with JDS Invest AB, where board member Håkan Englund is chairman. The loans have been signed at market terms. The loan of 1.2 MSEK was converted into shares in the company in connection with the preferential rights issue which ended on January 6, 2024, while the loan of 2 MSEK carries 12% interest and must be repaid as soon as the company has liquidity for it. JDS Invest AB has received interest for the bridge loans of a total of 57 TSEK, and was a guarantor in the Company's rights issue 2023-A and thus received compensation of 60 TSEK.

After the end of the year, an additional bridge loan of 2 MSEK was obtained from JDS Invest AB.

Consultancy fees

The company procures services for web-based solutions for P-score from SecureAppbox AB, where Håkan Englund is chairman of the board. During the year, services for 396 TSEK (399) were procured. Håkan Englund has not been involved in the procurement of these services.

Board member Mattias Prage is employed at the law firm Lindahl KB, which the company engages for advice on legal issues and company administration. During the year, Lindahl invoiced the company 1,321 TSEK (256).

Financial and operational risks

Through its operations, the group is exposed to both financial and operational risks. The financial risks mainly consist of liquidity and financing risks, while the operational risks consist of, for example, market-related and regulatory risks.

Financial risks

Financing and continued operation

The Company is in an establishment phase where expected cash flows from the Company's operating activities do not cover planned costs and investments in the form of launching in new markets. The company's assessment is that current financing is not sufficient to continue operations to the extent planned for the next twelve months and there is a risk that the company will not be able to raise additional capital or that such financing cannot be obtained on, for existing shareholders, favorable terms. This may entail that the commercialization of Prostatype® will be slowed down or not carried out at all and that the Company is forced to conduct operations at a slower pace than desired, which may lead to delayed or lost revenue. It may also be significant for the Company's establishment in the US because of the financing needs that exist from that business. The scenario could have a negative impact on the Company's operations, financial position, and results of operations.

Prostatype Genomics assesses the probability of risk occurring as medium. The Company further assesses that the risk, if realized, would have a high effect on the Company, its financial position and continued operations.

Valuation of assets

The company's product, Prostatype®, is in a commercialization phase. In addition to the short-term financial risk mentioned above, there is, as for all businesses, a long-term risk that objectives will not be achieved within the time frame on which the group's forecasts are based. If the sales do not reach the set goals so that the assumed cash flows do not occur at the rate assumed by the board and company management or are alternatively postponed further in time, or if other assumptions that formed the basis of the impairment test carried out by the company management would change in a negative way, this may lead to the intangible assets being written down at a faster rate than planned.

Operational risks

Market acceptance

The company's product, Prostatype®, is in a commercialization phase. At the date of this report, sales of Prosta-type® have been initiated in Sweden, Spain, the UK and Norway and going forward the Company aims to launch the product in the US. However, there is a risk that the sale does not fully meet the Company's objectives and that the product will not be commercially successful. The level of market acceptance and sales of Prostatype® depends largely on whether the product succeeds in gaining recognition among urologists, but also on a number of other factors, such as product characteristics, clinical documentation and results, competing products, distribution channels, availability, price, compensation, sales and marketing efforts and that the product is mentioned and noticed in various trade journals. If the Company and its product do not receive sufficient attention in the right channels, there is a risk of causing delays in the market acceptance of Prostatype® or that such a total or partial failure to occur.

Since Prostatype® has not yet generated any significant revenue, it is difficult to evaluate the sales potential of the product. The product is a support in healthcare choices for the treatment of prostate cancer and aims to avoid unnecessary operations. The company intends to initially conduct sales to private healthcare (private hospitals, insurance companies and out-of-pocket patients). To achieve the market penetration required to achieve the Company's financial targets, a small number of urologists in the target group need to be convinced. The company considers this to be a realistic expectation. In public healthcare, it takes longer to reach acceptance and the Company will be dependent on the national reimbursement systems. The risk is therefore considered to be low in relation to private healthcare and medium in public healthcare. A certain conflict of interest can be considered to exist between private healthcare providers' willingness to perform surgeries and the Company's ambition to avoid unnecessary ones, which risks affecting market acceptance.

Medical technology is generally a market area characterized by global competition, rapid technological development, regulatory requirements, and extensive investment requirements. Prostatype Genomics estimates that there is currently no product on the European market that fully corresponds to Prostatype®, but that there are companies in medical technology that may become potential competitors to Prostatype Genomics, e.g., by these companies developing an equivalent product. Should competitors develop products that prove to be better than the Company's, it could have a material adverse effect on the Company's business, sales, market acceptance, financial position and results of operations as other Companies may take market shares.

The competitive situation in the US market is different as there are a few US companies that manufacture products comparable to Prostatype®. In the US market, the Company may thus be exposed to competition from existing competitors who want to prevent or complicate the marketing of Prostatype® in various ways, e.g., by challenging the Company's patents.

Overall, Prostatype Genomics estimates that the probability of the risk occurring is medium. The Company further assesses that the risk, if realized, would have a high effect on the Company.

Dependence on key personnel

Prostatype Genomics is a small organization with limited resources and can therefore be considered highly dependent on a few key persons. One of the Company's main strengths is the internal knowledge of advanced laboratory technology, AI technology and data analysis, which is partly linked to the Company's personnel. If several key employees were to leave within a short period of time, it would have a significant negative effect on the Company's ability to conduct the business and achieve the results the Company seeks. It could

also delay the Company's operations and negatively affect its ability to achieve commercial goals.

Prostatype Genomics assesses the probability of occurrence of the risk as low. The Company further assesses that the risk, if realized, would have a high effect on the Company.

Regulatory risks associated with studies and permits
Before medical devices, such as Prostatype, can be launched on the market, their performance and safety must be ensured, which Prostatype® Genomics has done through clinical studies as well as validation studies in several countries. Prostatype Genomics' strategy is to conduct validation studies in each country where sales are intended to be conducted, which does not follow from regulatory requirements but rather from practice. In order to be able to market and sell medical devices, in some cases a permit must also be obtained, and registration must take place with the relevant authority. Prostatype® is CE-marked and the Company has at the date of this prospectus permission to sell the product in Europe. The company has conducted a validation study in China and has an ongoing validation study in Taiwan and the US. In the US, the Company has no ambition to secure FDA approval, but has chosen to enter the market as an LTD approved product and so-called CLIA accreditation, which shortens the time to market launch and reduces financial risk.

The studies conducted by Prostatype Genomics are associated with uncertainty and risk regarding delays and results. There is a risk that results in the Company's ongoing and future studies will not be satisfactory and there is a risk that the Company's future products for safety and/or efficiency reasons will not be demonstrated to be as good as previously estimated. Furthermore, there is a risk that the rules and interpretations that currently apply regarding registration and permits for the Company's product may change in the future, which in that case could affect the Company's ability to meet the requirements of various authorities. Thus, changes in rules and interpretations as well as revoked permits and registrations may also cause delays in market launches in certain markets and risk reducing the Company's growth rate and expected profitability. All in all, it could have a negative impact on the Company's business, financial position and results.

Prostatype Genomics assesses the probability of occurrence of the risk as low. The Company further assesses that the risk, if realized, would have a medium effect on the Company.

Intellectual property rights and patent protection as well as infringement thereof Prostatype Genomics depend on the ability to obtain and defend patents, other intellectual property rights and reprocessed know-how. Patent protection for medical device companies can be uncertain and cover complex legal and technical issues. Prostatype Genomics has applied for and been granted patents until 2032 in the US, Canada, China, Hong Kong, Japan and Europe (EPO). In the event that future patent applications are not granted, it could adversely affect Prostatype Genomics' operations and financial position. Furthermore, patents usually have to be applied for and maintained in several different jurisdictions and generally have a limited lifespan. There is a risk that existing and/or future patent portfolio and other intellectual property rights held by the Company will not constitute adequate commercial protection, that other patent(s) dominate over your own patent(s) or that methods or procedures that are patented or patent pending by others will be used. If Prostatype Genomics is forced to defend its patent rights against a competitor, this may entail significant costs, which may adversely affect Prostatype Genomics' business, results and financial position. Furthermore, there is always a risk in the type of business that Prostatype Genomics conducts that the Company may make or is alleged to infringe patents held by third parties.

Forward-looking statements

Certain statements in this report are forward-looking and actual results may difer materially. In addition to the factors discussed, other factors may have an impact on actual outcomes. Such factors include developments for customers, competitors, efects of economic and market conditions, national and international laws and regulations, tax regulations, fuctuations in exchange rates and interest rates and political risks.

Proposed appropriation of retained earnings

Retained earnings (SEK) in the parent company at the disposal of the annual general meeting:

Share premium reserve	176,878,444
Retained earnings	-133,419,008
Profit/loss for the year	-34,558,916
	8,900,521

The board of directors proposes that the retained earnings are to be appropriated as follows:

Carried forward	8,900,521

The group's and parent company's profit/loss as well as the company's financial position in general are disclosed in the following income statements, balance sheets, cash flow statements and additional information.

The income statement and balance sheet will be adopted at the Annual General Meeting on May 23, 2024.

Income statement

		Group		Parent company	
TSEK	**Note**	**2023**	**2022**	**2023**	**2022**
Net sales	3	1,356	683	1,356	683
Own work capitalized	7	2,372	-	-	-
Other operating income		59	-	59	-
Total income		**3,787**	**683**	**1,414**	**683**
Operating expenses					
Research and development cost		-3,225	-3,508	-3,225	-3,508
Other external costs		-19,446	-13,489	-15,960	-13,489
Staff cost	5	-18,488	-10,388	-13,145	-10,388
Depreciation and impairment of tangible and intangible fixed assets	7, 8, 9, 10	-1,875	-1,904	-1,875	-1,904
Other operating expenses		0	-83	-55	-83
Operating profit/loss		**-43,034**	**-29,372**	**-34,259**	**-29,372**
Operating profit/loss		**-39,247**	**-28,689**	**-32,845**	**-28,689**
Interest income and similar items		4	-	468	-
Interest expense and similar items		-1,540	-397	-1,540	-397
Currency effects		-652	-	-642	-
Profit/loss after financial items		**-41,435**	**-29,087**	**-34,559**	**-29,087**
Current tax	6	-	-	-	-
Net profit/loss for the period		**-41,435**	**-29,087**	**-34,559**	**-29,087**

Balance sheet

		Group		Parent company	
TSEK	**Note**	**2023-12-31**	**2022-12-31**	**2023-12-31**	**2022-12-31**
ASSETS					
Capitalized development expenditure	7	23,180	16,710	20,573	16,710
Patents	8	-	0	-	0
Total non-current intangible assets		**23,180**	**16,710**	**20,573**	**16,710**
Plant and machinery	9	60	-	60	-
Equipment and tools	10	-	4	-	4
Total non-current tangible assets		**60**	**4**	**60**	**4**
Investments in subsidiaries	11	-	-	0	0
Loans to subsidiaries	12	-	-	9,118	-
Other financial assets		72	68	72	68
Total non-current financial assets		**72**	**68**	**9,190**	**68**
Total non-current assets		**23,312**	**16,781**	**29,823**	**16,781**
Finished products		203	44	203	44
Advances to suppliers		-	138	-	138
Inventory		**203**	**182**	**203**	**182**
Accounts receivable		213	502	213	502
Other receivables		1,017	1,656	1,017	1,656
Subscribed But Not Paid-Up Rights Issue		21,493	-	21,493	-
Prepaid expenses and accrued income		301	339	766	339
Current receivables		**23,024**	**2,498**	**23,489**	**2,498**
Current financial investments		-	6,678	-	6,678
Short-term investments		**-**	**6,678**	**-**	**6,678**
Cash and bank		2,682	4,811	2,069	4,811
Total current assets		**25,910**	**14,169**	**25,761**	**14,169**
TOTAL ASSETS		**49,222**	**30,950**	**55,584**	**30,950**

Balance sheet, cont.

		Group		Parent company	
TSEK	**Note**	**2023-12-31**	**2022-12-31**	**2023-12-31**	**2022-12-31**
EQUITY AND LIABILITIES					
Share capital	13	7,168	1,372	7,168	1,372
Other restricted capital		-	-	275	-
Development fund		-	-	14,853	16,710
Total restrictred equity		**n/a**	**n/a**	**22,296**	**18,081**
Other capital/premium reserves		177,153	149,318	176,878	149,318
Other equity including net profit/loss for the year		-159,647	-124,539	n/a	n/a
Profit/loss brought forward		-	-	-133,419	-112,162
Net profit/loss for the period		-	-	-34,559	-29,087
Total non-restricted equity		**n/a**	**n/a**	**8,901**	**8,070**
Total equity		**24,674**	**26,151**	**31,196**	**26,151**
Borrowings	14	67	467	67	467
Total non-current liabilities		**67**	**467**	**67**	**467**
Borrowings	14	11,600	400	11,600	400
Accounts payable		9,448	2,184	9,347	2,184
Tax liabilities		104	240	104	240
Other current liabilities		408	461	408	461
Accrued expenses and deferred income	15	2,922	1,047	2,862	1,047
Total current liabilities		**24,482**	**4,333**	**24,321**	**4,333**
Total liabilities		**24,548**	**4,799**	**24,388**	**4,799**
TOTAL EQUITY AND LIABILITES		**49,222**	**30,950**	**55,584**	**30,950**

Cash flow analysis

		Group		Parent company	
TSEK	**Note**	**2023**	**2022**	**2023**	**2022**
Profit/loss after financial items		-41,435	-29,087	-34,559	-29,087
Adjustments for items not included in cash flow etc	16	2,474	1,904	2,133	1,904
Cash flow from operationg activities before changes in working capital		**-38,961**	**-27,182**	**-32,426**	**-27,182**
Change in inventory		-21	0	-21	0
Change in operating receivables		980	-1,424	980	-1,424
Change in operating liabilities		8,864	913	8,696	913
Cash flow from changes in working capital		**9,823**	**-511**	**9,654**	**-511**
Cash flow from current operations		**-29,138**	**-27,693**	**-22,772**	**-27,693**
Investments in intangible fixed assets		-8,487	-	-5,720	-
Investment in tangible fixed assets		-75	-	-75	-
Financing of subsidiaries		-	-	-9,760	-
Change in financial assets		-4	-	-4	-
Cash flow from investment activities		**-8,566**	**-**	**-15,559**	**-**
Issue proceeds		18,111	19,253	18,111	19,253
Loans raised		16,200	-	16,200	-
Loans amortized		-5,400	-400	-5,400	-400
Cash flow from financing activities		**28,911**	**18,853**	**28,911**	**18,853**
Changes in cash and cash equivalents		**-8,793**	**-8,840**	**-9,420**	**-8,840**
Cash and cash equivalents at the beginning of the period		11,489	20,329	11,489	20,329
Translation differences in cash and cash equivalents		-13	-	-	-
Cash and cash equivalents at the end of the period		**2,682**	**11,489**	**2,069**	**11,489**

Equity

The group's change in equity

TSEK	Note	Share capital	Other capital/ premium reserves	Other equity including net profit/loss for the year	Total Equity
Opening balance 2022-01-01		**905**	**130,453**	**-95,452**	**35,906**
New share issues		466	22,105	-	22,571
Issue expenses		-	-3,239	-	-3,239
Profit/loss for the period		-	-	-29,087	-29,087
Closing balance 2022-12-31		**1,372**	**149,318**	**-124,539**	**26,151**
Opening balance 2023-01-01		**1,372**	**149,318**	**-124,539**	**26,151**
New share issues		5,796	18,206	-	24,002
Reduction of Share Capital		-	-5,973	5,973	-
Share issues, subscribed not paid-up		-	24,992	-	24,992
Issue expenses		-	-9,391	-	-9,391
Currency translation differences		-	-	354	354
Profit/loss for the period		-	-	-41,435	-41,435
Closing balance 2023-12-31		**7,168**	**177,153**	**-159,647**	**24,674**

Equity, cont.

The Parent company's change in equity

	Restricted equity		Non-restricted equity			
TSEK	**Share capital**	**Other restricted eqity**	**Development fund**	**Premium fund**	**Profit/loss brought forward**	**Total Equity**
Opening balance 2022-01-01	**905**	**-**	**18,566**	**130,453**	**-114,019**	**35,906**
New share issues	466	-	-	22,105	-	22,571
Issue expenses	-	-	-	-3,239	-	-3,239
Development fund	-	-	-1,857	-	1,857	-
Profit/loss for the period	-	-	-	-	-29,087	-29,087
Closing balance 2022-12-31	**1,372**	**-**	**16,710**	**149,318**	**-141,249**	**26,151**
Opening balance 2023-01-01	**1,372**	**-**	**16,710**	**149,318**	**-141,249**	**26,151**
New share issues	5,796	-	-	18,206	-	24,002
Reduction of Share Capital	-	-5,973	-	-	5,973	-
Net share issues, subscribed not paid-up	-	6,248	-	18,744	-	24,992
Issue expenses	-	-	-	-9,391	-	-9,391
Development fund	-	-	-1,857	-	1,857	-
Profit/loss for the period	-	-	-	-	-34,559	-34,559
Closing balance 2023-12-31	**7,168**	**275**	**14,853**	**176,878**	**-167,978**	**31,196**

Disclosure notes

Note 1 Accounting principles

The group's accounting and valuation principles

The annual report and consolidated financial statements have been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012:1 Annual report and consolidated statements (K3).

All amounts in this report have been rounded to the nearest thousand kronor (TSEK) unless otherwise stated. Rounding differences may therefore occur.

Consolidated financial statements

This is the first time the Company presents consolidated financial statements. The subsidiary, which was founded by the parent company in the financial year 2022, had no operations until 2023. The comparison year 2022 for the group therefore consists entirely of the parent company. Since the parent company already previously applied the same accounting and valuation principles that the group does now, there is therefore no difference in the group's and the parent company's comparison year 2022, apart from the classifications within equity. In light of this, the accounting principles for the group are considered essentially unchanged compared to the previous year.

The parent company's functional currency is Swedish kronor (SEK), which is also the presentation currency for the group. All amounts in this report have been rounded to the nearest thousand kronor (TSEK) unless otherwise stated.

Subsidiaries in other countries prepare annual accounts in their respective functional currencies. During the consolidation, the items in these companies' balance sheets and income statements are recalculated to the closing rate and the spot exchange rate for the day the business event in question took place. The exchange rate differences that arise are reported in accumulated exchange rate differences in the group's equity.

Income

Sales of the company's product are classified as sales of goods and are reported when significant risks and benefits are transferred from the seller to the buyer in accordance with given terms of sale. Sales are reported after deduction of VAT and discounts.

Foreign currencies

Monetary asset and liability items in foreign currency are valued at the closing rate at the balance sheet date. Transactions in foreign currency are converted according to the spot exchange rate on the day of the transaction.

Employee compensation

Compensation to employees refers to all forms of compensation that the company provides to the employees and in the group and consists of salary, social security contributions, holiday pay, paid sick leave, medical care and bonus and compensation after termination of employment (pension). Short-term compensation is reported as an expense and a liability when there is a legal or informal obligation to pay compensation.

The group provides compensation after termination of employment in the form of pensions through defined contribution plans. The group then pays fixed fees to other legal entities that have the commitment towards the employees. The Group has no legal or informal obligations to pay additional fees beyond payments of the established fee that is recognized as an expense in the period in which the relevant service is performed.

Severance pay is paid when the company decides to terminate an employment before the normal time for termination of employment or when an employee accepts an offer of voluntary resignation in exchange for such compensation. If the compensation does not give the company any future financial benefit, a liability and an expense are recognized when the company has a legal or informal obligation to provide such compensation. The compensation is valued at the best estimate of the compensation that would be required to settle the obligation on the balance sheet date.

During 2023, the company has had no share-based payments.

Lease

Lease agreements are classified at the conclusion of the lease agreement as either financial or operational lease. In the group, there are only operational lease agreements. These are expensed linearly over the lease period.

Loan costs

The loan costs that arise when the Company borrows capital are expensed in the income statement in the period in which they arise.

Income taxes

Total tax consists of current tax and deferred tax. Current tax is income tax for the current financial year which refers to the year's taxable profit and the part of the previous financial year's income tax that has not yet been reported. Deferred tax is income tax for taxable income for future financial years as a result of previous transactions or events.

Current tax, as well as changes in deferred tax, are reported in the income statement unless the tax is attributable to an event or transaction that is reported directly in equity. Tax effects of items that are reported directly against equity are reported against equity.
Current tax is calculated based on the tax rate that applies as of the balance sheet date. Receivables and liabilities are reported net only when there is a legal right to offset.

Deferred tax assets regarding loss carry-forwards or other future tax deductions are reported to the extent that it is deemed likely that the deduction can be deducted against a surplus in future taxation. See note 2.

Intangible assets

Intangible fixed assets are recognized at acquisition value after deductions for accumulated depreciation and impairment. In the consolidated statements, the activation model is applied for internally generated intangible assets.

Depreciation is made on a straight-line basis over the estimated useful life, which for internally generated intangible fixed assets is estimated to be 10 years.

External costs for patent applications in new markets are capitalized if the company is deemed to have a financial benefit from the patent in the relevant market. Amortization of capitalized patent costs will take place during the useful life from the time this starts.

Tangible fixed assets

Intangible fixed assets are recognized at acquisition value after deductions for accumulated depreciation.
The acquisition value includes expenses that are directly related to the acquisition.

When a component of a fixed asset is replaced, any remaining part of the old component is retired and the cost of the new component is capitalized.

Expenditures for ongoing repair and maintenance are recognized as costs.

Tangible fixed assets are depreciated on a straight-line basis over the asset's estimated useful life. When the depreciable amount of the assets is determined, the asset's residual value is taken into account, if applicable. The company has adopted 5 years as the useful life for all tangible fixed assets.

Impairment testing of intangible and tangible fixed assets

At each balance sheet date, an assessment is made as to whether there is any indication that an asset's value is lower than its reported value. If there is such an indication, the asset's recovery value is calculated. If the recovery value is less than the reported value, an impairment is made and expensed.

An internally developed intangible fixed asset that is not yet ready to be used or sold as of the balance sheet date is always tested for impairment. The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs to sell and value in use. Fair value less sales costs is the price that the group/parent company expects to be able to obtain in a sale between knowledgeable parties who are independent of each other and who have an interest in the transaction being carried out. Deductions are made for such costs that are directly attributable to the sale. The value in use consists of future cash flows that an asset or a cash-generating unit is expected to give rise to.

When assessing the need for impairment, the assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units).

The group's impairment tests have not yet indicated any need for impairment.

Financial instruments

Financial instruments are valued based on the acquisition value. The instrument is reported in the balance sheet when the company becomes a party to the instrument's contractual terms and includes securities, accounts receivable and other receivables, short-term investments, accounts payable and loan liabilities and any derivative instruments. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all the risks and rewards associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise terminated.

Short-term investments

Securities that are acquired with the intention of being held in the short term are initially reported at acquisition value and in subsequent valuations in accordance with the lowest value principle at the lower of acquisition value and market value. The item short-term investments includes shares held to invest liquidity surplus in the short term.

Accounts receivable and other current receivables

Accounts receivable and current receivables are recognized as current assets at the amount that is expected to be paid after deduction for individually assessed doubtful debts.

Loan liabilities and accounts payable

Loan liabilities and accounts payable are initially reported at acquisition value after deducting transaction costs. If the reported amount differs from the amount to be repaid at maturity, the difference is accrued as interest expense over the term of the loan using the instrument's effective interest rate. Hereby, at the due date, the recognized amount and the amount to be repaid correspond.

Set-off of financial receivable and financial debt

A financial asset and a financial liability are set off and recognized at a net amount in the balance sheet only when a legal right to offset exists and when a settlement with a net amount is intended to take place or when a simultaneous disposal of the asset and settlement of the liability is intended to take place.

Impairment testing of financial fixed assets

At each balance sheet date, an assessment is made as to whether there is any indication of impairment in any of the financial fixed assets. Impairment occurs if the decrease in value is deemed to be permanent. The need for impairment is tested individually for shares and other individual financial fixed assets that are significant.

Inventory

Inventory is valued at the lower of acquisition value and net realizable value. The acquisition value is determined using the first-in, first-out principle (FIFU). For raw materials, all expenses that are directly attributable to the acquisition of the goods are included in the acquisition value. For goods in process and finished goods, the acquisition value includes raw materials, direct wages, other direct costs and attributable indirect manufacturing costs.

Cash flow analysis

The cash flow analysis is prepared using the indirect method. The recognized cash flow includes only transactions that entailed receipts or payments. As liquid funds, the company classifies, in addition to cash, as well as short-term liquid investments that are listed on a market place and have a shorter maturity than three months from the time of acquisition. Restricted funds are not classified as liquid funds. Changes in blocked funds are reported in investment activities.

The parent company's accounting and valuation principles

In the parent company, the same accounting and valuation principles are applied as in the group, except in the cases stated below. The principles are unchanged compared to the previous year.

Shares in subsidiaries

Shares in subsidiaries are reported at acquisition value after deduction for any impairment. The acquisition value includes the purchase price paid for the shares as well as acquisition costs. Any capital contributions are added to the acquisition value when they arise. Dividends from subsidiaries are reported as income.

Equity

Equity is divided into restricted and non-restricted equity, in accordance with the division of the Annual Accounts Act.

Note 2 Estimations and assessments

Prostatype Genomics AB makes estimates and assessments about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that involve a significant risk of significant adjustments in the reported values of assets and liabilities in the coming years are dealt with in outline below.

Loss carryforward

Prostatype Genomics AB's loss carryforward has not been valued and is not reported as a deferred tax asset. These loss carryforwards are valued only when the company has established a profit level which the company management with certainty considers will lead to tax surpluses.

Intangible assets

The company management continuously assesses the value of the company's intangible fixed assets. Important assumptions for assessing whether a possible impairment need has arisen primarily consist of an assessment of future sales growth and operating margin. If an indication of impairment arises, an impairment test is performed. The impairment test that has been performed in connection with the annual accounts, does not indicate any need for impairment.

Until the company reaches a positive operating cash flow is the company thus dependent on external financing, in the first place hand through equity, to implement their business plan. With the completed issue in 2022 as well as the new issue planned for 2023, the financing is assessed be secured.

Capital requirements and continued operations

The group is in need of additional fnancing to continue operations according to the current business plan, and the board assesses that the short-term need in 2024, or until approval for reimbursement by Medicare in the USA is obtained, amounts to between 30 and 40 MSEK. After Medicare approval, the group will require further growth financing.

The board is actively working with various alternatives for short- and long-term financing, and the report is prepared based on the assumption of continued operation. In the event that additional financing is not acquired, it would indicate that the group may lack the liquidity required for the group to be able to continue its operations during the next 12 months.

Note 3 Breakdown of sales

	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Sweden	243	19	243	19
Europe	601	664	601	664
Other	511	-	511	-
	1,356	683	1,356	683

There has been no intra-group sales or purchases between the Parent Company and the subsidiary.

Remuneration to auditors

	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Grant Thornton Sweden AB				
Audit assignment	404	339	404	339
Auditing activities other than auditing assignment	58	76	58	76
Tax consulting	-	-	-	-
	462	**415**	**462**	**415**

Note 5 Average number of employees, salaries and other remuneration

Average number of employees by country	Group		Parent Company	
	2023	2022	2023	2022
Sweden	5	6	5	6
USA	2	-	-	-
	7	**6**	**5**	**6**

Remunerations	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Board and CEO				
Salaries and remuneration	2,486	2,290	2,486	2,290
Statutory Social Security costs	920	742	920	742
Pensions	469	374	469	374
	3,875	**3,407**	**3,875**	**3,407**
Other employees				
Salaries and remuneration	10,951	4,672	5,957	4,672
Statutory Social Security costs	1,981	1,222	1,981	1,222
Pensions	1,119	628	831	628
	14,052	**6,521**	**8,768**	**6,521**

The CEO is eligible to an annual bonus up to two months's salary worth to the discretion of the Board. If notice is given by the CEO, the period of notice is six months and if notice is given by the company the period of notice is nine months.

Remuneration for the Board has been expensed for the period between the annual general meeting and the end of the period.

Gender distribution in the Board of directors and Executive management

	2023		2022	
	Women	**Men**	**Women**	**Men**
Parent Company				
Board members and CEO	0%	100%	0%	100%
Senior Management	50%	50%	25%	75%
Subsidiaries				
Board members and CEO	0%	100%	0%	100%

Information on gender does not reflect the gender identity of individual employees but rather what last number they have in their personal id-number in accordance with gender binary legislation regarding statistics in Annual Report.

Note 6 Taxes

	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Current tax expense	-	-	-	-
Deferred tax income (+)/expense (–)	-	-	-	-
Current tax	**-**	**-**	**-**	**-**
Pre-tax profit	-41,435	-29,087	-34,559	-29,087
Tax calculated according to the Swedish tax rate, 20.6% (20.6%)	8,536	5,992	7,119	5,992
Effect of foreign tax rates	28	-	-	-
Tax effect of non-deductible expenses	366	1	366	1
Tax effect of non-taxable income	-	-	-	-
Non-capitalized loss carry-forwards	32,506	23,094	27,074	23,094
Reconciled tax	**-**	**-**	**-**	**-**

Unused and not accounted tax loss carry forwards

The Group's total accumulated tax loss carry forwards on December 31, 2023 amounted to 167 MSEK.

The Parent Company's accumulated tax losses on December 31, 2023 amounted to 160 MSEK.

These tax loss carry forwards have not been given any book value since the Group has historically not shown taxable profits.

Note 7 Capitalised development expenditures

	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Accumulated acquisition costs				
Opening balance	18,566	18,566	18,566	18,566
Investments	8,487	-	5,720	-
Exchange rate differences	-160	-	-	-
Closing balance	**26,893**	**18,566**	**24,286**	**18,566**
Accumulated depreciation				
Opening balance	-1,857	-	-1,857	-
Depreciation	-1,857	-1,857	-1,857	-1,857
Exchange rate differences	-	-	-	-
Closing balance	**-3,713**	**-1,857**	**-3,713**	**-1,857**
Net carrying amount	**23,180**	**16,710**	**20,573**	**16,710**

Note 8 Patents

	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Accumulated acquisition costs				
Opening balance	372	372	372	372
Investments	-	-	-	-
Exchange rate differences	-	-	-	-
Closing balance	**372**	**372**	**372**	**372**
Accumulated depreciation				
Opening balance	-372	-335	-372	-335
Depreciation	-	-37	-	-37
Exchange rate differences	-	-	-	-
Closing balance	**-372**	**-372**	**-372**	**-372**
Net carrying amount	**-**	**-**	**-**	**-**

Note 9 Technical equipment

	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Accumulated acquisition costs				
Opening balance	488	488	488	488
Investments	75	-	75	-
Exchange rate differences	-	-	-	-
Closing balance	**563**	**488**	**563**	**488**
Accumulated depreciation				
Opening balance	-488	-488	-488	-488
Depreciation	-15	-	-15	-
Exchange rate differences	-	-	-	-
Closing balance	**-503**	**-488**	**-503**	**-488**
Net carrying amount	**60**	**-**	**60**	**-**

Note 10 Tools and other equipment

	Group		Parent Company	
TSEK	**2023**	**2022**	**2023**	**2022**
Accumulated acquisition costs				
Opening balance	245	245	245	245
Investments	-	-	-	-
Exchange rate differences	-	-	-	-
Closing balance	**245**	**245**	**245**	**245**
Accumulated depreciation				
Opening balance	-241	-231	-241	-231
Depreciation	-4	-10	-4	-10
Exchange rate differences	-	-	-	-
Closing balance	**-245**	**-241**	**-245**	**-241**
Net carrying amount	**-**	**4**	**-**	**4**

Note 11 Participation in group companies

			Parent Company	
TSEK	**Number of shares**	**Share of capital**	**2023-12-31**	**2022-12-31**
Prostatype Genomics Inc., 6005878, USA	1,000	100%	-	-
			-	**-**

During the year, there have been no changes in the parent company's investments in subsidiaries.

Note 12 Loans to subsidiaries

	Parent Company	
TSEK	**2023**	**2022**
Additional loans	9,118	-
Loans repaid	-	-
	9,118	**-**

The internal loan runs with 10% simple interest.

Note 13 Share capital

	Number of shares		Share Capital, TSEK	
Parent company	**2023**	**2022**	**2023**	**2022**
Number/value at the beginning of the year	22,859,497	15,088,761	1,372	905
Warrants excercised	2,622	14,841	0	1
Rights issues	96,009,888	7,755,895	5,649	466
Set-off issues	588,000	-	147	-
Number/value at the end of the year	**119,460,007**	**22,859,497**	**7,168**	**1,372**

There is only one series of shares. All shares are issued and fully paid in and the terms and conditions of Prostatype Genomics AB's share class are in accordance with Swedish law. As per 31 December 2023, the shares have a quote value of SEK 0.06.

After the period, the ongoing preferential rights issue was completed with a subsequent compensation issue, whereby the number of shares increased by 624,804,960 and 44,021,483 shares and the share capital by 6,248,049 SEK and 440,214 SEK, respectively.

On January 15, 2024, the reduction of the share capital by 5,973,000 SEK, which was decided at the extraordinary general meeting on December 7, 2023.

In connection with the rights issue, which ended in January 2024, 249,921,984 warrants were also issued with an exercise period of 5–19 April 2024. The subscription price for these was set at 0.04 öre and 202,524,736 were subscribed, whereby the number of shares increased by 202,524,736 shares and the share capital by 2,025,247.36 SEK.

After the subscription of these options, the share capital amounts to 9,908,111.86 SEK distributed over 990,811,186 shares with a quota value of 0.01 SEK.

Note 14 Financial liabilities

	Group		Parent Company	
TSEK	**2023-12-31**	**2022-12-31**	**2023-12-31**	**2022-12-31**
Repayment within 1 year	11,600	400	11,600	400
Repayment in 2–5 years	67	467	67	467
Repayment in more than 5 years	-	-	-	-
	11,667	**867**	**11,667**	**867**
Non-current				
Growth loan, Almi	67	467	67	467
	67	**467**	**67**	**467**
Current				
Growth loan, Almi	400	400	400	400
Bridge loans	11,200	-	11,200	-
	11,600	**400**	**11,600**	**400**

9.2 MSEK of the outstanding bridge loans as per year-end 2023 were repaid with the proceeds from the rights issue closed on 5 January 2024.

Note 15 Accrued expenses and deferred income

	Group		Parent Company	
TSEK	**2023-12-31**	**2022-12-31**	**2023-12-31**	**2022-12-31**
Employee-related costs	1,600	869	1,600	869
Accrued interest expense	336	-	336	-
Other accrued expenses	986	178	926	178
Prepaid income	-	-	-	-
Number/value at end of year	**2,922**	**1,047**	**2,862**	**1,047**

Note 16 Adjustments for non-cash items

	Group		Parent Company	
TSEK	**2023-12-31**	**2022-12-31**	**2023-12-31**	**2022-12-31**
Depreciations and amortizations	1,875	1,904	1,875	1,904
Non-paid interest income/expense	336	-	-129	-
Currency translation effects	263	-	386	-
Number/value at end of year	**2,474**	**1,904**	**2,133**	**1,904**

Note 17 Pledged assets and contingent liabilities

	Group		Parent Company	
TSEK	**2023-12-31**	**2022-12-31**	**2023-12-31**	**2022-12-31**
Company mortgages	3,500	3,500	3,500	3,500
Assets with ownership reservation	112	110	112	110
	3,612	**3,610**	**3,612**	**3,610**

According to the board's assessment, the company has no contingent liabilities.

Note 18 Transactions with related parties

Bridge loans

During the second half of 2023, the company has signed a loan agreement with JDS Invest AB, where board member Håkan Englund is chairman. The loans have been signed at market terms. The loan of 1.2 MSEK was converted into shares in the company in connection with the preferential rights issue which ended on January 6, 2024, while the loan of 2 MSEK carries 12% interest and must be repaid as soon as the company has liquidity for it.

JDS Invest AB has received interest for the bridge loans of a total of 57 TSEK, and was a guarantor in the Company's rights issue 2023-A and thus received compensation of 60 TSEK.

Consultancy fees

The company procures services for web-based solutions for P-score from SecureAppbox AB, where Håkan Englund is chairman of the board. During the year, services for 396 TSEK (399) were procured. Håkan Englund has not been involved in the procurement of these services.

Board member Mattias Prage is employed at the law firm Lindahl KB, which the company engages for advice on legal issues and company administration. During the year, Lindahl invoiced the company 1,321 TSEK (256).

Note 19 Appropriation of earnings

Retained earnings (SEK) in the parent company at the disposal of the annual general meeting

Share premium	176,878,444
Retained earnings	-133,419,008
Profit/loss for the year	-34,558,916
	8,900,521
The Board of Directors proposes that the profit/loss be distributed so that they are transferred to the following accounting period	**8,900,521**

Note 20 Significant events after the end of the financial year

Significant progress towards US market launch

Prostatype Genomics is aiming to enter the US prostate cancer market with its Prostatype® biomarker testing service by offering it as a so-called LDT test. LDT stands for "Laboratory Developed Test" and makes it possible to launch the testing service without the lengthy process of achieving an FDA approval.

In February, the company, through its wholly-owned US subsidiary, achieved three major regulatory milestones towards entering the US market: a CLIA laboratory agreement with ResearchDx, acquisition of a CLIA Certificate, and CAP laboratory accreditation.

ResearchDx, based in Irvine, California, USA, will perform testing of Prostatype® for the US market. The agreement constitutes an important step towards being able to launch Prostatype® as a so-called LDT product (Laboratory Developed Test) in the US market.

By holding its own CLIA certificate, the Company will be able to receive reimbursement payments directly from Medicare and commercial payers. This significantly increases the Company's potential revenue and profit margin in the US compared to previously discussed options for gaining access to the US market, such as entering into a license agreement with a CLIA laboratory partner where the partner would be responsible for the entire testing and reimbursement process. The last remaining regulatory step before it becomes possible to reach the prostate cancer market in the US is an ongoing lab validation.

The US study with Prostatype®, which includes approximately 1,200 patients with prostate cancer with a broad ethnicity coverage, is progressing significantly faster than expected. Approximately 40% of the entire study has already been completed. The Company will compile interim data from the study and apply to get Prostatype® approved for reimbursement in the United States by Medicare when approximately 150 African American patients have been analysed. The Company expects to submit the Medicare application in Q2-Q3 2024 and receive approval in Q4 2024.

The company also announced that Professor E. David Crawford, MD, an internationally recognized expert in prostate cancer, will be the first US urologist with access to the Prostatype® testing service for clinical use as well as the company's first customer in the United States. Providing early access and partnering with Professor Crawford in preparation for release nationwide will help ensure that urologist's expectations are met when launching this next generation of prognostic testing to benefit patients battling prostate cancer.

Prostatype Genomics announces very strong interim results from long-term follow-up study with Prostatype® in Uppsala

Interim results from 180 of a total of approximately 500 patients in the ongoing long-term follow-up study at Akademiska University Hospital in Uppsala, Sweden, with the Company's genetic test Prostatype® show excellent accuracy for Prostatype® even after 20 years of follow-up time after diagnosis. None of the analysed patients classified as low risk by Prostatype® died from their prostate cancer during 20 years of follow-up time. The interim results from the Uppsala study, together with data from the ongoing US study with Prostatype® and data from other conducted studies, will be included in the Company's upcoming Medicare application in the United States with the aim to get Prostatype® approved for reimbursement in Q4 2024.

Prostatype Genomics announces strong positive final results from multicentre study with Prostatype® in Spain

The retrospective multicentre study in Spain with the Company's gene test Prostatype®, which includes 126 patients with prostate cancer at seven hospitals and is coordinated by the Spanish National Urology Association, has now been completed with strong positive results. The final results show that the treatment plan could have been modified for 39% of the patients if Prostatype® had been used as a decision basis at the time of diagnosis. Prostatype® was launched in Spain in 2023, and Prostatype Genomics now see good conditions to facilitate a broader use of the product and thus increase sales in this market.

Preferential rights issue and associated warrants of series TO3

The outcome from the rights issue that was decided on December 7, 2023 of up to approximately 47.8 MSEK before issue costs at a subscription price of 0.04 SEK was subscribed to approximately 52.3% and the company thus received approximately 25.0 MSEK before issue costs, of which 8 MSEK was used to repay bridge loans raised during the fourth quarter of 2023. The number of shares increased by 624,804,960 shares, after which a further 44,021,483 shares were issued as compensation to the guarantors.

In connection with this rights issue, a warrant in series TO3 was issued for each newly subscribed share. After the subscription period, which was April 5 – 19, it was established that 202,524,736 options and shares were subscribed at the price of 0.04 SEK, of which 800 TSEK was set off. This corresponds to an subscription rate of approx. 81.0 percent, and the Company received procceds of approximately 7.3 MSEK before issuing costs.

In January, the reduction of the share capital by 5,973,000 SEK, which was decided at the extraordinary general meeting on December 7, 2023, was carried out.

Management

Fredrik Rickman (previously Persson)

CEO since 2017

About: B.Sc in Business Administration and Economics, University of Lund. 30+ years of international life science industry experience in leading positions with focus on operational and organizational growth.

Other assignments: Stradis Med Nordics AB; Chairman of the Board

Holdings in the Company: 175,128 shares

Steven Gaal

President US operations since 2023

About: BA in Business Administration, East Stroudsburg University. Steven brings over 19 years of successful commercial experience in molecular diagnostics and oncology. Previously, he served as Commercial Director-US of Skyline Diagnostics, a Dutch-owned San Diego based-CAP/CLIA genomics laboratory providing LDT assays for melanoma and multiple myeloma prognosis. At MDxHealth he was instrumental in the launch and clinical adoption of the company's tissue and urine-based LDT tests in urology and oncology. He has also held leadership roles at P4 Diagnostics, was National Director of Sales/ Hospital Pathology at LabCorp/US LABS (acquired by LabCorp).

Other assignments: -

Holdings in the Company: -

Anders Koch

CFO since December 2023

About: M.Sc. in Economics and Business, Stockholm University. More than 25 years of experience in financial reporting and managerial finance cemented from 13 years as authorized public accountant with PwC followed by roles as CFO, Financial Controller and member of the Executive Management teams in the Telecom and Digital Media Production industries. The position is part-time.

Other assignments: Carisus Consulting AB, CEO and owner

Holdings in the Company: -

The Board of Directors

Anders Lundberg

Chairman of the Board (member of the board since 2017)

About: M.Sc. Mechanical Engineering, KTH, Stockholm, Sweden. Founder and CEO of a telecom equipment supplier recognized by the market and later brought to a successful IPO in 2011 on the MID-CAP list OMX-Nasdaq [TRMO:Transmode]

Other assignments: AJ Lundberg Kapitalförvaltning AB; Board member, Sollentunafastigheter 2 AB; Deputy board member, Sollentunahem AB; Deputy board member

Independent in relation to Prostatype Genomics, its senior management and major shareholders.

Holdings in the Company: 3,682,529 shares

Mattias Prage

Board member since 2022

About: Lawyer and partner at Advokatfirman Lindahl, specialized in corporate law, financing and commercial contracts.

Independent in relation to Prostatype Genomics, its senior management and major shareholders.

Holdings in the Company: -

Dr. Michael Häggman

Board member since 2018

About: M.D, Ph.D. associate professor, department of Urology, Akademiska University Hospital, Uppsala, Sweden. More than 30 years of experience practicing as urologist with an extensive national and international network among urologists.

Other assignments: Skrotum Kommanditbolag; General partner, Kardinaltalet AB; Deputy board member

Independent in relation to Prostatype Genomics, its senior management and major shareholders.

Holdings in the Company: 632,579 shares

Jörgen Dahlström

Board member since 2023

About: Holds a Ph.D. in Immunology and a M.Sc. in Biochemistry from Uppsala University and an Executive MBA. Jörgen is the CEO of Mercodia, a Swedish based Life Science company and has more than 25 years' experience from the international Life Science industry. The main focus has been on developing and executing company strategies for commercialization and business growth. He has held several senior leadership positions including CEO of Svar Life Science. Jörgen has an extensive strategic and commercial experience and a wide international network.

Independent in relation to Prostatype Genomics, its senior management and major shareholders.

Holdings in the Company: 100,000 shares

Håkan Englund

Board member since 2019

About: Various courses in economics and chemistry from Uppsala University, Sweden. Courses in polymer technology at Royal Institute of Technology in Stockholm, Sweden. More than 30 years of operational and investment experience from life science and health care industry with focus on commercialization and business development. Håkan has held several leading management positions at Pharmacia Biotech and Phadia and has during his career developed extensive national and international relevant networks.

Other assignments: Antrad Medical AB; Board member, SecureAppbox AB; Chairman of the Board, JDS Invest AB; CEO and owner

Independent in relation to Prostatype Genomics, its senior management and major shareholders.

Holdings in the Company: 8,461,519 shares

Signatures

Stockholm on 24 April 2024

Anders Lundberg Chairman of the Board	Håkan Englund Board member	Dr. Michael Häggman Board member
Jörgen Dahlström Board member	Mattias Prage Board member	Fredrik Rickman CEO

Our audit report has been submitted on 24 April 2024
Grant Thornton Sweden AB

Joakim Söderin
Certified accountant

prostatypegenomics.com
prostatype.se