



Prostatype Genomics AB

Org. 556726-0285

Quarterly Report

1 October 2020 – 31 December 2020

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Year End Report 2020

1 July 2019 – 31 December 2020*

Prostatype Genomics AB | 556726-0285 |
www.prostatypegenomics.com

** The Company's financial year is extended which means that this is the 6th quarter since last published annual report 2019-06-30. This financial year ended the 31st of December 2020 and covers 18 months thus 6 quarters.*

Quarterly Report

1 October 2020 – 31 December 2020

&

Year End Report 2020

1 July 2019 – 31 December 2020*

Quarter 6* (1 October – 31 December 2020) summarized

- Net sales amounted to 347 (10) TSEK.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -4 731 (-1 831) TSEK.
- Cash flow from current operations in the quarter amounted -3 919 (-1 736) TSEK.
- Total cash flow for the period amounted to 11 442 (826) TSEK.
- Earnings per share amounted to -0,36 (-10) SEK.

**The Company's financial year is extended which means that this is the 6th quarter since last published annual report 2019-06-30. This financial year ended the 31st of December 2020 and covers 18 months thus 6 quarters.*

Full year (1 July 2019–31 December 2020) summarized

- Net sales amounted to 684 (74) TSEK.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -15 765 (-7 708) TSEK.
- Cash flow from current operations in the quarter amounted -14 712 (-9 631) TSEK.
- Total cash flow for the period amounted to 13 170 (-5 516) TSEK.
- Earnings per share amounted to -1,32 (-83,72) SEK.

Significant events during the Sixth Quarter

- In December 2020, the laboratory phase of the ongoing study in cooperation with Uppsala University Hospital was concluded in accordance with plan. Preliminary data are expected to be presented during Q1 2021
- In November 2020, it was announced that the responsibilities of incoming CFO Michael af Winklerfelt in addition to finance and reporting would be expanded to include business development, HR and IT.
- On November 3 2020, the Company was listed on Nasdaq First North Growth Market ("First North"). The period for subscription of shares in the rights issue was closed on October 1. In total, 3 885 320 units (shares with attached warrants) were subscribed. The Company has thereby received gross 37.5 MSEK in equity. Deducting for expenses related to the rights issue as well as set-off of convertibles and bridge loans, the Company received net 31.5 MSEK in equity. Furthermore, in February 2022 the Company may receive an additional 42.3 MSEK in equity, before expenses, provided that the attached warrants are exercised to their full extent.
- On October 15 2020, the Company signed an agreement with Rendong Medical Technology Co. Ltd. for a pilot study in China in preparation for the commercialization of Prostatype® in China (excluding Hong Kong, Macao and Taiwan).
- The external validation study for Prostatype® that has been performed by Docent Göran Ahlgren, Skåne University Hospital, was finalized and has been submitted for publication in relevant medical journal.

Significant events during the financial year

- During the financial year, the Company has received a convertible loan amounting to 4.1 MSEK. The loan was set off in the rights issue that took place during the period. Furthermore, the Company received a bridge loan, amounting to 11.6 MSEK, that was also set off in the rights issue during the period.
- At the extra General Meeting in June 2020, two options programs to management and staff were approved. Per the day of closing for this report, there were a total of 159 871 options that had been subscribed for, of which 41 856 for Members of the Board, that give the right to subscribe to one share per option in August 2023 at an exercise price of 13.51 SEK.

Events after the balance day

- In January 2021, the Company announced that the Canadian Intellectual Property Office is intending to grant the Company patent rights for the genetic test Prostatype® in Canada. The patent "Marker genes for prostate cancer classification" is valid until October 2032.

About Prostatype Genomics

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 is the development of the today CE-marked and market ready product Prostatype® Test System. Prostatype® is a test for prognosis of prostate cancer that has been developed to provide the complementary information that often is needed for the selection of the optimal treatment strategy for each individual patient. The test analyzes the gene expression in cancer cells extracted 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 this 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 easily scalable in terms of volume due to the algorithm that forms the basis of the test.

Vision

Our vision is that doctors and patients, confronted with diagnosed prostate cancer, have full confidence in their treatment decisions.

Mission

Prostatype Genomics' mission is to make a difference in prostate cancer patients' lives through the discovery and commercialization of transformative tests to guide treatment decisions. We can thereby increase quality of life and peace-of-mind for patients and simultaneously reduce health care costs. **Prostatype Genomics** will achieve this by making **Prostatype®** the global test system of choice for newly diagnosed prostate cancer patients.

Coming milestones 2021

- Finalization of validation study in Taiwan comprising of approximately 40 patients
- Launch of the Company's cloud-based solution PWS (Prostatype Web Service) for simple and secure customer access to Prostatype® results
- Compilation of data and presentation of study performed by Uppsala University Hospital
- Signed distribution agreements in the EMEA Region
- Commercial launch in the EMEA Region
- Preparations for commercial launch of Prostatype® in the United States during 2022

CEO comments

During the last quarter of 2020, Prostatype Genomics took several crucial steps in the continued development of the Company, foremost of course the successful listing on First North in November. The listing was the result of a long period of hard efforts and I want to take this opportunity to thank everyone who contributed to this success. Let me extend a special thank you to both old and new shareholders, as your confidence and support is absolutely crucial to the continued development of Prostatype Genomics. Let me also take the opportunity to welcome all new shareholders once again to the Company. 1 400 new shareholders took part in the rights issue of the listing.

The listing was the foremost but far from only step that was taken during the quarter. The Company continued its transformation from a pure Research & Development company to one that is commercially focused. We carried out several key recruitments during the period, most notably of a new CFO and also of very experienced Marketing & Sales staff based in Europe, and we now have an organization that is very well placed to deliver on the targets that we have set. Our ambition is to remain a small and flexible organization, which means that all employees must be very competent and high capacity. The recruitments that we have undertaken are in line with that ambition.

In the near future, Prostatype Genomics will continue to concentrate our activities on our two focus areas:

- i) to further develop the already very strong scientific basis of our product
- ii) to drive sales by building commercial channels, foremost by distribution agreements on priority markets

We have several ongoing studies that are in their final phases and where data are being compiled. That is the case for the study being performed together with Uppsala University Hospital, and for the work that is now being performed in Taiwan in cooperation with Cheng Gung Memorial Hospital in Taipei. The latter study is close to be unique, given that very few studies have been made with patients of East Asian ethnicity.

Our commercial launch, with an initial focus on Europe, is proceeding according to plan. We can again note that our initial contacts with potential partner and Key Opinion Leaders confirm the large unfulfilled need on the market that Prostatype® serves. Using our technology, Prostatype Genomics can significantly improve the quality of life for many of the patients around the world suffering from prostate cancer, and at the same time contribute to society by lowering health care costs.

It is therefore with great confidence that we are looking forward to intensifying our commercial activities in the coming year.

Both in terms of studies and commercialization, the situation with the Covid-19 pandemic continues of course to create challenges. Regarding parts of the commercialization effort, they have naturally been made more difficult by, e.g., the cancellation of conferences and congresses, and it is a continued challenge to arrange physical meetings with health care professionals. Some parts of the work with external studies also take somewhat longer time than usual, even though the Company and its cooperation partners so far have delivered on time on our commitments. We can note that our handling and mitigation of this difficult situation have exceeded expectations and that the final delays that we have seen are marginal in nature. Therefore, we continue to be confident that we also in the future will be able to deliver on the milestones that we have communicated. The pandemic has had a profound impact on global health care systems, resulting also in longer waiting times for cancer patients. Using Prostatype® creates opportunities for the health care system to more quickly and with higher accuracy determine which patients that need radical treatment, and which patients that should be put on active monitoring. Therefore, resources are freed up and opportunities created for a modern and efficient prognosis of patients suffering from prostate cancer.

Let me conclude by once again expressing my thanks to all the people who contributed to making 2020 such a successful year for Prostatype Genomics. That includes staff, external partners, the Board, and not least our shareholders. I look forward to continuing working together to reach the ambitious goals that we have set for this Company.

Financial information and comments

Comparison between October-December 2020 and October-December 2019

Net sales

Net sales for the Company amounted to 347 (10) TSEK. The company has not yet begun to sell their product in a significant volume; hence sales are as expected.

Operating profit/loss

The operation profit/loss for the Company's 6th quarter 2020 amounted to -4 753 (-1 831) TSEK which is a decrease with approximately 55 % in comparison to prior period. In preparation for commercial launch has the Company strengthened its resources in addition to one-off costs related to the initial public offering.

Cash flow from current operations

The cash flow for the 6th quarter amounted to 11 441 (862) TSEK. The cash flow from current operations amounted to -3 919 (-1 736) 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 -732 (-758) TSEK. The Company has continued investing in product development.

Cash flow from financing activities

The cash flow from financing activities amounted 16 093 (3 357) TSEK. Liquid funds as of 31st December 2020 amounted to 15 862 (1 449) TSEK.

Number of shares

On December 31st, 2020, the number of shares was 13 186 870 (186 031). The nominal increase is due to a 50/1 split registered at the Swedish company registration office on July 6th, 2020 together with new shares issued in conjunction with the listing. Average amount of shares during the 6th quarter was 11 244 210 (176 367).

Comparison between July 2019 - December 2020 (18 months) and July 2018 – June 2019 (12 months)

Net sales

Net sales for the Company amounted to 684 (74) TSEK. The company has not yet begun to sell their product in a significant volume; hence sales are as expected.

Operating profit/loss

The operation profit/loss for the period amounted -15 914 (-7 862) TSEK which is a decrease with approximately 51 % in comparison to prior period. The main reasons are a longer financial year (18 compared to 12 months), enforcement of staff, costs associated to the listing on Nasdaq First North Growth Market and product development.

Cash flow from current operations

The cash flow for the period amounted -14 712 (-9 631) 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 till -3 258 (-3 261) TSEK. The Company has continued investing in product development.

Cash flow from financing activities

The cash flow from financing activities amounted 31 139 (7 376) TSEK. Liquid funds as of 31st December 2020 amounted to 15 862 (2 692) TSEK. The increase is due to listing of the Company.

Number of shares

On December 31st, 2020, the number of shares was 13 186 870 (102 082). Average amount of shares for the period was 6 644 476.

Prostatype Genomics business and financial ratios

Amounts in SEK	2020-10-01	2019-10-01	2019-07-01	2018-07-01
	2020-12-31	2019-12-31	2020-12-31* (18 months)	2019-06-30* (12 months)
Operating margin	neg	neg	neg	neg
Profit margin	neg	neg	neg	neg
Return on equity	neg	neg	neg	neg
Equity/debt ratio	84%	60%	84%	49%
Equity capital	28 290 359	10 409 484	28 290 359	8 546 482
Cash flow	11 441 680	862 130	13 169 631	-5 516 440
Number of shares (end of the period)	13 186 870	186 031	13 186 870	102 082
Number of shares (average for the period)	11 244 210	176 367	6 644 476	102 082
Number of shares - full dilution (end of the period)	13 346 741	202 955	13 346 741	102 082
Earnings per share	-0,36	-10,00	-1,32	-83,72
Diluted earnings per share (end of the period)	-0,36	-9,17	-1,30	-83,72
Number of employees (end of the period)	5	4	5	4
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)

**The period covers 18 months. The Company's financial year is extended which means that this is the 6th quarter since last published annual report 2019-06-30. This financial year ended the 31st of December 2020 and covers 18 months thus 6 quarters.*

Financial statement

Amounts in SEK	2020-10-01	2019-10-01	2019-07-01	2018-07-01
	2020-12-31	2019-12-31	2020-12-31*	2019-06-30
Net sales	346 605	10 000	683 878	74 085
Own work capitalized	742 902	758 452	3 231 665	3 234 281
Other operating income	161 151	69 696	721 004	
Total revenue	1 250 658	838 148	4 636 548	3 308 366
Operating expenses				
Research and development cost	-124 014	-437 886	-2 414 232	-1 246 239
Other external cost	-3 855 426	-1 112 545	-9 834 459	-5 107 036
Staff cost	-2 002 047	-1 094 206	-8 136 244	-4 661 242
Depreciation, amortization, and impairment	-22 121	-24 773	-149 052	-154 143
Other operating expenses	-22	-192	-16 373	-1 391
Operating profit/loss	-4 752 972	-1 831 453	-15 913 812	-7 861 685
Income after financial items				
Interest expenses and similar items				
Interest expenses and similar items	-22 028	-29 261	-1 494 411	-684 243
Profit/loss after financial items	-4 775 000	-1 860 714	-17 408 222	-8 545 928
Profit or loss before tax	-4 775 000	-1 860 714	-17 408 222	-8 545 928
Total profit/loss for the period	-4 775 000	-1 860 714	-17 408 222	-8 545 928

*The period covers 18 months. The Company's financial year is extended which means that this is the 6th quarter since last published annual report 2019-06-30. This financial year ended the 31st of December 2020 and covers 18 months thus 6 quarters.

Balance sheet - assets

(SEK)	2020-12-31	2019-06-30
ASSETS		
Fixed assets		
<i>Intangible assets</i>		
Capitalized development expenditure	16 066 722	12 835 058
Patent	111 527	223 054
Total intangible assets	16 178 249	13 058 112
<i>Property, plant and equipment</i>		
Plant and machinery		10 744
Equipment and tools	28 220	28 806
Total property, plant and equipment	28 220	39 550
Total fixed assets	16 206 469	13 097 662
Current assets		
<i>Inventory</i>		
Finished products	366 369	664 000
Advances to suppliers	28 578	
Total current assets	394 947	664 000
<i>Current receivables</i>		
Accounts receivable	336 352	5 000
Other receivables	578 467	752 278
Prepaid expenses and accrued income	284 643	362 765
Total current receivables	1 199 462	1 120 043
<i>Cash and bank</i>		
	15 861 788	2 692 157
Total current assets	17 456 196	4 476 200
TOTAL ASSETS	33 662 665	17 573 862

Balance sheet – debt & equity

(SEK)	2020-12-31	2019-06-30
EQUITY AND LIABILITIES		
Total equity		
Restricted equity		
Share capital	791 212	1 020 820
New share issue under registration		640 250
Development fund	16 066 722	12 835 058
Total restricted equity	16 857 934	14 496 128
Non-restricted equity		
Share premium reserve	107 321 774	70 602 034
Profit/loss brought forward	-78 481 127	-68 005 752
Net profit/loss for the year	-17 408 222	-8 545 928
Total non-restricted equity	11 432 425	-5 949 646
Total equity	28 290 359	8 546 482
Long-term liabilities		
Convertible loan		4 985 546
Other debt to credit institutions	1 066 667	1 466 667
Total long-term liabilities	1 066 667	6 452 213
Current liabilities		
Debt to credit institutions	400 000	400 000
Accounts payable	1 779 007	652 545
Tax liabilities	55 374	61 050
Other current liabilities	552 325	117 674
Accrued liabilities and deferred income	1 518 933	1 343 898
Total current assets	4 305 639	2 575 167
TOTAL EQUITY AND LIABILITIES	33 662 665	17 573 862

Cash flow statement

(SEK)	2020-10-01	2019-10-01	2019-07-01	2018-07-01
	2020-12-31	2019-12-31	2020-12-31*	2019-06-30
Operating activities				
Profit after financial items	-4 775 000	-1 860 714	-17 408 222	-8 545 928
Adjustments for items not included in cash flow etc	22 121	24 773	776 184	712 850
Cash flow from operating activities before changes in working capital	-4 752 879	-1 835 941	-16 632 038	-7 833 078
Cash flow from changes in working capital				
Change in inventory	150 322	-393 613	269 053	-64 605
Change in operating receivables	-90 692	316 542	-79 419	4 179
Change in operating liabilities	774 027	176 592	1 730 472	-1 737 285
Cash flow from current operations	-3 919 221	-1 736 419	-14 711 931	-9 630 789
Investment activities				
Acquisition of intangibles	-742 900	-758 451	-3 231 664	-3 234 281
Acquisition of fixed assets	10 995	0	-26 195	-26 995
Cash flow from investment activities	-731 905	-758 451	-3 257 859	-3 261 276
Financing activities				
Paid-in option premium	204 165		204 165	
Net issue liquidity incl. bridge loan	15 988 641		27 877 506	
Received convertible loans		3 457 000	3 457 750	7 585 000
Amortization	-100 000	-100 000	-400 000	-209 375
Cash flow from financing activities	16 092 806	3 357 000	31 139 421	7 375 625
Cash flow for the period	11 441 680	862 130	13 169 631	-5 516 440
Opening liquid funds	4 420 109	587 131	2 692 157	8 208 597
Closing liquid funds	15 861 789	1 449 261	15 861 788	2 692 157

*The period covers 18 months. The Company's financial year is extended which means that this is the 6th quarter since last published annual report 2019-06-30. This financial year ended the 31st of December 2020 and covers 18 months thus 6 quarters.

Changes in equity

1 July 2019 – 31 December 2020*

SEK	Share capital	New share issues in progress	Development fund	Share premium reserve	Accumulated profit/loss
Opening balance	1 020 820	640 250	12 835 058	70 602 034	-76 551 680
New share issue	1 072 609	-640 250		42 046 523	
Expenses of the issue				-5 603 362	
Reduction of the share capital	-1 302 217				1 302 217
Option premium				276 579	
Transfer to development fund			3 231 664		-3 231 664
Profit/loss for the year					-17 408 222
Closing balance	791 212	0	16 066 722	107 321 774	-95 889 349

1 July 2018 – 30 June 2019 (rev.)

SEK	Share capital	New share issues in progress	Development fund	Share premium reserve	Accumulated profit/loss
Opening balance	1 020 820	-	9 600 777	60 372 850	-64 771 471
Transfer to development fund			3 234 281		-3 234 281
New share issue		640 250		10 229 184	
Profit/loss for the year					-8 545 928
Closing balance	1 020 820	640 250	12 835 058	70 602 034	-76 551 680

*The period covers 18 months. The Company's financial year is extended which means that this is the 6th quarter since last published annual report 2019-06-30. This financial year ended the 31st of December 2020 and covers 18 months thus 6 quarters.

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 Industrivägen 19, 171 48 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”, alternatively as Prostatype. All figures in the report are in thousands of Swedish kronor (TSEK) if not otherwise specified.

Accounting principles

The year-end 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.

Covid-19

Since quarter four of the financial year the Company has experienced certain effects from the Covid-19 pandemic, mainly in the form of certain delay of studies as well as difficulties gaining access to health care professionals, but the effects have been limited in nature.

Related party transactions

During the period from July 1 2019 to December 31 2029, except for what is detailed below, no related party transactions have taken place.

Several of the bridge loans that were made during 2020 constitute related party transactions. The related parties who made bridge loans to Prostatype Genomics in connection to the bridge financing are presented below.

		Loan amount	Set off at rights issue	Remaining
JDS Invest AB	<i>Board Member</i>	1 222 211	-1 222 211	0
Creathor Venture Fund III (SCSp) SICAR**	<i>Major shareholder</i>	1 196 243	-1 196 243	0
Creathor Venture Fund III Parallell (SCSp) SICAR**	<i>Major shareholder</i>	362 555	-362 555	0
AJ Lundberg Kapitalförvaltning AB***	<i>Chairman of the Board</i>	183 331	-183 331	0
Fredrik Persson	<i>Company CEO</i>	54 455	-54 455	0

*JDS Invest AB is 100 percent owned by Board Member Håkan Englund.

**Board Member Karlheinz Schmelig is an Advisor for Creathor Venture and is its representative on the Board of Prostatype Genomics.

***AJ Lundberg Kapitalförvaltning AB is 100 percent owned by Chairman of the Board Anders Lundberg.

There is also a consulting agreement with JDS Invest AB, which is 100 percent owned by Board Member Håkan Englund, regarding services related to prognosis of prostate cancer through business development from both scientific and corporate perspectives. In total 75 000 SEK been invoiced within the scope of this agreement during the period from July 1 2019 to December 31 2020.

During the period there have also been royalty payments of 9 032 SEK made to a former Board Member.

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 recent prospectus that is published on the Company's web page www.prostatypegenomics.com under the heading Investor Relations.

Other information

Dates for publication of financial information

Annual Report 2019/2020	2021-05-17
Interim Report Quarter 1 2021	2021-05-27
General Meeting 2021	2021-06-16

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

Certified Advisor

Svensk Kapitalmarknadsgranskning AB, 011-32 30 732, ca@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 19 February 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

This interim report gives an accurate overview of the Company's operations, financial status and results.

Stockholm 19 February 2021

Anders Lundberg
Styrelseordförande

Håkan Englund
Styrelseledamot

Christoph Petry
Styrelseledamot

Karlheinz Schmelig
Styrelseledamot

Fredrik Persson
Verkställande direktör

Michael Häggman
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