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Prostatype Genomics

Annual Report

2021

About PROSTATYPE GENOMICS

The company is the result of over fifteen years of research work in the genomics of prostate cancer. The company was founded in 2007 as a spin-off from Cancer Center Karolinska (Karolinska Institutet, Stockholm). The result was the development of the today CE-marked and market-ready product Prostatype® Test System. Prostatype® is a test for the prognosis of prostate cancer that has been developed to provide the additional information that is often required to select the optimal treatment strategy for each patient. The test analyses the expression of genes in cancer cells from prostate tissue and which in combination with an advanced algorithm and data analysis provides decision support for optimal treatment of individual patients when prostate cancer has been confirmed. Using AI (artificial intelligence) technology, the Prostatype Genomics genetic test makes it possible to better predict prostate cancer and categorize the patient's condition into different types of risk. In this way, the test can reduce the risk of overtreatment or undertreatment, which in many cases leads to major problems for the patient. Prostatype® is currently the only genetic test for prostate cancer available in kit format.
The product is scalable in volume thanks to the algorithm on which the test is based.

VISION

Our vision is that doctors and patients after being diagnosed with prostate cancer should have full confidence in their treatment decisions.

MISSION

Prostatype Genomics' mission is to make a difference in the lives of patients suffering from prostate cancer through the development and commercialization of transformative tests that guide treatment decisions. In this way, we can improve the quality of life and peace of mind for patients and at the same time reduce healthcare costs. Prostatype Genomics will achieve this by making Prostatype® the globally preferred test system for newly diagnosed patients with prostate cancer.

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CEO comments

Rapid development despite the pandemic
During the past year, Prostatype Genomics accelerated the commercialization journey that began with our listing on Nasdaq First North during Q4 2020. We have gone from being a pure research company to begin the commercialization process, and have followed our plan and expanded to having international market presence in priority markets in Europe. In parallel with our commercial focus, we have kept a high pace of work to further strengthen our scientific footprint, which among other things resulted in us presenting one externally conducted study from the University Hospital in Uppsala at AUA, the largest American urology congress in New Orleans in May 2022.
The Covid pandemic in 2020 had a negative effect on the company with severe restrictions on access to both doctors and other health care decision-makers, which made it difficult to introduce Prostatype in virtually all markets. That is why we are pleased to see that countries have opened up again, and thanks to our investments during the year we are now very well equipped to provide tools which helps healthcare to avoid unnecessary over-treatment and help reduce the patient queues that have been built up.

The European year
2021 can be summarized as the European Year, the year when Prostatype Genomics consolidated the Nordic organization with the help of several new market roles, and established itself in all the European markets we have chosen to prioritize in the first phase of international expansion.
The European countries look different in terms of how healthcare is organized and operates, and we have chosen different types of collaborations in different countries, to find the locally most optimal solution. During the past year, we as an organization have come a long way in the work of establishing contact with leading doctors, clinics, and decision makers in healthcare despite the above-mentioned challenges with the effects of the pandemic.

The new situation that healthcare and society must deal with, with long queues of patients with serious and untreated diseases will place new demands on smart solutions, new routines, and ways of thinking. Cancer care is, of course, particularly vulnerable as it often works with seriously ill patients who need costly and time-consuming care. In that situation, it is more important than ever to be able to make correct and accurate diagnoses. In meetings with decision-makers in the countries in which we operate, it is clear from healthcare and those who pay for it that there will be no room for casual, standardized treatment options. The added value Prostatype gives patients, relatives, healthcare and those who pay for care fit very well into the scenario that is growing stronger at a high rate.

The American year
2021 was the year when we seriously established ourselves in leading European markets, and we will increase our marketing efforts with new distribution agreements and continued local studies in the countries we want to operate. 2022 will also be the year when Prostatype Genomics begins its efforts towards an American launch. Just as in Europe, there are major challenges in establishing business in the United States. The opportunities in the US are great as genetic biomarkers such as Prostatype are already an established part of healthcare which are also being reimbursed in both private and public insurance systems, in addition to a significantly higher price level than the one we see in Europe. There are, of course, regulatory and market challenges to consider. The preparations made by the company in 2021 mean that we are very well prepared for a successful establishment in the most interesting market for our part.

When the US launch is discussed, the obvious question is "But what are you going to do with the FDA?" If you have followed biotech and pharmaceutical companies on their way to the US, you know what a shock test the US Medicines Agency can be. At best, it costs huge sums and takes a long time, and at worst, you never get to launch.
Here, Prostatype Genomics has chosen a different path. By initiating collaborations with one or more FDA-approved laboratories in the United States, so-called CLIA-accredited laboratories, we will market Prostatype as an LDT, Laboratory Developed Test.
This enables a faster and more cost-effective entry into the US market. The work of finding the right laboratory partner is ongoing, as is the process of finding the right commercial partners. It is gratifying that the interest from several different quarters is great, which guarantees good conditions for a real head start in the USA.

On the scientific side, Prostatype Genomics has already begun work. When the country largest congress of urologists, the American Urology Association's Annual Meeting 2022 opens in New Orleans in May, the study with Prostatype performed at the University Hospital in Uppsala will be presented. In addition to the recognition this is, it gives us a fantastic opportunity to present Prostatype from a scientific perspective, while we get the chance to make contacts with America's leading urologists.

The study in Uppsala was conducted under the direction Of Associate Professor Michael Häggman, and aimed to show whether results from the use of Prostatype® before decisions on treatment of patients with prostate cancer
are correlated with the actual aggressiveness of the tumour, which creates an important added value before deciding which treatment the individual patient should be offered

The purpose of the study was thus to clarify about Prostatype® and the gene expressions we use
of can predict the results in the "conclusion" that is the values we see in the cancer cells of an unoperated prostate. It is also of great clinical interest to be able to see if the P-score in the primary tumour (index tumour) corresponds to the P-score in other cancer areas in the prostate as it can lead to the fact that fewer tissue samples need to be taken in the diagnostic phase. This means first and foremost less suffering for patients, but also more efficient diagnostics and sampling at lower healthcare costs. This type of study has been requested by many urologists both in Sweden and internationally, so it is of course very gratifying that the results are so strong which underlines the clinical benefit of Prostatype® and our associated P-score.

As you probably understand, I look forward to this journey with confidence and joy, during the year we will increase our geographical expansion, our scientific base, and above all, grow our business together with employees and partners. In conclusion, I would like to take this opportunity to thank employees, external partners, the board and not least our shareholders who contributed to making 2021 an expansive year for Prostatype Genomics. We have every reason to look forward to a successful 2022!
Thank you!

Fredrik Persson
CEO

Prostate Cancer and Prostatype in practice

Bengt Ericsson is one of 10,000 Swedish men who every year are diagnosed with prostate cancer. Here we discuss Bengt's care journey, and what can be improved in the care of patients with prostate cancer.

Can you tell us a little about how your care journey began?
Three years ago, I underwent an examination Without any issues, the doctor even called me a "exceptional specimen". But only three years later, a tumour is detected during X-ray. Then a PSA test was done which showed a low score, and the doctor still saw no problems. But I was not convinced, and did additional PSA tests, which showed higher numbers. Now the doctor also felt a lump on the prostate, and then an MRI was also done and a biopsy on my prostate.
Suddenly it was surgery that mattered.

How did you react then?
I have understood that there is often quite a lot of uncertainty about the diagnosis of prostate cancer, and as a patient you want that treatment which is right for me. I did not feel I got any real answers to my questions, you are faced with extremely important decisions, and then you want to discuss what options are available.

But then you found Prostatype®?
Yes, my partner Margareta sat and searched online, and found a website about a genetic test called Prostatype. We knew very little about genetic testing at all, but it seemed sensible, so we contacted Prostatype Genomics.

After that conversation, we filled in the forms required for them to have access to my prostate biopsies from the pathologist at my hospital. It took some time to get the samples out, but once they arrived, I received a quick message that Prostatype® classified my prostate cancer as low risk, against a previous "average" risk assessment. When I raised it with my doctor, he said that "genetic testing is the future, but it is not included in today's care program". Then I said, "Then I think you should make sure it is included!"

How is your situation right now?
Now my doctor claims that new factors have surfaced and believes that the risk is high. Then I contacted Associate Professor Michael Häggman, who works with Prostatype, and he thought that the risk was still low and that we would wait a while and then find the right treatment for me, if we thought it was necessary.

Do you have any advice for other patients in the same situation?
Most important, do not take first best advice, there is a big grey area when it comes to prostate cancer and you want the right treatment, not one that does more injury than necessary.

ANNUAL REPORT

Prostatype Genomics AB
556726-0285

Financial Year
2021-01-01 - 2021-12-31

Content

Stockholm 2022

Administration Report

The Board of Directors and the CEO of Prostatype Genomics AB, 556726-0285, with its registered office in Stockholm, submit annual report for the financial year 2021-01-01 - 2021-12-31.

General information about the business

Prostatype Genomics' business concept is to develop prognostic methods against cancer. The first project concerns Prostatype, a product for the classification of prostate cancer which is the most common form of cancer among men in many countries, foremost of all in Western Europe and North America. There are currently no good methods that can determine the aggressiveness of prostate cancer. This creates problems when choosing a treatment that is specifically tailored to the individual patient's needs.

About 10,000 men in Sweden and 500,000 in Europe are diagnosed annually for prostate cancer. Most, about 65 percent, have a slowly growing cancer and the risk is small that the disease will become 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 Gleason Score and other clinical assessments. These methods are not sufficient to be able to assess the individual patient's future development of the tumor in the early stages of the disease course. Because the forecasting methods used today are uncertain, men, with slow-growing cancer, are at risk of unnecessarily treated with radical methods such as prostatectomy and / or radiation therapy, 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 the development of a tumor in direct relation to treatment choices provides the opportunities to individualize the treatment according to the patient's needs. A classification of patients' prognosis also reduces healthcare costs by limiting resource-intensive treatments to patients whose tumor disease has a more negative prognosis.

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

Larger owners

The largest owner in Prostatype Genomics AB is Creathor Venture with approximately 20% of the votes. JDS Invest AB is the second largest owner with a holding amounting to approximately 4.7% of the total number of votes.

Significant events during the financial year

Covid-19

During the financial year, the Covid-19 pandemic had a significant impact on the Company's operations, primarily by making it more difficult to contact healthcare staff in connection with the commercial launch of the Company's product.

Establishment in geographic target markets

Since the listing on Nasdaq First North Growth Market in the autumn of 2020, Prostatype Genomics AB has implemented the defined commercialization strategy by initiating establishment in the geographic target markets of the Nordic countries, Germany, Italy, the United Kingdom, and Spain (plus Portugal). The company will conduct operations in these markets in collaboration with partners, as well as under its own auspices with key people contracted. In total, these markets are estimated to have an annual potential of SEK 2.9 billion, of which the addressable market for Prostatype Genomics is estimated to amount to SEK 2.2 billion.

Prostatype Genomics intends to establish operations in additional countries in the coming years. Target markets include France, the Benelux countries, the United States, China and the markets in the Middle East and Gulf region.

Market entry Italy

In Italy, Prostatype Genomics has established operations by contracting Maurizio Ballerini (MD) as Senior Director of Market Development Italy for the company. Ballerini is a medical doctor and has worked for medical technology companies such as Abbott Diagnostics and Randox, with successful results as responsible for sales of PCA3 tests (tests to determine the risk of developing prostate cancer).

Market entry Germany

In Germany, Prostatype Genomics has established operations by contracting Karlheinz Dewald as Director of Market Development Germany for the company. Dewald has many years of experience from commercial roles in leading companies in areas such as biotechnology, oncology and urology. Most recently, Dewald led the implementation of a new molecular biomarker for oncological diagnostics and treatment monitoring in Germany, Switzerland, and Austria.

Extended Lock-up period

In connection with the listing of Prostatype, board members as well as management and other shareholders entered into lock-up agreements. These agreements expired on November 3, 2021, which is 12 months after the first day of trading in Prostatype Genomics shares and warrants on the Nasdaq First North Growth Market.

Both the Board of Directors and the management have, based on the expiration of the original agreements, entered into an agreement on extended lock up until and including 30 April 2022. The parties that have entered into the agreements are Creathor Venture Fund III (SCS) SICAR, Creathor Venture Fund III Parallel (SCS)) SICAR, Board members Håkan Englund, Michael Häggman, Anders Lundberg, CEO Fredrik Persson and CFO Michael af Winklerfelt. These shareholders together own approximately 30 percent of the total number of shares in the Company.

Strengthened marketing organization

During the third quarter, the Company strengthened its marketing organization with a Sales & Marketing Manager Nordics and a new Communications Director.

Swiss cooperation partner
In August, Prostatype Genomics signed a collaboration agreement with Proteomedix AG ("Proteomedix"), a Zurich-based research company that has a market-approved product in the field of prostate cancer. The agreement covers cooperation regarding both marketing and R&D.

Directed rights issue
In August, the company carried out a directed new share issue that provided the company with approximately SEK 24.7 million. The capital is intended to finance activities carried out within the framework of the collaboration with Proteomedix, as well as an accelerated market entry into priority European markets.

New distributors in Spain and Portugal
In August 2021, Prostatype entered into an agreement with Eligen Diagnostica and BioPortugal Lda. as the company's distributors in Spain and Portugal. These companies are leading distributors of advanced healthcare solutions in Spain and Portugal and will market Prostatype® in these markets. The agreement is in effect until 2024.

New cooperation in the United Kingdom, Cambridge Clinical Laboratories
In August, the Company announced that it had entered into a collaboration agreement with the leading British laboratory company Cambridge Clinical Laboratories ("CCL"). CCL will not only offer Prostatype® in its own laboratories but also market Prostatype® in the UK and Ireland.

Study at Uppsala University Hospital
In August, the Company published the preliminary results of the clinical study conducted at the University Hospital in Uppsala under the direction of Associate Professor Michael Häggman. The study was conducted to show whether results from the use of Prostatype® before decisions on treatment of patients with prostate cancer correspond to the actual aggressiveness of the tumor, as well as the correlation in P-score between index tumor and other cancer areas in the prostate. For both issues, the study indicates high correlation with high statistical significance.

Liquidity provider
In June, Prostatype Genomics announced that Sedermera Fondkommission has been appointed as the liquidity grant for the Company's share. The liquidity guarantee began on 17 June 2021.

New contract manufacturer
In June, it was announced that the Company has entered into a multi-year agreement with the German company Minerva Biolabs Gmbh (“Minerva”) for the production of the Company's prognostic biomarker Prostatype® RT-qPCR kit. Minerva was founded in 1999 and is a spin-off from the renowned Robert-Koch Institute in Berlin. The collaboration means that Prostatype® will be offered in freeze-dried format.

Validation study in Taiwan
In March, the Company published data from the first step of the validation study in Taiwan, which showed strong results for Prostatype®. Based on the positive results, the Company and its partner have initiated step 2 of the validation study.

PWS launched
In March, P-score Web Service (PWS) was launched, a web-based solution for calculating P-scores in a user-friendly, efficient and secure way.

Patent in Canada
In January, the Company received an indication for approval of a patent for the Prostatype® genetic test in Canada. The patent was approved in June 2021. The patent "Marker genes for prostate cancer classification" is valid until October 2032.

Significant events after the balance day

War in Ukraine
The company has no operations in either Russia or Ukraine, nor has it experienced any consequences from the ongoing war.

Outcome of the exercise of warrants
On 17 February 2022, the exercise period for Prostatype Genomics AB's warrants of series TO 1 ended, which was issued in connection with the Company's issue of units in September 2020. A total of 14,841 warrants of series TO 1 were exercised. before issue costs. When the shares issued through the use of TO 1 are registered with the Swedish Companies Registration Office, the total number of shares in Prostatype Genomics will amount to SEK 15,103,602 and the share capital to SEK 906,216.12.

Presentation at the American Urology Association annual meeting 2022
The results from the study conducted by the University Hospital in Uppsala have been selected for presentation during AUA, American Urology Association annual meeting 2022 which takes place in New Orleans on 13-16 May.

The purpose of the study, led by Associate Professor Michael Häggman at the Department of Urology, Uppsala University Hospital, was to show whether the results from the use of Prostatype® before treatment decisions for patients with prostate cancer are consistent with the tumor's actual aggressiveness.

The first question was whether the Prostatype® genetic test and its P-score algorithm are correlated in fusion-led biopsies in relation to operated prostates, so-called prostatectomies. The second question has concerned the correlation in gene expression in the index tumor itself in relation to other cancer areas in the prostate.

The preliminary results show a high degree of correlation in the P-score values (0.83-0.84) for both questions, which are also further underlined by the strong statistical significance for both questions ($p < 0.0001$). This means that the test results from the tissue samples with Prostatype® provide the indication that is requested to determine with greater certainty the next step in the treatment of the patient.

The American Urology Association's Congress 2022 is one of the largest and most important gatherings for urologists globally, and Prostatype Genomics is very proud that one of our clinical validation studies with Prostatype®, whose preliminary results were communicated in August 2021, has been selected for presentation at the congress. This is an important step in the upcoming launch of Prostatype® in the US market.

Daughter company in the United States
In March 2022, Prostatype Genomics established a subsidiary in the USA, Prostatype Genomics, Inc., wholly owned 100% by Prostatype Genomics AB. It is an important step in the work towards the American market entry.

First order from the United Kingdom
In March 2022, the Company delivered the first order for Prostatype® to Cambridge Clinical Labs (CCL), the Company's partner in the United Kingdom and Ireland.

Cooperation with Capio Solna
Prostatype Genomics inledde i april 2022 samarbete med Urologimottagningen Capio Specialistcenter i Solna med omedelbar verkan. Detta samarbete innebär att patienter och läkare kan få tillgång till gentestet Prostatype® och ett bättre beslutsunderlag i valet av behandling vid prostatacancer.

Rights issue
In May 2022, the Board announced its decision to propose that the upcoming Annual General Meeting resolves to authorize the Board to decide on a rights issue of units of initially approx. SEK 22.5 million before issue costs, followed by an additional approx. SEK 22.5 million referring to attached warrants (”the Rights Issue”). The general public is also suggested to have the possibility to subscribe in the Rights Issue. The initial part of the Rights Issue is to 100 percent covered by pre-subscription and guarantee commitments.

Result of the year

The company made a negative result of SEK 15,630 thousand during the financial year. During the period, the Company was still in the phase of research and development and had not yet begun commercialization of the Company's product Prostatype® to any great extent. During the financial year, investments of SEK 2,500 thousand were made in product development and the product is judged to be fully developed.

Development of company operations, result and position

Amounts in TSEK	2021-12-31	2020-12-31	2019-06-30	2018-06-30	2017-06-30
Net sales	10	684	74	162	56
Balance Sheet Total	40 203	33 663	17 574	19 711	19 714
Net Result after financial items	-15 630	-17 408	-8 546	-9 318	-4 747
Equity ratio %	89	84	49	32	76

Financing

The company completed a listing on the Nasdaq First North Growth Market in November 2020. A total of 3,885,320 units were subscribed for (shares with attached warrants). Initially, the company was thus provided with gross SEK 37.5 million in equity. After deductions for issue expenses, compensation to convertible holders and bridge loan financiers, the company's net equity of approximately SEK 31.5 million was added. The cash contribution amounted to a net SEK 15.8 million after deductions for issue expenses and set-off of convertibles and bridge loans.

On 17 February 2022, the exercise period for the Company's warrants of series TO 1 ended, which was issued in connection with the Company's issue of units in September 2020. A total of 14 841 warrants of series TO 1. Through the exercise, the Company was thus provided with a total of approximately SEK 162 thousand before issue costs

The available forecasts show that the company will have continued negative operating cash flow for 20221 and for the next two-year period. The Board of Directors makes the assessment that the Company's cash is sufficient for continued operations during 20221, but in order to accelerate the business plan, the Board of Directors decided on 2 May 2022 to propose to the coming Annual General Meeting to authorize the Board to decide on a rights issue of approximately SEK 22.5 million. before issue costs, followed by an additional approximately SEK 22.5 million before issue costs attributable to attached warrants (the “Rights Issue”). It is also proposed that the public be given the opportunity to participate in the Rights Issue. The initial part of the Rights Issue is covered to approximately 100 percent by subscription and guarantee commitments. The subscription commitments, which relate to commitments from existing owners including the Board, as well as from the Company's external contacts, correspond to a total of approximately SEK 8 million (approximately 35 percent of the initial issue proceeds). Guarantee commitments from existing owners and external investors correspond to approximately SEK 14.5 million (approximately 65 percent of the initial issue proceeds). For issued guarantee commitments, a cash premium of ten percent is paid.

Market- and business-related risks

Objectives and milestones

There is a risk that Prostatype Genomics' objectives will not be achieved within the time frame set and that it will take longer than planned to reach the milestones set by the Company's Board, which entails a risk that Prostatype Genomics' operations will be negatively affected in the form of less revenue than calculated, or an increased need for capital to drive the business forward.

Product launch

Prostatype® Test System is still being launched on the market and at the time of submitting the annual report, the Company has only conducted sales on a limited scale. As a result, the Company has not generated any significant revenue attributable to this product. For that reason, it can be difficult to assess the product's sales potential.

Studies

Prostatype Genomics develops and sells medical devices. Before medical devices can be launched on the market, performance and safety must be ensured, which for Prostatype Genomics has been done through internal and external validation studies. Studies are associated with uncertainty and risk regarding delays and results. There is a risk that the results of Prostatype Genomics' possible future studies will not be satisfactory and there is a risk that the Company's future products of reasons of reasons and / or efficiency are not shown to be as good as previous assessments have claimed.

Cooperation partners and customers

Prostatype Genomics initially handled sales to selected urologists but has also signed agreements with suitable partners for distribution and major commercial laboratory chains in Spain / Portugal and the United Kingdom / Ireland. The company's goal is to sign several such agreements in selected target markets. It is of the utmost importance that the distributor has extensive experience of the industry and thus builds up customer contacts in the interesting markets. As the Company has not yet launched the Prostatype® Test System on a large scale, sales did not start in Sweden until 2020, and the partner agreements that have been entered into took place in 2021, the Company does not yet have stable customer and partner relationships that extend back a long time. All customers are newly established but well acquainted with the product area and with a good understanding of the offer Prostatype® stands for.

Financial risks

Financing needs and capital

Prostatype Genomics' future plans entail increased costs for the Company. The company plans to launch its product in a number of additional markets over the next three-year period, which includes the United States, China, Austria, Switzerland and Norway. There is a risk that delays in market breakthroughs in new markets will result in a deterioration in earnings for the Company. There is a risk that the Company may need to raise additional capital in the future and there is a risk that any additional capital may not be raised. There is therefore a risk that development will be temporarily stopped or that the Company will be forced to conduct operations at a slower pace than desired, which may lead to delays or no commercialization and revenue. See also under the heading "Financing" above.

Legal and regulatory risks

Registration and approvals outside Europe

In order to be able to market and sell medical devices, in certain cases a permit must be obtained and registration made with the relevant authority. Prostatype Genomics product is CE marked and the Company is licensed to sell the product in Europe. In 2020, the Company initiated a validation study in Taiwan, the preliminary results of which were presented in 2021 to then be able to proceed with product launch of Prostatype® Test System in the Asian market. The Board assesses the probability that the product documentation is not approved as low. After the balance sheet date, the company established a subsidiary and has no ambition to secure FDA approval but seeks collaborations with laboratory partners that already hold so-called CLIA accreditation, which shortens the time to market introduction and reduces financial risk. The rules and interpretations that currently apply may change in the future, which may affect the Company's opportunities to meet the requirements of different authorities. Thus, changes in rules and interpretations as well as revoked permits and registrations can also be future risk factors.

Patents and other immaterial rights

The company has applied for and been granted patents until 2032 in China, Hong Kong, Japan, Canada and Europe (EPO). The company has patents in the United States that extend to 2034. Overall, there are the following are the risks related to patents and intellectual property rights, including trademarks:

- That Prostatype Genomics is forced to defend its patent rights against a competitor, in which case there is a risk that the same will entail significant costs, which may adversely affect the Company's operations, earnings and financial position.

- That Prostatype Genomics infringes or is alleged to infringe patents held by third parties, or that other actors 'patents may limit the opportunities for one or more of Prostaype Genomics' future partners to freely use the product or production method in question.

- That players with competing operations patent patents adjacent to Prostatype Genomics' existing patents, resulting in competitors' alternatives achieving the same effect as Prostatype Genomics' alternatives.

Individually or collectively, the above points would lead to difficulties or delays in the commercialization of future products and thus also difficulties in generating revenue, which could have a negative impact on the Company's revenue and earnings.

EQUITY

SEK	Share Capital	New share issues in progress	Development fund	Share premium reserve	Accumulated profit/loss
Opening balance	**791 212**	0	**16 066 722**	**107 321 774**	**-95 889 349**
New share issue	114 136	0		24 610 470	
Expenses of the issue				-1 479 344	
Reduction of the share capital					
Option premium					
Transfer to development fund			2 499 641		-2 499 641
Annual result					-15 629 758
Closing balance	**905 326**	**0**	**18 566 363**	**130 452 900**	**-114 018 748**

Number of shares

On December 31st, 2021, the number of shares was 15 088 761.

Outstanding options program

At an Extraordinary General Meeting in June 2020, it was decided on two option programs for management and personnel and for the Board members, respectively. As of the date of this annual report, a total of 159,871 options were subscribed, of which 41,856 were for board members who provide the opportunity to subscribe for one share for each option, in August 2023, at a price of SEK 13.51.

PROPOSED ALLOCATION

The Board of Directors proposes that the accumulated equity **of SEK** 16 434 152**, is accommodated as follows:**

	Belopp i kr
Ackumulated loss	32 063 910
Loss of the year	-15 629 758
Totalt	16 434 152
Carried forward	16 434 152
Total	16 434 152

Regarding the results and position in general, reference is made to the subsequent results, balance sheet and cash flow statement with the associated notes.

INCOME STATEMENT

Belopp i kr	Not	2021-01-01 2021-12-31	2019-07-01 2020-12-31
Net sales		10 001	683 878
Own work capitalized		2 499 641	3 231 665
Other operationg income	3	12 186	721 004
Total revenue		**2 521 828**	**4 636 547**
Operating expences			
Research and development cost		-1 488 110	-2 414 232
Other external costs	4	-8 491 058	-9 834 459
Staff cost	5	-7 980 680	-8 136 244
Depreciation, amortization and impairment		-88 483	-149 052
Other operating expenses		-21 762	-16 373
Operating profit/loss		**-15 548 265**	**-15 913 811**
Income after financial items			
Interest and similar items		-81 493	-1 494 411
Profit/loss after financial items		**-15 629 758**	**-17 408 222**
Profit or loss before tax		**-15 629 758**	**-17 408 222**
Total profit/loss for the period		**-15 629 758**	**-17 408 222**
Earnings per share		***-1,04***	***-1,32***

BALANCE SHEET

Assets Amounts in SEK	Not	2021-12-31	2020-12-31
Fixed assets			
Intangible assets			
Capitalized development expenditure	6	18 566 363	16 066 722
Patent	7	37 175	111 527
		18 603 538	16 178 249
Property, plant and equipment			
Plant and machinery	8	-	-
Equipment and tools	9	14 089	28 220
		14 089	28 220
Total fixed assets		18 617 627	16 206 469
Current assets			
Inventory			
Finished products		107 520	366 369
Advances to suppliers		74 506	28 578
		182 026	394 947
Current Reveivables			
Account receivables		146 573	336 352
Other receivables		502 980	578 467
Prepaid expenses and accrued income		424 429	284 643
		1 073 982	1 199 462
Short-term investments			
Other short-term investments		10 500 000	-
		10 500 000	-
Cash and bank		**9 829 175**	**15 861 788**
Total current assets		**21 585 183**	**17 456 196**
Total assets		**40 202 810**	**33 662 665**

BALANCE SHEET

Equity and liabilities Amounts in SEK	Nc	2021-12-3	2020-12-3
Total equity			
Restricted equity	10		
Share capital		905 326	791 212
Development fund		18 566 363	16 066 722
		19 471 689	16 857 934
Non-restricted equity			
Share premium reserve		130 452 900	107 321 774
Profit/loss brought forward		-98 388 990	-78 481 127
Net profit/loss for the year		-15 629 758	-17 408 222
		16 434 152	11 432 425
Total equity		35 905 841	28 290 359
Long-term liabilites			
Other debt to credit institutions	11	866 667	1 066 667
		866 667	1 066 667
Current liabilities			
Debt to credit institutions	12	400 000	400 000
Accounts payable		1 174 708	1 779 007
Tax liabilities		176 876	55 374
Other current liabilities		212 175	552 325
Accrued liabilities and deferred income	13	1 466 543	1 518 933
		3 430 303	4 305 639
Total equity and liabilities		40 202 810	33 662 665

CASH FLOW STATEMENT

(SEK)	Note	2021-01-01 2021-12-31	2019-07-01 2020-12-31
Operating activities			
Profit after financial items		-15 629 758	-17 408 222
Adjustments for items not included in cash flow etc.		88 483	776 184
Cash flow from operating activities before changes in working capital		**-15 541 275**	**-16 632 038**
Cash flow from changes in working capital			
Change in inventory		212 921	269 053
Change in operating receivables		125 480	-79 419
Change in operating liabilities		-875 336	1 730 472
Cash flow from current operations		**-16 078 210**	**-14 711 931**
Investment activities			
Acquistion of intangibles		-2 499 641	-3 231 664
Acquisition of fixed assets		-	-26 195
Cash flow from investment activities		**- 2 499 641**	**-3 257 859**
Financing activites			
Paid-in option premium		-	204 165
Net issue liquitidy incl. bridge loan		23 245 239	27 877 506
Eecieved convertible loans		-	3 457 750
Amortization		-200 000	-400 000
Cash flow from financing activities		**23 045 239**	**31 139 421**
Cash flow for the year		**4 467 388**	**13 169 631**
Cash and cash equivalents at the beginning of the year		**15 861 788**	**2 692 157**
Cash and cash equivalents at the end of the year		**20 329 176**	**15 861 788**

NOTES

Not 1 Accounting principles

Amounts in TSEK unless otherwise stated.

General accounting principles

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

Valuation principles etc

Assets, provisions and liabilities are valued based on cost unless otherwise stated.

Foreign currency

Monetary entries in foreign currencies are calculated to exchange rates on the balance-sheet day. Non-monetary entries are not recalculated but are reported to the exchange rate at the time of acquisition.

Inventories

Inventories are reported at the lower of cost and net realizable value. This takes the risk of obsolescence into account. The acquisition value is calculated according to the first-in first-out principle

Employee compensation

The description below give an example of the conditions that may exist. The description of accounting principles must be adapted and revised based on applied plans and conditions.

Compensations to employees after terminated employment

Classification

Planer för ersättningar efter avslutad anställning klassificeras som antingen avgiftsbestämda eller förmånsbestämda.
Vid avgiftsbestämda planer betalas fastställda avgifter till ett annat företag, normalt ett försäkringsföretag, och har inte längre någon förpliktelse till den anställde när avgiften är betald. Storleken på den anställdes ersättningar efter avslutad anställning är beroende av de avgifter som har betalat och den kapitalavkastning som avgifterna ger.

Defined contribution plans

Plans for compensation after terminated employment are classified as either defined contribution or defined benefit.

For defined contribution, fixed fees are paid to another company, normally an insurance company, and no longer have any obligations to the employee once the fee has been paid. The size of the employee compensation after terminated employment is dependent on the fees that have been paid and the return on capital of the fees.
For defined benefit, the company has an obligation to give the agreed compensations to present and earlier employees. The company substantially bears partly the risk that the compensation payments are higher than expected (actuarial risk), partly the risk that dividends on the assets deviate from those expected (investment risk). There is also an investment risk if the assets are transferred to another company

Miscellaneous long-term compensation to employees

Liabilities with respect to long-term compensations to employees are reported to current value of the obligation on the balance sheet day.

Compensations for dismissal

Compensations for dismissal, provided the compensation does not give the company future financial benefits, are reported only as a liability and cost when the company has a legal or informal obligation to either
a) dismiss an employee or group of employees before the normal point in time for cessation of the employment, or
b) pay compensation for dismissal by making an offer for voluntary redundancy.

Compensations for dismissal are reported only when the company has a detailed plan for dismissals and does not have any realistic possibility of annulling the plan.

Tax

Tax on profits for the year in the Profit and Loss Account comprises current tax and deferred tax. Current tax is tax on income for the present financial year relating to taxable income and part of previous financial years' tax on income that has not yet been reported. Deferred tax is tax on income for taxable profits relating to future financial years as a result of past transactions or events.

Deferred tax liability is reported for all taxable temporary differences but not for temporary differences arising from first reporting of goodwill.

Deferred tax assets are reported for deductible temporary differences and for the possibility of using fiscal deficit deductions in future. The valuation is based on how the reported value for the corresponding asset or liability 19 PROSTATYPE GENOMICS AB 556726-0285 is expected to be recovered or settled. The sums are based on the tax rates and fiscal regulations that are approved prior to the balance sheet day and have not been present-value computed

Revenue

The influx of financial benefits that the company received or will receive for its own account is reported as income. Revenues are valued as the fair value of that received or to be received with deduction for discounts offered.

Sale of goods

Revenue from the sale of goods is recognized when the following criteria are met:

- The financial benefits that are coupled to the transaction will probably accrue to the company,
- The revenue can be calculated in a reliable manner,

• The company has transferred the significant risks and benefits coupled to the owner of the goods to the purchaser,

• The company has no longer such a commitment to the running management that is usually connected with the owner and does not either exert any real control over the sold goods, and

• The expenses that have arisen or are expected to arise as a result of the transaction can be calculated in a reliable manner.

Public contributions

A public contribution that is not associated with the demand for future performance is reported as an income when the conditions for the contribution are met. A public contribution that is associated with the demand for future performance is reported as an income when the requirements for the performance are fulfilled. If the contribution has been received before the conditions for reporting it as an income have been met, the contribution is reported as a liability.

Intangible assets

Research and development expenses

The activation model is applied in case of capitalizing the expenses for development. This means that expenses incurred during the development phase are reported as an asset when all of the following conditions are met:

- It is technically possible to complete the intangible fixed asset so that it can be used or sold.
- It is intended to complete the intangible fixed asset and use or sell it.
- Prerequisites exist to use or sell the intangible fixed asset.
- It is probable that the intangible fixed asset will generate future financial benefits.
- Necessary and adequate technical, financial and other resources exist to finalise the development and to use or sell the intangible fixed asset.
- The expenses relating to the intangible fixed asset can be calculated in a reliable manner. The acquisition value of an internally generated intangible fixed asset consists of all directly attributable expenses (eg materials and salaries). Depreciation will begin when the product is completed.

Other intangible fixed assets

Other intangible assets acquired by the company are recorded at acquisition value less accumulated depreciation and write-downs. Depreciation is made on a straight-line basis over the estimated useful life.

Costs for patent

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. If the asset on the balance sheet date has a lower value than the book value, the asset is written down to this lower value.

Tangible assets

Tangible fixed assets are reported to the cost of acquisition less accumulated depreciation and impairment [Or with addition for revaluations.] The acquisition value includes, in addition to the acquisition price, even expenses that are directly related to the acquisition

Depreciation

Depreciation is linear over the estimated lifetime of the asset as this reflects the expected consumption of the asset's future financial benefit. Depreciation is reported as a cost in the Profit and Loss Account.

Tangible assets	*År*
Machinery and other technical equipment	5
Equipment, tools and installations	5

Leasing

Leasing fees in accordance with operational leasing agreements, including the initial payment but excluding expenses for services such as insurance and maintenance, are reported as a cost linearly over the leasing period.

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.

Deficit deduction

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

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. An impairment test has been performed, which does not indicate a need for impairment. Until the company reaches a positive operating cash flow, the company is thus dependent on external financing, primarily through equity, to implement its business plan. Through the rights issue that was performed in 2021 and the rights issue that is planned for 2022, the financing of the Company is deemed to be secured.

Note 3 Other operating income

	2021-01-01-2021-12-31	2019-07-01-2020-12-31
EIT health contribution	-	367 200
Layoffs contribution	-	401 324
Other	12 186	-47 520
Total	**12 186**	**721 004**

Note 4 Remuneration and expenses of auditors

Grant Thornton Sweden AB	2021-01-01-2021-12-31	2019-07-01-2020-12-31
Audits assignments	211 530	367 200
Other assignments	106 515	307 649
Skatterådgivning	0	0
Övriga tjänster	0	0
Summa	**318 045**	**703 054**

Auditing assignments refer to statutory audits of the annual accounts and the accounts, as well as the administration of the board and the managing director and auditing and other audits conducted in accordance with agreement or agreement. This

includes other duties that it is the responsibility of the company's auditor to perform as well as advice or other assistance caused by observations in such review or performance of such other duties.

Note 5 Employees and personnel costs

Average number of employees	2021-01-01- 2021-12-31	2019-07-01- 2020-12-31
Totalt	**5**	**5**

Salaries and other remunererations distributed between board members etc. and other employees	2021-01-01- 2021-12-31	2019-07-01- 2020-12-31
Salaries and other remunerations, the board of directors and CEO	2 850 501	1 558 726
Salaries and other remunerations, employees	2 634 679	4 358 265
Social costs	2 097 306	1 884 557
(Of which pension costs)	865 801	542 522
Total	**7 582 486**	**7 801 548**

Reporting of gender distributions in the company management	2021-12-3	2020-12-31
Number of woman	40 %	40 %
Number of men	60 %	60 %
Proportion of women among other senior executives	0 %	0 %
Proportion of men among other senior executives	100 %	100 %

The CEO has a notice period of six months and is entitled to nine months' remuneration upon termination.

Note 6 Capitalised expenditure for development work and similar

Ackumulated costs of acquisitions	2021-12-31	2020-12-31
- At beginning of year	16 066 722	12 835 058
- Internally developed assets	2 499 641	3 231 6640
At the end of the year	18 566 363	-260 229
Carrying amount at year-end	**18 566 363**	**16 066 7227**

The product of the Company is deemed to during 2022 move form the development phase to the commercial one, which means that amortizations are estimated to be introduced during Q1 2022.

Note 7 Concessions, patents, licenses, trademarks and similar rights

Accumulated costs of acquisitions	2021-12-31	2020-12-31
- At beginning of year	371 756	371 756
At the end of the year	371 756	371 756
Accumulated depreciation		
- At beginning of year	-260 229	-148 702
- Depreciation of the year	-74 352	-111 527
At the end of the year	-334 581	-260229
Carrying amout at year-end	**37 175**	**111 527**

Note 8 Machinery and other technical equipment

Ackumulated costs of aquisitions	2021-12-31	2020-12-31
- At beginning of year	487 990	487 990
At the end of the year	487 990	487 990
Ackumulated depreciations		
- At beginning of the year	-487 990	-477 246
- Depreciation of the year	-	-10 744
At the end of the year	-487 990	-487 990
Carrying amount at year end	**-**	**-**

Note 9 Equipment, tools and installations

Ackumulated costs of aquisitions	2021-12-31	2020-12-31
- At the beginning of the year	244 648	218 453
- New aquisitions	-	26 195
	244 648	244 648
Ackumulated depreciation		
- At the beginning of the year	-216 428	-189 647
- Depreciation of the year	-14 131	-26 781
	-230 559	-216 428
Carrying amount at year-end	**14 089**	**28 220**

Note 10 Number of shares and quote value

	2021-12-31	2020-12-31
Number of share	15 088 761	13 186 870

Note 11 Long-term liabilities

Liabilities that fall due more than one year after the balance-sheet day	2021-12-31	2020-12-31
Growth loan, Almi		
	866 667	1 066 667
	866 667	**1 066 667**

Note 12 Short-term liabilities

Skulder som förfaller inom ett år från balansdagen	2021-12-31	2020-12-31
Project loan Almi	400 000	400 000
	400 000	**400 000**

Note 13 Accruals and prepaid income

	2021-12-31	2020-12-31
Accrued holiday pay	506 157	710 624
Accrued bonus	-	328 550
Estimated accrued social security contributions	159 034	223 278
Accrued board members fees including social security	174 107	59 795

Note 14 Pledged assets and contingent liabilities

Securities pleadged	2021-12-31	2020-12-31
Chattel mortgages	3 500 000	3 500 000
Assets with ownership reservation	109 733	109 733
Total pledged assets	**3 609 733**	**3 609 733**

Contingent liabilities

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

Note 15 Number of shares

Number of shares	2021-12-31	2020-12-31
- At the beginning of year	3 500 000	102 082
- Share issues	1 901 891	13 084 788
Total number of shares	**15 088 761**	**13 186 870**

Note 16 Transactions with related parties

During the period from January 1 2021 to 31 December 2021, except for what is detailed below, no related part transactions have taken place.

During the period January 2021 - December 2021, the company purchased services worth SEK 1,008,002 from the company SecureAppbox AB, which delivers web-based solutions for P-scores. Prostatype Genomics AB's board member Håkan Englund is chairman of SecureAppbox. Håkan Englund has not been involved in the procurement of these services.

Transactions with related parties have been performed on market terms.

Note 17 Significant events after the end of the financial year

War in Ukraine

The company has no operations in either Russia or Ukraine, nor has it experienced any consequences from the ongoing war.

Outcome of the exercise of warrants

On 17 February 2022, the exercise period for Prostatype Genomics AB's warrants of series TO 1 ended, which was issued in connection with the Company's issue of units in September 2020. A total of 14,841 warrants of series TO 1 were exercised. before issue costs. When the shares issued through the use of TO 1 are registered with the Swedish Companies Registration Office, the total number of shares in Prostatype Genomics will amount to SEK 15,103,602 and the share capital to SEK 906,216.12.

Presentation at the American Urology Association annual meeting 2022

The results from the study conducted by the University Hospital in Uppsala have been selected for presentation during AUA, American Urology Association annual meeting 2022 which takes place in New Orleans on 13-16 May.

The purpose of the study, led by Associate Professor Michael Häggman at the Department of Urology, Uppsala University Hospital, was to show whether the results from the use of Prostatype® before treatment decisions for patients with prostate cancer are consistent with the tumor's actual aggressiveness.

The first question was whether the Prostatype® genetic test and its P-score algorithm are correlated in fusion-led biopsies in relation to operated prostates, so-called prostatectomies. The second question has concerned the correlation in gene expression in the index tumor itself in relation to other cancer areas in the prostate.

The preliminary results show a high degree of correlation in the P-score values (0.83-0.84) for both questions, which are also further underlined by the strong statistical significance for both questions ($p < 0.0001$). This means that the test results from the tissue samples with Prostatype® provide the

indication that is requested to determine with greater certainty the next step in the treatment of the patient.

The American Urology Association's Congress 2022 is one of the largest and most important gatherings for urologists globally, and Prostatype Genomics is very proud that one of our clinical validation studies with Prostatype®, whose preliminary results were communicated in August 2021, has been selected for presentation at the congress. This is an important step in the upcoming launch of Prostatype® in the US market.

Daughter company in the United States
In March 2022, Prostatype Genomics established a subsidiary in the USA, Prostatype Genomics, Inc., wholly owned 100% by Prostatype Genomics AB. It is an important step in the work towards the American market entry.

First order from the United Kingdom
In March 2022, the Company delivered the first order for Prostatype® to Cambridge Clinical Labs (CCL), the Company's partner in the United Kingdom and Ireland.

Cooperation with Capio Solna
Prostatype Genomics inledde i april 2022 samarbete med Urologimottagningen Capio Specialistcenter i Solna med omedelbar verkan. Detta samarbete innebär att patienter och läkare kan få tillgång till gentestet Prostatype® och ett bättre beslutsunderlag i valet av behandling vid prostatacancer.

Rights issue
In May 2022, the Board announced its decision to propose that the upcoming Annual General Meeting resolves to authorize the Board to decide on a rights issue of units of initially approx. SEK 22.5 million before issue costs, followed by an additional approx. SEK 22.5 million referring to attached warrants (”the Rights Issue”). The general public is also suggested to have the possibility to subscribe in the Rights Issue. The initial part of the Rights Issue is to 100 percent covered by pre-subscription and guarantee commitments

Not 18 Proposed allocation

	Amount SEK
The Board of Directors proposes that the accumulated equity of SEK 16 434 152 is accommodated as follows:	
Ackumulated loss	32 063 910
Loss of the year	-15 629 758
Total	16 434 152
Carried forward	16 434 152
Total	16 434 152

MANAGEMENT

Fredrik Persson

CEO sedan 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: 110 715 shares and 25000 warrants 2020/2023A

Michael af Winklerfelt

CFO & COO sedan 2020

About: MBA in Finance & Strategy Concentration, Emory University, USA. M.Sc in Economics and Business Administration, Stockholm School of Economics. Wide-ranging international experience working for multinationals in US, Europe and China.

Other assignments: Director of the Board Ramén Valves AB

Holdings in the Company: 4 000 shares and 37206 warrants 2020/2023A

Lidi Xu

CTO sedan 2019

About: Ph.D. in Medical Science, Karolinska Institute, Stockholm, Sweden, M.Sc., Stockholm University, B.Sc in Bioscience, Beijing University (北京师范大学), China. Senior Medical Scientist specialized in oncology.10 years of experience in research, project design and implementation. In-depth knowledge in the cancer biology field

Other assignments: - Holdings in the

George Skinner

VP Commercial operations sedan 2020

About:BSc from University of Toronto (Canada), followed by over 4 decades of international experience in the medical device and in vitro diagnostics fields in North America and Europe. Beginning with Boehringer Mannheim GmbH (now Roche Diagnostics), George's career encompasses senior global lead management positions and successful new product launches at Byk-Sangtec GmbH (now DiaSorin), Gen-Probe Inc. (now Hologic), MDx Health, and many others, and includes launching and marketing numerous urological oncology biomarkers such as PSA, BTA stat, PCA3, and SelectMDx. George resides in Germany.

Other assignments: -

Holdings in the Company
Company: 3672 shares and 18603 warrants 2020/2023A

Dilruba Ahmed

Quality Control Manager sedan 2019

About: Ph.D. in Medical Science (cancer biology), M.Sc. in infectious disease control, Karolinska Institute, Stockholm, Sweden. Bachelor of Pharmacy and M.Sc. in Pharmaceutical Science. 10 years of experience from research and pharmaceutical product management experience

Other assignments: -

Holdings in the Company: 1836 shares and 18603 warrants 2020/2023A

Board of Directors

Anders Lundberg

Chairman of the Board, member since

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
Modern Car Group International AB ;Board member
Sollentunafastigheter 2 AB; Deputy board member
Sollentunahem AB; Deputy board member

Holdings in the Company: Via AJ Lundberg Kapitalförvaltning AB 311 509 shares and 0 warrants 2020/2023B

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

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: General partner in Skrotum Kommanditbolag and deputy member of the board of Kardinaltalet AB.

Holdings in the Company: 24 817 shares and 0 warrants 2020/2023B

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

Karlheinz Schmelig

Board Member since 2013

About: BSc in Business Administration, DHBW Mannheim, Germany. MBA, Kelley School of Business, Bloomington, USA. Managing Director (Geschäftsführer) of Creathor Venture Management GmbH, Bad Homburg (advisor to Creathor Funds).

Other assignments:
Biofrontera AG, Leverkusen, Germany; Supervisory Board Member
Phenex Pharmaceuticals, Heidelberg, Germany; Supervisory Board Member
CryoTherapeutics SA, Awans, Belgium; Supervisory Board Member,
Cevec Pharmaceuticals, Cologne, Germany; Board Member
Tacalyx GmbH, Berlin, Germany; Board Member
Acousia Therapeutics GmbH, Tübingen, Germany. Board Observer

Holdings in the Company: Representing Creathor Ventures, 3 079 911 shares, 443561 and 0 warrants 2020/2023B. Personal holding: 9951 share.

Independent in relation to Prostatype Genomics and its senior management. Dependent in relation to major shareholder

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.

CEO and owner, JDS Invest. 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 BioArctic AB; Board member GlycoBond AB; Deputy board member: SecureAppbox AB;Chairman of the Board Ultimovacs ASA ; Deputy board member (Ending April 2022)

Holdings in the Company: Via JDS Invest AB and privately 740 855 shares and 0 warrants 2020/2023B. Independent in relation to Prostatype Genomics, its senior management and major shareholders.

SIGNATURES

Stockholm 2022-05-05

Anders Lundberg
Chairman

Fredrik Persson
CEO

Michael Häggman
Director

Håkan Englund
Director

Karlheinz Schmelig
Director

Our audit report was submitted on 2022-05-05

Grant Thornton Sweden AB

Anders Meyer
Chartered Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Prostatype Genomics AB
Corporate identity number 556726-0285

Report on the annual accounts

Opinions

We have audited the annual accounts of Prostatype Genomics AB for the year 2021. The annual accounts of the company are included on pages 11-30 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Prostatype Genomics AB as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of Prostatype Genomics AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1-10. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

• Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Prostatype Genomics AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of Prostatype Genomics AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

• has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
• in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a

basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm
Grant Thornton Sweden AB

Anders Meyer
Authorized Public Accountant