



Prostatype Genomics AB

Org. 556726-0285

Quartely report Q1 2023

1 January 2023 – 31 March 2023

Quarter 1 (1 January – 31 March 2023) summarized

- Net sales amounted to 392 TSEK.
- Net revenue amounted to 392 TSEK.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -7 324 TSEK.
- Cash flow from current operations in the quarter amounted -9 147 TSEK.
- Total cash flow for the period amounted to -9 317 TSEK.
- Earnings per share amounted to -0,34 SEK.



**Prostatype
Genomics**

Significant events during the first quarter

Prostatype Genomics initiates collaboration with Spanish Eurofins Megalab

In March, it was announced that Prostatype Genomics is entering into collaboration with Eurofins Megalab, a leader in clinical analysis in the Spanish laboratory market and part of Eurofins, one of the world's largest laboratory groups with operations in Europe, the US, Asia and Latin America. The agreement means that Eurofins Megalab will handle all steps of the laboratory process required to analyze the Prostatype® test on the Spanish and Portuguese markets. The collaboration is another step in Prostatype Genomics' work to further accelerate commercialization in Europe. The agreement will enter into force immediately.

Study with Prostatype® published in leading international journal

The study, conducted by a research team at Uppsala University Hospital led by associate professor and chief physician Michael Häggman, shows that the Prostatype® gene test correctly assesses the aggressiveness of the prostate cancer tumor when comparing gene expression from tissue samples, so-called biopsies, with the "result", i.e. the operated prostate (radical prostatectomy). The study is now published in *The Prostate*, a leading peer reviewed publication aimed at, among others, urologists and pathologists.

Resolution on extraordinary general meeting and rights issue

In March, the Board of Directors announced that it convened an extraordinary general meeting to approve a new issue of shares of approximately SEK 34.3 million with preferential rights for existing shareholders.

Prostatype Genomics recruits Steven Gaal as President of Prostatype Genomics Inc., USA

Prostatype Genomics AB has recruited Steven Gaal to the role of President of the company's wholly owned subsidiary, Prostatype Genomics Inc. Stevens' task will be to establish and launch Prostatype®, the company's gene test for assessing the aggressiveness of prostate cancer in patients, on the US market. Steve has over 18 years of experience from leadership positions in sales of cancer diagnostic tools and services and will join Prostatype Genomics Inc. with immediate effect.

Steven joins Prostatype Genomics Inc. with extensive experience in genomic testing. Steven has experience working in both start-ups and more established companies. He has held senior positions at USLABS (acquired by LabCorp), P4Diagnostix and most recently SkylineDx. As Sales Director at MDxHealth, Steven was instrumental in launching ConfirmMDx for prostate cancer and SelectMDx for prostate cancer to US-based urologists.

Prostatype Genomics AB enters into agreement with Life Genomics AB

Prostatype Genomics and Life Genomics are entering into a non-exclusive collaboration whereby Life Genomics will handle all steps in the laboratory process required to analyze Prostatype, the Prostatype® Genomics gene test to assess the aggressiveness of prostate cancer. The collaboration means that Prostatype Genomics can further focus on marketing the test to patients and doctors and secures resources to be able to handle the increased demand for Prostatype® from patients and healthcare. The agreement applies to all Nordic countries and enters into force immediately.

The collaboration means that Life Genomics will handle the entire process from receiving referrals from healthcare providers to performing and reporting the results of the gene analysis in accordance with Prostatype Genomics' quality-assured processes.

Significant events after the end of the period

Outcome of rights issue

In May, the Company announced the final outcome of the new issue of shares with preferential rights for the Company's shareholders, whose subscription period ended on May 11, 2023. The subscription summary shows that 77,226,496 shares, corresponding to approximately 56.3 percent of the Rights Issue, were subscribed for with or without subscription rights, of which 71,151,384 shares, corresponding to approximately 51.9 percent of the Rights Issue, were subscribed for with subscription rights and 6,075,112 shares, corresponding to approximately 4.4 percent of the Rights Issue, were subscribed for without subscription rights. Accordingly, the guarantors are allocated approximately 13.7 percent of the Rights Issue, whereby the Rights Issue is subscribed for approximately 70 percent in total and Prostatype Genomics thereby receives approximately SEK 24.0 million before issue costs. Following registration of the Rights Issue at the Swedish Companies Registration Office, the Company's share capital will increase by approximately SEK 5,760,593.28 to a total of approximately SEK 7,132,320.42. The number of shares in the Company will increase by 96,009,888 to a total of 118,872,007. Shareholders who have not participated in the Rights Issue have thus had their ownership in Prostatype Genomics diluted by approximately 80.8 percent.

Prostatype Genomics utser professor Gerald Andriole till Chief Medical Officer

Prostatype Genomics AB announced in Monday that Professor Gerald Andriole has been appointed Global Chief Medical Officer at Prostatype Genomics. With more than 35 years of experience in urology, Professor Andriole brings experience and expertise to Prostatype Genomics' efforts to commercialize the Prostatype® test in the U.S. and globally.

Extraordinary General Meeting

An extraordinary general meeting was held on April 21. The Annual General Meeting has today resolved to approve the Board of Directors' resolution on the rights issue as follows.

1. One (1) existing share in Prostatype Genomics held on the record date, April 25, 2023, entitles to one (1) subscription right. One (1) subscription right entitles to subscription of six (6) newly issued shares.
2. The subscription price amounts to SEK 0.25 per share. Payment must be made in cash.
3. Through the rights issue, Prostatype Genomics can raise a maximum of approximately SEK 34.3 million before issue costs, which are estimated to amount to approximately SEK 2.8 million.
4. The subscription period runs from April 27 to May 11, 2023.
5. Subscription rights that are not exercised during the subscription period become invalid and lose their value. Trading in subscription rights is planned to take place on Nasdaq Premier First North Growth Market during the period 27 April – 8 May 2023.
6. Upon full subscription, the rights issue means that the Company's share capital increases by a maximum of SEK 8,229,418.92, corresponding to a maximum of 137,156,982 shares and a maximum dilution of 85.7 percent.

The rights issue is secured to 70 percent through subscription commitments and guarantee undertakings from existing and external investors.

Outcome of TeckningsOptioner Series TO 2

On March 30, 2023, the exercise period for Prostatype Genomics AB's ("Prostatype Genomics" or the "Company") warrants of series TO 2 ended. A total of 2,622 warrants of series TO 2 have been exercised, corresponding to SEK 7,603.80. During the period 9-30 March 2023, holders of warrants of series TO 2 have had the right to subscribe for shares with the support of warrants. One (1) warrant of series TO 2 entitles the holder to subscribe for one (1) new share in Prostatype Genomics at a subscription price set at SEK 2.90. A total of 2,622 warrants of series TO 2 have been exercised, corresponding to a subscription of SEK 7,603.80. The utilization entails a dilution of 0.01 percent.

After registration, the number of shares in the Company will amount to 22,862,119 shares and the share capital will amount to SEK 1,371,727.14.

CEO comments

For Prostatype Genomics, the start of 2023 has meant major and important progress in all priority areas and markets, not least the American one. I find it difficult to remember a more intense, fun, and exciting period during the years I have been active in the company. It is of course satisfactory that the sales rate continues to increase, albeit from low levels, also during the first quarter of 2023 and that the trend is pointing in the right direction. It keeps delighting us.

The recently concluded new share issue brought the company approximately SEK 24 million before issue costs. I would of course like to take this opportunity to thank existing shareholders and new investors for your trust and for enabling Prostatype Genomics to continue the commercialization process at a high pace despite the current climate in the financial markets.

If we then move on to the market part of our business, we note continued steps forward both in Europe and in the USA. On the laboratory side, we have reached a Nordic agreement with Life Genomics, which means that they handle and are responsible for the entire process required to analyze the gene test Prostatype®. In Spain and Portugal, we have entered into a corresponding agreement with Eurofins Megalab, a leading player in the local laboratory markets and part of Eurofins, one of the world's largest laboratory groups with operations in Europe, the USA, Asia, and Latin America. These collaboration agreements are important steps in commercialization. Our strategy has been clear from the very beginning, where the company determined that the laboratory handling of the test should be handled locally by an external partner, so that Prostatype Genomics can fully focus on marketing the test to patients and doctors. Discussions are ongoing at the time of writing with additional partners in other countries where we hope to complete these negotiations soon.

In the American market, the start has been very positive with the recruitment of Steve Gaal to the role of President of our American subsidiary, and more recently also Professor Jerry Andriole in the important role of Global Chief Medical Officer. With over 35 years of experience in urology, Jerry has the experience, expertise, and network necessary to commercialize Prostatype® in the US market. As previously communicated, the American market is considerably more mature than the European one, where biomarkers like Prostatype® have been routinely used for more than a decade. These biomarkers are also included in the US reimbursement systems, both private and public. It is therefore very gratifying to inform you that Prostatype Genomics has been invited by Medicare, the largest player on the American market, to a meeting in June to discuss the conditions for including Prostatype® in the reimbursement system. Once we reach this approval, very interesting opportunities open for Prostatype Genomics both financially and strategically, and it is, for obvious reasons, also an activity that is a very high priority within the company.

In addition to the many validation studies that are ongoing in clinics around Europe, a study conducted by a research team at the University Hospital in Uppsala under the leadership of associate professor and senior physician Michael Häggman has been published in "The Prostate", a leading peer reviewed publication aimed at, among other things urologists and pathologists. The study shows that Prostatype® correctly assesses the aggressiveness of the prostate cancer tumour when comparing gene expression from tissue samples, so-called biopsies, with "facit", i.e., the operated prostate. This once again confirms the exceptionally strong performance of Prostatype®. Continued publication of studies with Prostatype® is, alongside the continued commercialization process, a high-priority activity where we have many interesting projects underway, which strengthens the product's scientific relevance and footprint. More information in this area will come continuously during the year.

I would like to conclude once again with a big thank you to all the new and former shareholders who chose to participate in the recently concluded rights issue, your trust in the business means that we can build on the last quarter's successes and gear up further.

Fredrik Persson

CEO Prostatype Genomics AB

Solna 31 May 2023

Jerry Andriole: Prostatype® P-Score in the US market



Conventional clinical parameters have limited ability to correctly identify which prostate cancers require treatment. ***In the US, it is estimated that 60% of the 280,000 new cases of prostate cancer diagnosed in 2023 will pose a treatment dilemma for the patient and his doctor.*** Additional information obtained by analyzing the genetic composition of prostate cancer can improve the ability of clinicians to characterize the aggressiveness of the tumor and the need more accurately for definitive treatment. Prostatype® P-Score is unique in that it evaluates embryonic stem cell genes, which are expressed throughout the prostate. Thus, the P-Score does not depend on which tumor or in which part of a given tumor the biopsy was detected.

Since all current forms of prostate biopsy are "hit or miss" when it comes to identifying the most aggressive cancer of the prostate, this makes the P-score have a significant "head start" over the competition. Existing data confirm this: The P-score very accurately predicts long-term outcomes such as metastases or death due to prostate cancer.

Financial information and comments

Comparison between January-March 2023 and January-March 2022

Net sales

Net sales for the Company amounted to 392 (261) TSEK. The company is still in the initial phase of commercialization; hence sales are as expected.

Operating profit/loss

The operation profit/loss for the Company's first quarter 2023 amounted to -9 317 (-5 536) TSEK which is a decrease with approximately 40 % in comparison to prior period. The company's costs consist mainly of commercialization, testing and staff.

Cash flow from current operations

The cash flow for the first quarter amounted to -9 317 (-5 903) TSEK. The cash flow from current operations amounted to -9 147(-5 803) TSEK. The cash flow for the period is in line with the Company's operating expenses.

Cash flow from investment activities

The cash flow from investment activities amounted to -70 (0) TSEK. From the start of 2022 all product development is carried as expense.

Cash flow from financing activities

The cash flow from financing activities amounted -100 (-100) TSEK. Liquid funds as of 31st March 2023 amounted to 2 171 (14 227) TSEK.

Number of shares

On March 31st, 2023, the number of shares was 22 859 497 (15 103 602). The nominal increase is assignable to share issues carried through 2022. Average amount of shares during the first quarter 2023 was 22 859 497.

Prostatype Genomics business and financial ratios

Amounts in SEK	2023-01-01	2022-01-01	2022-01-01	2019-07-01
	2023-03-31	2022-03-31	2022-12-31	2020-12-31 (18 månader)
Operating margin	neg	neg	neg	neg
Profit margin	neg	neg	neg	neg
Return on equity	neg	neg	neg	neg
Equity/debt ratio	77%	89%	84%	49%
Equity captial	18 340 888	30 350 773	26 151 033	28 290 359
Cash flow	-9 317 324	-5 902 576	-8 840 443	13 169 631
Number of shares (end of the period)	22 859 497	15 103 602	22 859 497	13 186 870
Number of shares (average for the period)	22 859 497	15 096 182	18 974 129	6 644 476
Number of shares - full dilution (end of the period)	23 019 368	15 145 458	23 019 368	13 346 741
Earnings per share	-0,34	-0,37	1,27	-1,32
Diluted earnings per share (end of the period)	-0,34	-0,37	1,26	-1,30
Number of employees (end of the period)	6	5	6	5
Dividend per share	-	-	-	-

Definition of key ratios

Operating margin	Operating profit/loss after depreciation /net sales
Profit margin	Net profit/loss for the year / net sales
Return on equity	Profit/loss before tax / adjusted equity
Equity/debt ratio	Adjusted equity / total assets
Earnings per share	Net profit/loss for the year / number of shares by period closing
Diluted earnings per share (end of the period)	Net profit/loss for the year / (number of shares + warrants by period closing)

Financial statement

Amounts in SEK	2023-01-01	2022-01-01	2022-01-01
	2023-03-31	2022-03-31	2022-12-31
Net sales	391 687	260 760	682 798
Own work capitalized	-	-	-
Other operating income	-	3 299	-
Total revenue	391 687	264 058	682 798
Operating expenses			
Research and development cost	-530 275	-673 447	-3 507 690
Other external cost	-3 902 647	-2 508 850	-13 488 884
Staff cost	-3 279 071	-2 132 297	-10 388 148
Depreciation, amortization and impairment	-469 266	-486 282	-1 904 302
Other operating expenses	-3 824		-84 067
Operating profit/loss	-7 793 396	-5 536 818	-28 690 293
Income after financial items			
Interest income and similiar items	860	-	-
Interest expenses and similiar items	-17 607	-18 250	-396 240
Profit/loss after financial items	-7 810 143	-5 555 067	-29 086 533
Profit or loss before tax	-7 810 143	-5 555 067	-29 086 533
Total profit/loss for the period	-7 810 143	-5 555 067	-29 086 533

Balance sheet

(SEK)	2023-03-31	2022-03-31	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development expenditure	16 245 566	18 102 203	16 709 726
Patent	-	18 587	-
Total intangible assets	16 245 566	18 120 790	16 709 726
<i>Property, plant and equipment</i>			
Plant and machinery			-
Equipment and tools	73 509	10 555	3 599
Total property, plant and equipment	73 509	10 555	3 599
<i>Financial assets</i>			
Other financial assets	72 400		68 136
Total financial assets	72 400		68 136
Total fixed assets	16 391 475	18 131 345	16 781 461
Current assets			
<i>Inventory</i>			
Finished products	158 080	74 560	43 800
Advances to suppliers	138 486	84 506	138 486
Total current assets	296 566	159 066	182 286
<i>Long-term receivables</i>			
Receivables from group companies	1 850 238	-	-
Total long-term receivables	1 850 238	-	-
<i>Current receivables</i>			
Accounts receivable	876 199	403 136	502 434
Other receivables	1 652 091	664 001	1 655 830
Prepaid expenses and accrued income	485 199	376 901	339 464
Total current receivables	3 013 490	1 444 038	2 497 728
<i>Short-term investments</i>			
Other short-term investments	1 928 441	10 500 000	6 677 581
Total short-term investments	1 928 441	10 500 000	6 677 581
<i>Cash and bank</i>			
	242 967	3 926 599	4 811 151
Total current assets	7 331 702	16 029 704	14 168 746
TOTAL ASSETS	23 723 177	34 161 049	30 950 207

Balance sheet

(SEK)	2023-03-31	2022-03-31	2022-12-31
EQUITY AND LIABILITIES			
Total equity			
Restricted equity			
Share capital	1 371 569	905 326	1 371 569
Development fund	16 245 566	18 566 363	16 709 726
Total restricted equity	17 617 135	19 471 689	18 081 295
Non-restricted equity			
Share premium reserve	149 318 381	130 452 900	149 318 381
Profit/loss brought forward	-140 784 485	-114 018 748	-112 162 111
Net profit/loss for the year	-7 810 143	-5 555 067	-29 086 533
Total non-restricted equity	723 753	10 879 084	8 069 738
Total equity	18 340 888	30 350 773	26 151 033
Long-term liabilities			
Convertible loan	-	-	-
Other debt to credit institutions	366 417	866 667	466 667
Total long-term liabilities	366 417	866 667	466 667
Current liabilities			
Debt to credit institutions	400 000	300 000	400 000
Accounts payable	2 679 870	620 489	2 183 975
Tax liabilities	127 794	123 480	240 286
Other current liabilities	571 479	294 250	461 364
Accrued liabilities and deferred income	1 236 728	1 605 390	1 046 881
Total current assets	5 015 871	2 943 609	4 332 506
TOTAL EQUITY AND LIABILITIES	23 723 177	34 161 049	30 950 207

Cash flow statement

(SEK)	2023-01-01	2022-01-01	2022-01-01-
	2023-03-31	2022-03-31	2022-12-31
Operating activities			
Profit after financial items	-7 810 143	-5 555 067	-29 086 533
Adjustments for items not included in cash flow etc	469 266	486 282	1 904 302
Cash flow from operating activities before changes in working capital	-7 340 877	-5 068 785	-27 182 231
Cash flow from changes in working capital			
Change in inventory	-114 280	22 960	-260
Change in operating receivables	-2 375 622	-370 056	-1 423 746
Change in operating liabilities	683 365	-386 694	912 855
Cash flow from current operations	-9 147 414	-5 802 576	-27 693 382
Investment activities			
Acquisition of intangibles			-
Acquisition of fixed assets	-69 910	0	-
Cash flow from investment activities	-69 910	0	
Financing activities			
Paid-in option premium	0	0	-
Net issue liquidity incl. bridge loan	0	0	19 252 938
Received convertible loans	0	0	-
Amortization	-100 000	-100 000	-400 000
Cash flow from financing activities	-100 000	-100 000	18 852 939
Cash flow for the period	-9 317 324	-5 902 576	-8 840 443
Opening liquid funds	11 488 732	20 329 175	20 329 175
Closing liquid funds	2 171 408	14 426 599	11 488 732

Changes in equity

1 January 2021 – 31 December 2022

SEK	Share capital	Development fund	Share premium reserve	Accumulated profit/loss
Opening balance	905 325	18 566 363	130 452 900	-114 018 748
New share issue	466 244		22 104 639	
Expenses of the issue			-3 239 158	
Transfer to development fund		-1 856 636		1 856 636
Result for the period				-29 086 533
Closing balance	1 371 569	16 709 727	149 318 381	-141 248 645

1 January 2022 – 31 March 2023

SEK	Share capital	New share issues in progress	Development fund	Accumulated profit/loss
Opening balance	1 371 569	16 709 727	149 318 381	-141 248 645
Transfer to development fund		-464 160		464 160
Result for the period				-7 810 143
Closing balance	1 371 569	16 245 567	149 318 381	-148 594 628

General information

Company information

Prostatype Genomics AB with organization number 556726-0285 is a limited company registered in Sweden, domiciled in Stockholm. The address is Gustaf III:s Boulevard, 169 73 Solna. The company is engaged in the research and developments of medical devices.

In this report, Prostatype Genomics AB is called either by its full name or as “the Company”. All figures in the report are in thousands of Swedish kronor (TSEK) if not otherwise specified.

The Company is the result of more than ten years of research into 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 diagnosis and prognosis that has been developed to provide the complementary information that is often needed for the selection of the optimal treatment strategy for each patient. The test analyzes the gene expression in cancer cells from prostate tissue and gives, in combination with an advanced algorithm and data analysis, decision support for optimal treatment of individual patients once prostate cancer has been confirmed. Aided by AI (Artificial Intelligence) technology, the gene test of Prostatype Genomics makes it possible to make a better prognosis and to classify the patient’s illness into different risk types. In that way the Company can reduce the risk of over- or under treatment, which in many cases lead to great discomfort for the patient. Prostatype® is today the only gene test for prostate cancer that is available in kit format. The product is also very scalable in terms of volume due to the algorithm that forms the basis of the test.

Accounting principles

The report has been prepared in accordance with) BFNAR 2012:1 Årsredovisning och koncernredovisning (K3) issued by the Swedish Accounting Standards Boards (BFN). The accounting policy for the Company complies with applied accounting principles for the most recent published annual report.

Related party transactions

During the period from January to March 31 2023, except for what is detailed below, no related party transactions have taken place.

The Company has procured services for in total 149 TSEK from the company SecureAppbox AB during the period. SecureAppbox AB is a supplier of web-based solutions for P-score. Håkan Englund, Member of the Board of Prostatype Genomics AB, is the Chairman of the Board of SecureAppbox. Håkan Englund has not taken part in the procurement process for these services.

Transactions with related parties have been performed on market terms.

Profit disposition

The Board is not intending to propose any dividend at the coming General Meeting.

Risk factors

For a description of the most significant market- and operational risk, please see the recently published Annual Report for 2022.

Other information

Dates for publication of financial information

General Meeting 2022	2023-06-01
Q2 Report	2023-08-17
Q3 Report	2023-11-10
Q4 & Year-end Report	2024-02-15

This interim report, as well as further information, is available at Prostatype Genomics' web page, www.prostatypegenomics.com

Certified Advisor

Svensk Kapitalmarknadsgranskning AB, www.skmg.se.

Review of interim report

This interim report has not been subject to review by the Company's auditors

Publication

This information is such information that Prostatype Genomics AB, from the time of listing, is obliged to publish in accordance with the EU market abuse regulation. The information is published by the below contact person, for publication on May 12, 8.00 AM. All information is given also in a Swedish version, and in case of any discrepancies, the Swedish version prevails.

Fredrik Persson, VD, 073-049 77 01, fredrik.persson@prostatypegenomics.com

The interim report provides a fair overview of the Company's operations, financial position and results.

Solna 31 May 2023

Anders Lundberg
Chairman

Håkan Englund
Director

Michael Häggman
Director

Karlheinz Schmelig
Director

Fredrik Persson
CEO

Mattias Prage
Director



Prostatype Genomics AB

Gustaf III:s Boulevard 34, SE-169 73
Solna

Telefon:

+46 (0)8-20 87 00

Hemsida:

www.prostatypegenomics.com