



Year-end report

20
23

Prostatype Genomics AB

A decorative background image showing a microscopic view of several cells. The cells are rendered in a light blue, semi-transparent style against a dark blue background. One large cell is prominent in the upper left, and another large cell is in the lower right. Several smaller cells are scattered around them.

Summary

Second half of 2023

1 July 2023 – 31 December 2023

- Net sales amounted to 908 TSEK (414)
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -17,797 TSEK (-14,849)
- Cash flow from current operations amounted to -9,938 TSEK (-16,386)
- Total cash flow for the period amounted to -9,269 TSEK (2,677)
- Earnings per share amounted to -0.17 SEK (-0.71)

Full year 2023

1 January 2023 – 31 December 2023

- Net sales amounted to 1,356 TSEK (683)
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -37,372 TSEK (-26,785)
- Cash flow from current operations amounted to -29,138 TSEK (-27,704)
- Total cash flow for the period amounted to -8,793 TSEK (-8,840)
- Earnings per share amounted to -0.35 SEK (-1.27)



Significant events during the second half of 2023

Prostatype® superior in new study published in *The Prostate*

On August 21, the company announced that a recent study at Skåne University Hospital showed that Prostatype® delivers significantly better results in predicting death from prostate cancer within 10 years of diagnosis compared to both D'Amico and CAPRA, today's leading classification system for prostate cancer. The study was recently published in *The Prostate*, a leading peer-reviewed scientific journal aimed at, among others, urologists and pathologists.

Strong results for Prostatype® in yet another Asian study

On October 24, it was announced that Prostatype® demonstrated superiority in assessing the aggressiveness of individual patients' prostate cancer in a recently completed study at Chang Gung Memorial Hospital, Taipei (Taiwan). The study has been presented at the South East Asian Urology Association conference in Dubai by Professor Jacob Pang, leader of the study.

Multi-center study in Spain shows very strong interim results for Prostatype®

On October 25, it was announced that very strong initial results had been obtained in the company's ongoing study with 160 patients, which is being conducted together with seven leading Spanish hospitals and the Spanish National Urology Association. The initial results show that approximately 60% of patients would have been reclassified if Prostatype® had been used for prognosis and treatment decisions after diagnosis.

Updated strategy and implementation of efficiency program

On October 30, the company presented a refined strategy, with continued investment in selected markets in Europe and Asia, combined with a rapid and cost-effective entry in the US market. At the same time, an efficiency program will be implemented which is expected to reduce the company's running costs by approximately 30% (approximately SEK 9 million on an annual basis) without affecting sales and continued research.

Transition to semi-annual reporting

On October 31, the company announced that it is switching from quarterly reporting to semi-annual reporting.

First order received in Switzerland

On November 1, the company announced that the first Prostatype® order had been received in Switzerland from one of the country's major university hospitals. The focus is now on ensuring routine use through continued close collaboration with the customer and expanding use to more clinically leading hospitals. The revenue will be booked in Q4 2023.

Decision on preferential rights issue of up to SEK 47.8 million

At an extraordinary general meeting on December 7, 2023, the company decided on a new share issue of up to approximately SEK 47.8 million, before issue costs, with preferential rights for existing shareholders. The issue was guaranteed to about 45 percent. The subscription period that ran between December 13 and December 27, 2023, was extended to January 5, 2024.

Positive interim results from unique long-term follow-up study indicate new application area for Prostatype®

On December 22, the company announced that promising interim results were obtained in a unique long-term follow-up study being conducted with Uppsala University Hospital, where patients with localized prostate cancer are followed up for 25 years. The results indicate that the use of Prostatype® can be expanded to more application areas, and the study has been accepted for presentation at the prestigious annual EAU (European Association of Urology) conference in May 2024.

Anders Koch appointed new CFO for Prostatype Genomics

During the fourth quarter, Anders Koch, with extensive experience in streamlining and optimising operations during international growth, was appointed and assumed the position as the company's new CFO. He succeeded Michael af Winklerfelt who left the company after three years.

Significant events after the end of the period

Preferential rights issue carried out, adds approx. 25 million SEK to the company

On January 10, 2024, the final outcome of the preferential rights issue was presented. In total, shares were subscribed for approx. 25.0 million SEK, which corresponds to a subscription rate of approx. 52.3 percent. 18 out of 20 guarantors chose to receive their compensation in shares instead of cash, and together with the compensation issue, the share capital increased by 6,648 TSEK, or 668,826,443 shares.

Reduction of the share capital

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

Prostatype Genomics Inc. and ResearchDx enter CLIA laboratory agreement for the US market

On February 5, 2024, the company announced that its wholly owned subsidiary in the US, Prostatype Genomics Inc., signed an agreement with ResearchDx, based in Irvine, California, USA, which means that Prostatype Genomics Inc. will perform testing of Prostatype® for the US market in collaboration with ResearchDx's clinical laboratory, PacificDx. The agreement constitutes an important step towards being able to launch Prostatype® as a so-called LDT product (Laboratory Developed Test) in the US market.

Prostatype Genomics acquires CLIA certificate to enable a rapid US market launch with a significantly stronger financial outlook

On February 8, 2024, the company announced that its wholly owned subsidiary in the US, Prostatype Genomics Inc., had acquired a CLIA certificate in its own name. This constitutes another important milestone on the way to being able to reach the US market. By holding a CLIA certificate, the company will be able to accept reimbursement payments from Medicare and commercial payers, and then use its CLIA laboratory to analyse the tests. This significantly increases the company's potential revenue and profit margin in the US compared to previously discussed options for entering the US market, such as signing a license agreement with a CLIA laboratory partner where the partner would be responsible for the entire testing and reimbursement process.

Prostatype Genomics receives CAP laboratory accreditation, another milestone towards reaching the US market

On February 9, 2024, the company announced that its wholly owned US subsidiary Prostatype Genomics Inc. has received accreditation by the CAP (College of American Pathologists) Laboratory Accreditation Program. The company has thus achieved three of four important milestones in February 2024 towards reaching the US market: a signed CLIA laboratory agreement with its lab partner ResearchDx, acquisition of a CLIA certificate, and now laboratory accreditation by CAP. The final regulatory step that needs to be taken before it becomes possible to reach the prostate cancer market in the US is a formal technical validation of the Prostatype® testing service, which is ongoing and expected to be completed shortly.



CEO comments

During the second half of 2023, Prostatype Genomics achieved significant progress in three important areas: continued scientific and clinical validation of the clinical benefit of Prostatype® for optimal treatment, establishment of our testing service in selected markets in Europe and Asia, and establishment of the testing service in the United States. We also note a continued sales increase in Europe and in Taiwan, although we are still at relatively low levels. 2024 is expected to become a transformative and highly value-creating year for the company, and it began with several achieved milestones at a rapid pace towards an expected market launch in the United States later this year.

The progress within the scientific and clinical validation began with excellent data from the previously conducted study with Prostatype® at Skåne University Hospital being published in the respected scientific journal *The Prostate*. The study showed that Prostatype® is superior compared to D'Amico and CAPRA, which are the leading classification systems used in healthcare today. Then, in October, strong final results from a completed validation study in Taiwan were published, as well as promising initial results from a multicenter study in Spain, where as much as 60 percent of the patients would have been reclassified to another risk group if Prostatype® had been used as a basis for decision. Finally, exciting interim results from a unique long-term follow-up study at Uppsala University Hospital were presented, indicating a potential broadening of the area of use for Prostatype®. Solid scientific data forms the foundation for enabling Prostatype® to be included in national guidelines for prognosis and treatment of prostate cancer, and it is therefore inspiring and important that we continue to deliver strong study data as well as get articles published in reputable scientific journals and gain attention at international scientific conferences.

The company was also able to present a first order from Switzerland, from one of the country's larger university hospitals, while we saw rising sales revenue from especially Spain. For the second half of the year, our net sales increased by around 119 percent compared to the same period last year, albeit from low levels, despite the fact that we have only begun to establish our business in several of these markets. In October, we published a refined strategy which means that we continue with a more focused establishment in selected markets in Europe and Asia, while allowing us to maintain a continued high pace in the establishment in the US market, which is crucial for us.

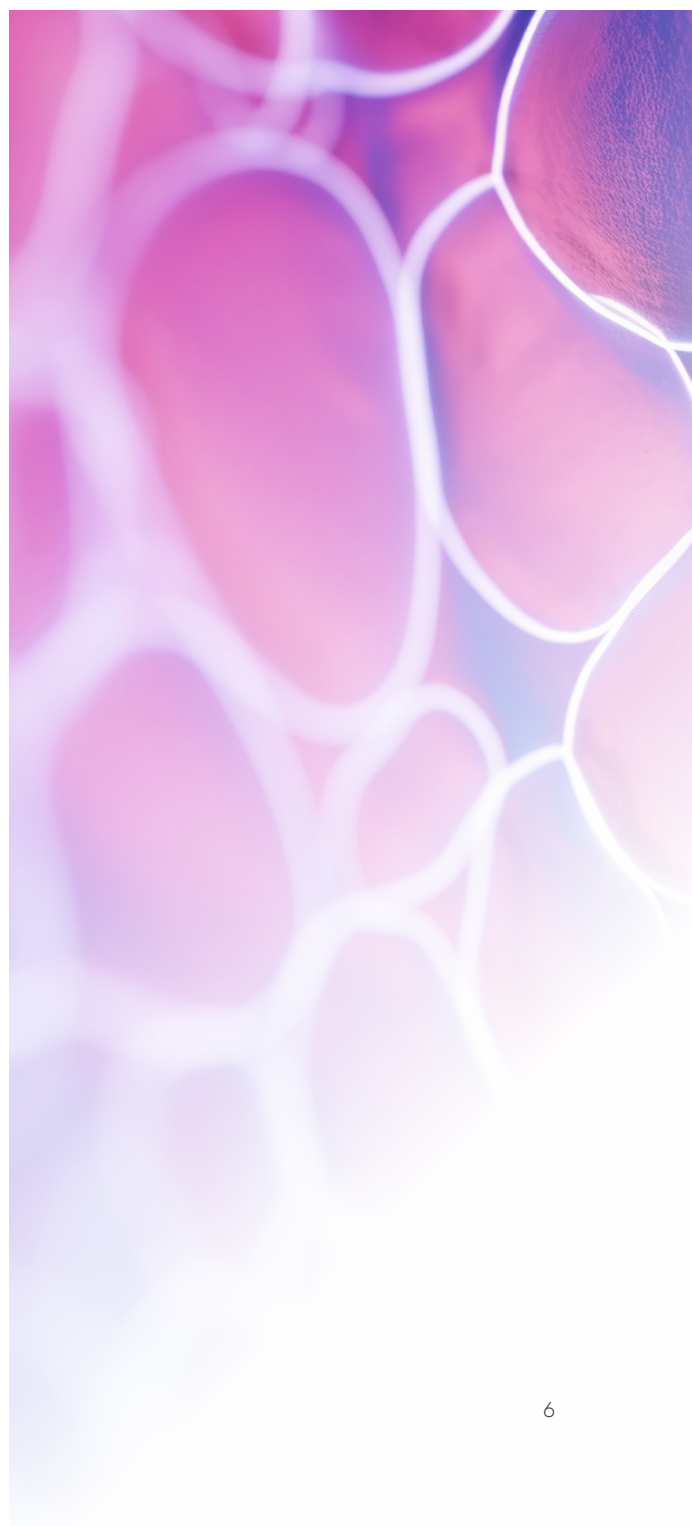
A preferential rights issue was presented in November and completed in January 2024. From the issue, the company received approximately 25 million SEK before issue costs and repayment of bridge loans, corresponding to a subscription rate of just over 52 percent. I would like to thank all existing and new shareholders who participated in the issue and demonstrated their confidence in the company's potential in a very challenging financing climate. The company continues to work with the financing in a broader sense.

// 2024 is expected to become a transformative and highly value-creating year for the company, and it began with several achieved milestones at a rapid pace towards an expected market launch in the United States later this year.

After the end of the period, we were able to begin 2024 in an excellent way by, through our wholly owned subsidiary in the United States, achieving three out of four important milestones before a launch in the US market becomes possible: signed CLIA laboratory agreement with the company ResearchDx, which is a very experienced and competent CLIA company, acquisition of a CLIA certificate in our own name which significantly strengthens our flexibility as well as net sales and profit potential in the United States, and finally accreditation by the CAP (College of American Pathologists) Laboratory Accreditation Program. We are proud to have succeeded with this progress in an incredibly rapid and cost-effective way, which has been possible thanks to the solid work of our organisation in Sweden and the United States, as well as our good collaboration with ResearchDx.

We now look ahead to the remainder of a transformative year for Prostatype Genomics, as we expect to shortly complete the formal technical validation of the Prostatype® testing service, the remaining step before we are allowed to begin marketing and selling the Prostatype® test in the United States for routine clinical use. We are working intensively on signing collaboration agreements with leading American urologists who want to start with clinical use of Prostatype® in the near future, while continuing the work on our extensive study in the United States which is expected to provide us with the remaining data required for the application to receive reimbursement approval from Medicare. Furthermore, the process of identifying a strong American commercial partner is ongoing. So far, the establishment in the United States has progressed more rapidly than even our own ambitious planning, and we continue to see it as a realistic goal to be able to obtain Medicare approval by the end of 2024. This would mean that we could obtain a reimbursement of approximately 3,800 USD per Prostatype® test, in a mature and growing market worth approx. 200 million USD (approx. 2 billion SEK) annually, and thus that we take the company to a completely new level, which would reasonably be expected to be extremely value-creating for our shareholders.

Fredrik Persson
 CEO Prostatype Genomics AB
 Solna 15 February 2024



Key figures

Group

TSEK	2023 July-Dec	2022 July-Dec	2023 Full year	2022 Full year
Net sales	908	414	1,356	683
Earnings before amortization and depreciation (EBITDA)	-17,797	-14,849	-37,372	-26,785
Total Assets	49,222	30,950	49,222	30,950
Total Equity	24,674	26,151	24,674	26,151
Net cash-flows	-9,269	2,677	-8,793	-8,840
Equity/Assets-ratio	50%	84%	50%	84%
Number of employees at the end of the period	6	4	5	6
Number of shares at the end of the period	119,460,007	22,859,497	119,460,007	22,859,497
Number of shares at the end of the period after full dilution	119,460,007	30,775,263	119,460,007	30,775,263
Average number of shares for the period	119,460,007	20,274,199	80,820,327	18,202,992
Earnings per share, SEK				
- Before dilution	-0.17	-0.71	-0.35	-1.27
- After dilution	-0.17	-0.52	-0.35	-0.95

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	Net profit/loss for the year / (number of shares + warrants by period closing)

Financial development

Second half of 2023

Net sales and results

Net sales amounted to 908 TSEK (414). The group is still in the initial phase of commercialization, and thus the net sales is in line with expectations.

The operation profit/loss for the company (EBIT) amounted to -18,733 TSEK (-15 781), a decrease of approximately 19 percent compared to the corresponding period of the previous year. The company's costs mainly consist of commercialization, testing and personnel.

Earnings per share for the period amounted to -0.17 SEK (-0.71).

Investments

The investments during the second half of the year relate to our product development in and towards the USA and amount to a total of -7,763 TSEK (0).

Cash flow and liquid assets

The cash flow during the second half of 2023 amounted to -9,269 TSEK (2,677). The group's cash and cash equivalents amounted to 2,682 TSEK (11,489) as of December 31, 2023.

The parent company

The parent company's net sales and operating result amounted to 908 TSEK (414) and -14,995 TSEK (-15,781), respectively. The company invested -5,720 TSEK (-) in product development and financed subsidiaries with -6,063 TSEK (-). Bridge loans totaling 11.2 MSEK (0) were taken out during the period and the net cash flow amounted to -9,606 TSEK (2,677). Cash and cash equivalents at the end of the period amounted to 2,069 TSEK (11,489).

Full year 2023

Net sales and result

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

The operating result (EBIT) amounted to -39,247 TSEK (-28,689), a decrease of approximately 37 percent compared to the corresponding period last year, where the difference is mainly due to the start-up of operations in the USA. The group's costs mainly consist of commercialization, testing and personnel.

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

Investments

Investments mainly relate to our product development in and towards the USA and amount to a total of -7,763 TSEK (0).

Cash flow and liquid assets

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

The parent company

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

The share

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

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

After the period, the ongoing preferential rights issue was completed with a subsequent compensation issue, whereby the number of shares increased by 624,804,960 and 44,021,483 shares and the share capital by 6,248,049 SEK and 440,214 SEK, respectively. In connection with the rights issue, 249,921,984 warrants were also issued with exercise period April 5–19 2024.

On January 15, 2024, the reduction of the share capital by 5,973,000 SEK, which was decided at the extraordinary general meeting on December 7, 2023. After the share issues mentioned above and reduction, the share capital amounts to 7,882,864 SEK.

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

The balance sheet

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

As of 31 December 2023, the group has cash and cash equivalents of 2,682 TSEK and bridge loans amounting to 11.2 MSEK. Over the end of the year, the company has an ongoing preferential rights issue, where the known outcome as of 5 January 2024 is reported in the financial statements as an ongoing issue in equity and as a short-term claim among the assets.

Financing, liquidity, capital requirements

Financing

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

Liquidity

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

Capital requirements

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

In the event that financing of the short-term capital requirement does not occur, it would indicate that the group may lack the liquidity required for the group to be able to continue its operations during the next 12 months.

The board is actively working with various alternatives for short and long term financing, and the report is prepared based on the assumption of continued operation.

Forward-looking statements

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



Income statement

Consolidated income statement in summary

TSEK	2023 July-Dec	2022 July-Dec	2023 Full year	2022 Full year
Net sales	908	414	1,356	683
Own work capitalized	1,759	-	2,372	-
Other operating income	59	-	59	-
Total income	2,726	414	3,787	683
Research and development cost	-1,174	-2,107	-3,225	-3,508
Other external costs	-9,298	-7,112	-19,446	-13,489
Staff cost	-10,071	-5,972	-18,488	-10,388
Depreciation, amortization and impairment	-937	-932	-1,875	-1,904
Other operating expenses	20	-72	0	-83
Operating expenses	-21,459	-16,195	-43,034	-29,372
Operating profit/loss	-18,733	-15,781	-39,247	-28,689
Interest income and similar items	4	-	4	-
Interest expense and similar items	-1,495	-362	-1,540	-397
Currency effects	-652	-	-652	-
Profit/loss after financial items	-20,877	-16,143	-41,435	-29,087
Taxes	-	-	-	-
Net profit/loss for the period	-20,877	-16,143	-41,435	-29,087

Statement of positions

The consolidated statement of positions in summary

TSEK	2023-12-31	2022-12-31
ASSETS		
Non-current intangible assets	23,180	16,710
Non-current tangible assets	60	4
Non-current financial assets	72	68
Total non-current assets	23,312	16,781
Inventory etc.	203	182
Other current receivables	1,531	2,498
Subscribed but not payed share issue	21,493	-
Cash and cash equivalents	2,682	11,489
Total current assets	25,910	14,169
Total assets	49,222	30,950
Equity and liabilities		
Share capital	7,168	1,372
Other capital	177,153	149,318
Other equity including net profit/loss for the year	-159,647	-124,539
Total equity	24,674	26,151
Long-term liabilities	67	467
Current liabilities	24,482	4,333
Total liabilities	24,548	4,799
Total equity and liabilities	49,222	30,950
Pledged securities	3,612	3,610
Contingent liabilities	-	-

Cash flow

Consolidated cash flow analysis in summary

TSEK	2023 July-Dec	2022 July-Dec	2023 Full year	2022 Full year
Profit/loss after financial items	-20,877	-16,143	-41,435	-29,087
Adjustments for items not included in cash flow	1,585	932	2,474	1,904
Cash flow from operating activities before changes in working capital	-19,292	-15,211	-38,961	-27,182
Change in inventory	90	-24	-21	0
Change in operating receivables	1,614	-601	980	-1,424
Change in operating liabilities	7,650	-540	8,864	913
Cash flow from changes in working capital	9,354	-1,165	9,823	-511
Cash flow from current operations	-9,938	-16,376	-29,138	-27,693
Acquisition of intangible assets	-7,763	-	-8,487	-
Acquisition of tangible assets	-	-	-75	-
Change in financial assets	-	-	-4	-
Cash flow from investment activities	-7,763	-	-8,566	-
Share issue proceeds	-2,568	19,253	18,111	19,253
Loans raised	11,200	-	16,200	-
Loans amortized	-200	-200	-5,400	-400
Cash flow from financing activities	8,432	19,053	28,911	18,853
Change in cash and cash equivalents	-9,269	2,677	-8,793	-8,840
Cash and cash equivalents at the beginning of the period	11,972	8,811	11,489	20,329
Translation differences cash and cash equivalents	-21	-	-13	-
Cash and cash equivalents at the end of the period	2,682	11,489	2,682	11,489

Equity

The group's change in equity in summary

TSEK	Share capital	Other capital/ premium reserves	Other equity including net profit/loss for the year	Total Equity
Opening balance 2022-01-01	905	130,453	-95,452	35,906
Profit/loss for the period	-	-	-12,944	-12,944
Closing balance 2022-06-30	905	130,453	-108,396	22,962
New share issues	466	22,105	-	22,571
Issue expenses	-	-3,239	-	-3,239
Profit/loss for the period	-	-	-16,143	-16,143
Closing balance 2022-12-31	1,372	149,318	-124,539	26,151
Opening balance 2023-01-01	1,372	149,318	-124,539	26,151
New share issues	5,796	18,206	-	24,002
Issue expenses	-	-3,323	-	-3,323
Currency translation differences	-	-	-90	-90
Profit/loss for the period	-	-	-20,558	-20,558
Closing balance 2023-06-30	7,168	164,201	-145,187	26,182
Reduction of Share Capital	-	-5,973	5,973	-
Net share issues, subscribed not paid-up	-	24,992	-	24,992
Issue expenses	-	-6,067	-	-6,067
Currency translation differences	-	-	443	443
Profit/loss for the period	-	-	-20,877	-20,877
Closing balance 2023-12-31	7,168	177,153	-159,647	24,674

The share capital of 7,167,600 SEK is distributed over 119,460,007 shares.

Parent company

Parent company condensed financial statements

Income statement

TSEK	2023 July-Dec	2022 July-Dec	2023 Full year	2022 Full year
Income	967	414	1,414	683
Operating Expenses	-15,025	-15,263	-32,384	-27,468
Depreciation, amortization and impairment	-937	-932	-1,875	-1,904
Operating profit/loss	-14,995	-15,781	-32,845	-28,689
Financial items	-1,670	-362	-1,714	-397
Profit/loss after financial items	-16,664	-16,143	-34,559	-29,087
Taxes	-	-	-	-
Net profit/loss for the period	-16,664	-16,143	-34,559	-29,087

Balance sheet

TSEK	2023-12-31	2022-12-31
Non-current assets	29,823	16,781
Current assets excl. cash and cash equivalents	23,692	2,680
Cash and cash equivalents	2,069	11,489
Total Assets	55,584	30,950
Equity	31,196	26,151
Non-current liabilities	67	467
Current liabilities	24,321	4,333
Total Equity and Liabilities	55,584	30,950

Cash-flows

TSEK	2023 July-Dec	2022 July-Dec	2023 Full year	2022 Full year
Cash-flows from operating activities	-6,284	-16,376	-22,772	-27,693
Cash-flows from investing activities	-11,754	-	-15,559	-
Cash-flows from financing activities	8,432	19,053	28,911	18,853
Change in cash and cash equivalents	-9,606	2,677	-9,420	-8,840
Cash and cash equivalents, end of the period	2,069	11,489	2,069	11,489

Change in equity

TSEK	Share capital	Other restricted capital	Development fund	Share Premium	Profit/loss br. forward	Total
Opening balance 2022-01-01	905	-	18,566	130,453	-114,019	35,906
Share issues (net)	466	-	-	18,865	-	19,332
Change in Development fund	-	-	-1,857	-	1,857	-
Profit/loss for the period	-	-	-	-	-29,087	-29,087
Closing balance 2022-12-31	1,372	-	16,710	149,318	-141,249	26,151
New share issues (net)	5,796	-	-	14,883	-	20,679
Share issues, subscribed not paid-up (net)	-	6,248	-	12,677	-	18,925
Reduction of Share Capital	-	-5,973	-	-	5,973	-
Change in Development fund	-	-	-1,857	-	1,857	-
Profit/loss for the period	-	-	-	-	-34,559	-34,559
Closing balance 2023-12-31	7,168	275	14,853	176,878	-167,978	31,196

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.

All figures in the report are in thousands of Swedish kronor (TSEK) if not otherwise specified. Amounts or information in parentheses refer to the corresponding period of the previous year.

The Company is the result of more than fifteen 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 and valuation 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. However, from 2023 the company prepares consolidated accounts, the principles of which are reported below.

Group accounts

The company prepares consolidated accounts from and including 2023. The subsidiary Prostatype Genomics Inc, USA, was formed in 2022 but was not essential to establish consolidation until 2023, which means that the group as a whole consists only of the parent company for the comparative year 2022.

The subsidiary is 100% owned, and there are thus no minorities.

Intermediate operations between group companies are eliminated in their entirety. Subsidiaries in other countries prepare their annual report in foreign currency. Recalculation of the items in these companies' balance sheets and profit and loss statements is done at the balance sheet rate or spot rate for the day each business event took place. The translation differences that arise are reported in the group's equity.

Profit disposition

The company is in an expansion phase and any surplus is planned to be reinvested in the company's development. The board does not intend to submit a proposal for a dividend.

Transactions with related parties

Bridge loan

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

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

Consultancy fees

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

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

Material risks and uncertainties in summary

A description of the most significant market and business related risks can be found in the annual report for 2022, as well as in the prospectus submitted and published on the company's website www.prostatypegenomics.com

Valuation of assets

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



Other information

Financial calendar

Annual General Meeting 2024:	2024-05-23
Interim report H1 2024:	2024-08-22
Year-end report 2024:	2025-02-13

The company's financial reports are available on prostatypegenomics.com

Review

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

Certified Advisor

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Publication

This information is such information that Prostatype Genomics AB is obliged to make public according to the EU's market abuse regulation. The information was submitted, through the contact person below, for publication on February 15, 2024 at 8:00 a.m. CET.

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Signing of the report

The board and the CEO assure that the interim report provides a fair overview of the group's and the parent company's operations, balance and results, and describes the significant risks and uncertainty factors that the group is facing.

Solna, February 15, 2024

Anders Lundberg
Chairman

Håkan Englund
Board member

Michael Häggman
Board member

Mattias Prage
Board member

Jörgen Dahlström
Board member

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