

# The subscription period in Prostatype Genomics AB's preferential rights issue of units begins today

19 August 2024 | Prostatype Genomics AB

*NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR TO THE UNITED STATES, AUSTRALIA, GREAT BRITAIN, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SWITZERLAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, RUSSIA, BELARUS OR IN ANY OTHER JURISDICTION WHERE THIS PRESS RELEASE IS DISTRIBUTED WOULD BE ILLEGAL OR REQUIRE ADDITIONAL ACTIONS THAN SUCH ACTIONS RESULTING FROM SWEDISH LAW. SEE THE "IMPORTANT INFORMATION" SECTION AT THE END OF THIS PRESS RELEASE.*

**Today, August 19, 2024, the subscription period in Prostatype Genomics AB's ("Prostatype" or "Company") rights issue of units ("Rights Issue") for an initial maximum of approximately SEK 49.5 million, with preferential rights for the Company's existing owners, begins. The Rights Issue is covered by pre-subscription commitments and guarantee commitments of a total of SEK 35.7 million, corresponding to approximately 72.1 percent of the Rights Issue. The purpose of the capital raising is primarily to fund the completion of the validation study in the US and the process of obtaining Medicare reimbursement approval, as well as to fund ongoing commercialization activities in the US and Europe. The subscription period lasts until September 2, 2024.**

## **Background and motive for the Rights Issue**

Prostatype Genomics has developed an algorithm-based kit specifically designed to eliminate misclassification of prostate cancer, which can lead to inappropriate treatment and dosages. Such misclassification often results in unnecessary side effects, suffering and healthcare costs. This innovative kit integrates seamlessly with current diagnostic procedures and tests, ensuring that the existing care process is not disrupted. Backed by robust clinical evidence, the solution outperforms existing methods in terms of reliability and precision. By providing more accurate risk assessments, the kit helps to guide patients and healthcare professionals to optimal treatment decisions for the patient.

Following the completion of validation data from an extensive ongoing validation study in the US, expected during Q4 2024, and the expected receipt approval of Medicare in Q4 2024, Prostatype Genomics is well positioned to commercialize its kit in the US. To achieve this, the Company seeks capital to support several critical areas: covering initial start-up and salary costs that are critical to driving commercialization efforts as well as maintaining full control over the entire sales process to ensure quality and consistency in product delivery, which will effectively lead to higher profit margins in the long run. With a successful commercial launch in the EMEA region in 2022, promising validation data from ongoing studies and an enhanced focus on the US market, Prostatype Genomics is confident of achieving EBITDA break-even by the end of 2026.

**Use of proceeds**

In order to finance the commercialization in the priority markets as well as to promote the progress of the US validation study and obtain reimbursement approval for Medicare, the Company's board of directors has decided to carry out the Rights Issue. The pre-secured net proceeds from the Rights Offering are expected to be sufficient to complete the validation study in Q3 2024 and obtain approval for Medicare in Q4 2024.

As a minimum, the Company will receive gross cash of approximately SEK 35.7 million and net cash of approximately SEK 27.5 million before the repayment of the bridge loan the Company took out earlier this year. The total costs amount to SEK 8.2 million, of which SEK 4.4 million assumes that all guarantors choose cash compensation for their respective guarantee commitments. The proceeds are intended to be used for the planned activities:

- Repayment of the bridge loan and interest.
- Completion of the US validation study and the process to obtain Medicare reimbursement approval.
- Ongoing commercialization activities in the US and Europe as well as strengthening the overall working capital and ongoing operational activities.

**Terms and conditions for the Rights Issue**

The Rights Issue comprises a maximum of 990,811,186 units, corresponding to a maximum of 4,954,055,930 shares and 1,981,622,372 warrants of series TO 4. Upon full subscription in the Rights Issue, Prostatype Genomics will initially receive approximately SEK 49.5 million before deductions for issue costs.

Everyone who on the record date of August 15, 2024, was registered in the share register maintained by Euroclear Sweden AB has preferential rights to subscribe for units in the Rights Issue in relation to previously held shares. One (1) existing share in Prostatype Genomics gives the right to one (1) unit right. One (1) unit right entitles the holder to subscribe for one (1) unit in the Company. Each unit consists of five (5) new shares and two (2) warrants of series TO 4. The subscription price in the Rights Issue is SEK 0.05 per unit, corresponding to SEK 0.01 per share. Warrants of series TO 4 are issued free of charge.

**Change in share capital and number of shares and dilution**

The Company's total share capital before the Rights Issue amounts to SEK 9,908,111.86, divided into 990,811,186 shares, each with a nominal value of SEK 0.01. The total maximum volume in the Rights Issue is 4,954,055,930 new shares, which will increase the total number of shares to 5,944,867,116 and the share capital to SEK 59,448,671.16. For existing shareholders who do not participate in the Rights Issue, this means, in the case of full subscription, a dilution effect of approximately 83.3 percent of the votes and capital in the Company.

If all warrants of series TO 4 are fully exercised for the subscription of new shares in the Company, the number of shares will increase by a further 1,981,622,372, from 5,944,867,116 to a total of 7,926,489,488 and the share capital will increase by a further 19,816 SEK 223.72, from SEK 59,448,671.16 to SEK 79,264,894.88. In case of full subscription, this corresponds to a dilution effect from warrants of series TO 4 of approximately 25.0 percent.

The total dilution effect, if both the Rights Issue and the warrants of series TO 4 are subscribed and exercised in full, amounts to approximately 87.5 percent.

#### **Pre-subscription commitments and guarantee commitments**

The Rights Issue is covered to approximately 72.1 percent by pre-subscription commitments and guarantee commitments, of which pre-subscription commitments correspond to approximately 20.2 percent of the Rights Issue, bottom guarantee commitments correspond to approximately 36.7 percent of the Rights Issue and top guarantee commitments (up to the level of 72.1 percent) amount to approximately 15.1 percent of the Rights Issue. For top guarantors, a compensation of 20 percent of the guaranteed amount is paid in cash or 23 percent of the guaranteed amount in units in the Company. For bottom guarantors, a compensation of 16 percent of the guaranteed amount is paid in cash or 20 percent of the guaranteed amount in units in the Company. No compensation is paid for the pre-subscription commitments. The pre-subscription and guarantee commitments have been entered into through legally binding agreements.

#### **Terms for warrants of series TO 4**

Subscribers of units in the Rights Issue will receive two (2) warrants of series TO 4 free of charge. One (1) warrant of series TO 4 entitles the holder to subscribe for one (1) new share.

The exercise price for warrants of series TO 4 will be set at a 30% discount compared to the 10-day volume-weighted average share price before the first day of the subscription period, but at least SEK 0.01 (corresponding nominal value). Subscription options of series TO 4 can be used to subscribe for shares in Prostatype Genomics during the period November 25-December 9, 2024.

#### **Timeplan for the Rights Issue**

- Subscription period: 19 August-2 September 2024.
- Trading in unit rights: 19-28 August 2024.
- Trading in BTU: from 19 August 2024 until approximately one week after the Rights Issue has been registered with the Swedish Company Registration Office (sw. Bolagsverket). The last day for trading in BTU will be announced in a separate press release after the Rights Issue has been implemented.
- Press release on the preliminary outcome of the Rights Issue: around September 3, 2024.

#### **Prospectus and teaser**

A prospectus and a teaser about the Rights Issue are available via the Company's ([www.prostatypegenomics.com](http://www.prostatypegenomics.com)) and Nordic Issuing AB's ([www.nordic-issuing.se](http://www.nordic-issuing.se)) respective websites. The teaser (in Swedish) is also attached to this press release.

#### **Advisors**

Prostatype Genomics has mandated Gemstone Capital A/S as financial advisor, Advokatfirman Lindahl KB as legal advisor and Nordic Issuing AB as settlement agent in connection with the Rights Issue.

**For further information about Prostatype Genomics, please contact:**

Fredrik Rickman (formerly Persson), CEO Prostatype Genomics AB,

Telephone: +46 (0) 73 049 77 01,

E-mail: [fredrik.rickman@prostatypegenomics.com](mailto:fredrik.rickman@prostatypegenomics.com)

**Certified Advisors**

Carnegie Investment Bank AB (publ), +46 (0)73 856 42 65, [certifiedadviser@carnegie.se](mailto:certifiedadviser@carnegie.se)

**About Prostatype Genomics AB**

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

**Important information**

This press release does not constitute an offer to acquire, subscribe or otherwise trade in shares, warrants, unit rights, BTU or other securities in Prostatype Genomics AB investors must not subscribe or acquire any securities other than on the basis of the information in the prospectus that has been published before the start of the subscription period in the Rights Issue. No action has been taken and no action will be taken to permit an offer to the public in any jurisdictions other than Sweden.

This press release may not be published, published or distributed, directly or indirectly, in or to the United States, Australia, Great Britain, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdiction where the distribution of this press release would be illegal. This press release also does not constitute an offer to sell new shares, warrants, unit rights, BTU or other securities to any person in a jurisdiction where it would not be permitted to make such an offer to such a person or where such action would require a prospectus, additional registration or other measures than under Swedish law. The prospectus, the notification form and other documents relating to the Rights Issue may not be distributed in or to any country where such distribution or the Rights Issue requires actions as stated in the preceding sentence or where they would be contrary to regulations in such country. Actions contrary to this instruction may constitute a violation of applicable securities legislation.

No shares, warrants, unit rights, BTUs or other securities have been or will be registered under the United States Securities Act of 1933, as amended ("Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered, subscribed, exercised, pledged, sold, resold, assigned, delivered or otherwise transferred, directly or indirectly, in or to the United States, except pursuant to an applicable exemption from, or through a transaction not subject to, the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States.

This press release may contain certain forward-looking information that reflects the Company's current view of future events as well as financial and operational development. Words such as "intends", "estimates", "expects", "may", "plans", "believes", "estimates" and other expressions that imply indications or predictions of future developments or trends, and are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking information is not a guarantee of future performance or

development, and actual outcomes may differ materially from what is stated in forward-looking information. Neither the Company nor anyone else undertakes to revise, update, confirm or publicly announce any revision of any forward-looking statement to reflect events occurring or circumstances occurring with respect to the contents of this press release, except as required by law or Nasdaq First North Growth Market regulations.

**Attachments**

[Prostatype Genomics Teaser Emissionsfolder 20240809\[15\]](#)