



Prostatype Genomics AB

Org. 556726-0285

Quarterly report Q3 2021

1 July 2021 – 30 September 2021

Quarter 3 (1 July – 30 September 2021 compared with 1 July – 30 September 2020) summarized

- Net sales amounted to 426 (556) TSEK.
- Net revenue amounted to 0 (15) TSEK.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -3 613 (-3 555) TSEK.
- Cash flow from current operations in the quarter amounted -3 831 (-3 782).
- Total cash flow for the period amounted to 18 888 (-4 181) TSEK.
- Earnings per share amounted to -0,25 (-0,4) SEK.

Year to date (1 January – 30 September 2021 compared with prior financial year 1 July 2019 – December 2020) summarized

- Net sales amounted to 1 787 (4 637) TSEK.
- Net revenue amounted to 10 (684) TSEK.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -9 748 (-15 765) TSEK.
- Cash flow from current operations in the quarter amounted -10 697 (-14 712) TSEK.
- Total cash flow for the period amounted to 10 684 (13 170) TSEK.
- Earnings per share amounted to -0,65 (-1,32) SEK.



Significant events during the third quarter

Strengthened market organization

During the quarter, the company strengthened its marketing organization with Ulrika Flock, who took on the role of Sales & Marketing Manager, and Nicklas Rosendal is the company's new Communications Director.

Swiss co-operation

In August, Prostatype Genomics signed a collaboration agreement with Proteomedix AG ("Proteomedix"), a Zurich-based science-driven company with an approved prostate cancer product. The agreement covers cooperation regarding both marketing and R&D.

Directed new share 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 AG, as well as accelerated market entry into priority European markets.

New distributors in Spain and Portugal

In August 2021, Prostatype Genomics 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 and distribute Prostatype®. The agreement runs until 2024.

New collaboration in the UK, 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 promote its use in other urological laboratories around the UK and Ireland.

Study at the Academic Hospital

In August, the Company released the preliminary results from the clinical study that has been conducted at the University Hospital in Uppsala under the leadership 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 tumour, as well as the correlation in P-score between index tumour and other cancer areas in the prostate. For both issues, the study indicates correlation with high statistical significance.

Events after the balance day

Extended Lock-up period

In connection with the IPO of Prostatype Genomics, 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 and management have now, based on the original agreements expiring soon, entered into extended lock-up agreements. The parties that have entered into the agreements are Creathor Venture Fund III (SCS) SICAR, Creathor Venture Fund III Parallel (SCS) SICAR, the 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 shares in the Company.

Market entry Italy

In Italy, Prostatype Genomics has established operations by contracting Maurizio Ballerini (MD) as Senior Director of Market Development Italia for the company. Ballerini is a medical doctor and has, among other things, 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.

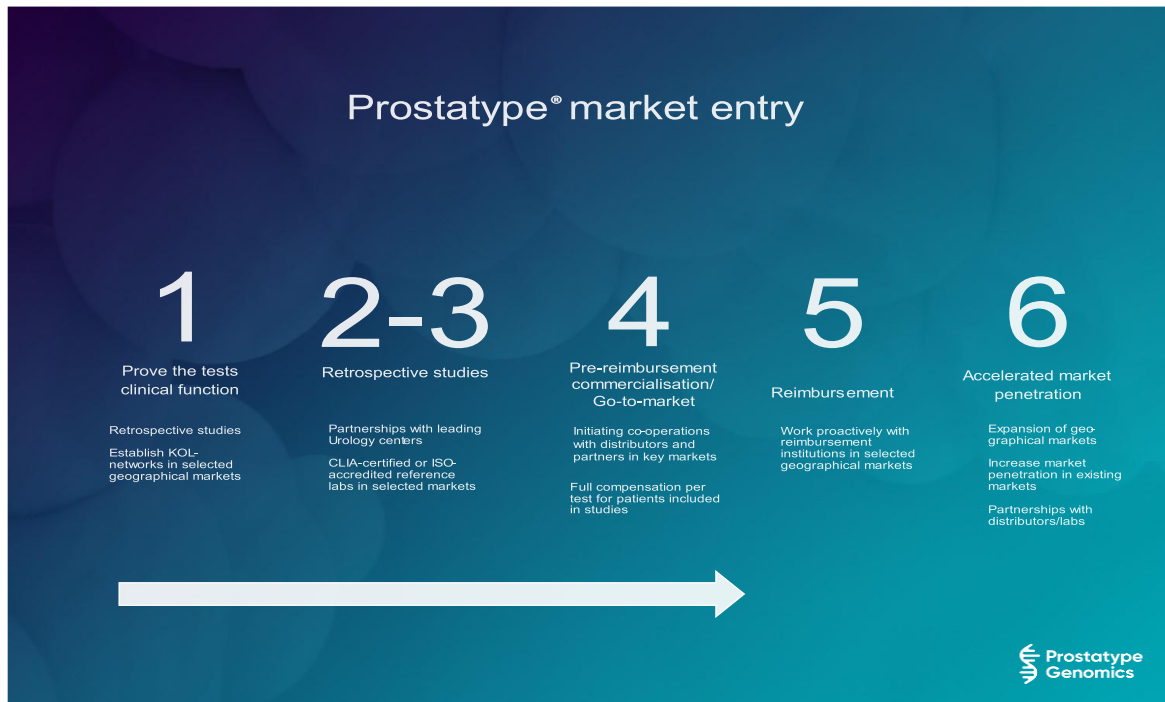
CEO comments

Several of my recent quarterly reflections have included hopes that the restrictions due to the corona pandemic will end and give healthcare the opportunity to start working on the care debt that has been built up, and which affects many cancer patients who must wait for treatment. It is obvious that Prostatype Genomic was negatively affected by the pandemic, with delayed launches of Prostatype® in our target markets. A concrete and very positive sign that conditions are about to change is that important medical congresses have recently opened for physical meetings, and now we hope that this development will continue. Having the opportunity to meet treating physicians and discuss how we can help them make the right decision is extremely satisfying and a very important step in establishing ourselves internationally. Following the pandemic, healthcare is also looking for more potent and specific tools to streamline the work of managing the care queues that have emerged, including in prostate cancer. Prostatype® is an excellent tool in that situation and several countries, including Germany and France, are accelerating the work of introducing modern biomarkers for more effective diagnostics and prognosis, including in the field of prostate cancer.

At the time of writing, Prostatype Genomics has participated in several Swedish and international meetings, and even more are planned for the coming months. Two of the international congresses we have attended have taken place in Italy and Germany and we are already seeing the effect of having local sales organizations in place. During the fourth quarter, the company will participate in congresses in the UK and Germany together with our new partners Cambridge Clinical Labs and our German colleague Karlheinz Dewald.

In connection with the listing on Nasdaq First North Market last year, we announced our ambition to initiate an international market presence. Despite the above challenges during the year, we realized this by establishing ourselves in five new markets. Behind the market establishments is an extensive strategic and tactical work to find an optimal approach. Each market needs to be approached according to its unique conditions, which is why we have chosen different establishment strategies in different markets. This has resulted in Prostatype Genomics, in addition to the Nordic domestic market, thus far having a market presence in Germany, Italy, the United Kingdom, Spain and Portugal. We intend to focus on these markets during the near future to ensure that the required resources are fully available before continuing our geographical expansion further.

The work of launching a product such as Prostatype® is not unique but follows a model that is most easily described through the image below.



We are today in steps 2 through 4, where we have a strong operational focus on the private healthcare market. We have also initiated the work with reimbursement (compensation from national authorities), but that is a relatively lengthy process. The private healthcare market is large and usually faster at adopting news, which is why we focus on this segment. I will return regarding how the work with the private market is progressing and what progress we have made in terms of reimbursement.

In Sweden, Prostatype Genomics has strengthened its market organization. During the autumn, Ulrika Flock took on the role of Sales & Marketing Manager and will work to build up the Nordic market. Nicklas Rosendal is our new Communications Director and will accelerate our work to build patient interest via social media and collaborations with Swedish and international patient organizations.

Prostatype Genomics has great potential to contribute to better individualized prognosis, the right treatment, and large savings for healthcare. In order to take advantage of this potential, we carried out a directed new share issue during the quarter, which provided the company with approximately SEK 24.7 million.

We have thereby strengthened our financial position and been able to accelerate our European presence, conduct international validation studies and can bring forward further market entries, e.g., with the help of our partner the Swiss company Proteomedix.

In collaboration with Proteomedix, we have also taken the step into the multiomics segment in terms of research, where we are currently studying the possibilities of combining two modern biomarkers into what can develop into a very interesting opportunity. When our initial pilot studies are completed, I will of course return with what further steps we take in this work.

The corona pandemic has had a negative impact on our results during the third quarter and we are obviously not satisfied. But as mentioned above, we are currently seeing that healthcare and its decision-makers are reopening to meetings and discussions, which gives us better opportunities to accelerate the work of commercializing Prostatype®.

I would also like to take this opportunity to thank all of you shareholders for your ongoing support and your continued conviction that Prostatype Genomics has something unique to offer patients with prostate cancer.

Fredrik Persson

CEO, Prostatype Genomics AB

Solna 18 November

Financial information and comments

Comparison between July-September 2021 and July-September 2020

Net sales

Net sales for the Company amounted to 0 (15) TSEK. The company has not yet begun to sell its product in a significant volume; hence sales are as expected.

Operating profit/loss

The operation profit/loss for the Company's third quarter 2021 amounted to -3 636 (-3 578) TSEK which is a deterioration of the loss by approximately 2 % in comparison to prior period. The company's costs consist mainly of product development, testing, strengthening of their resources.

Cash flow from current operations

The cash flow for the second quarter amounted to 18 888 (-4 181) TSEK. The cash flow from current operations amounted to -3 831 (-3 782) TSEK. The cash flow for the period is in line with the Company's operating expenses. The large change in cash flow is related to the listing of the Company.

Cash flow from investment activities

The cash flow from investment activities amounted to -426 (-365) TSEK. The Company has continued investing in product development.

Cash flow from financing activities

The cash flow from financing activities amounted 23 145 (-33) TSEK. Liquid funds as of 30 September 2021 amounted to 26 546 (4 420) TSEK.

Number of shares

On September 30, 2021, the number of shares was 15 088 761 (9 301 550). The nominal increase is assignable to set-off and issue of shares. Average amount of shares during the second quarter 2021 was 14 137 816.

Comparison between January 2021 - September 2021 (9 months) and July 2019 – December 2020 (18 months)

Net sales

Net sales for the Company amounted to 10 (684) TSEK. The company has not yet begun to sell its product in a significant volume; hence sales are as expected.

Operating profit/loss

The operation profit/loss for the period amounted -9 815 (-15 914) TSEK. The decrease is mainly due to the extended prior financial year which covers 18 months.

Cash flow from current operations

The cash flow for the period amounted 10 684 (13 170) TSEK. The cash flow from current operations amounted to -10 697 (-14 712) TSEK. The cash flow for the period is in line with the Company's operating expenses. The large change in cash flow is assignable to set-off and issue of shares.

Cash flow from investment activities

The cash flow from investment activities amounted to till -1 764 (-3 258) TSEK. The Company has continued investing in product development.

Cash flow from financing activities

The cash flow from financing activities amounted 23 145 (31 139) TSEK. Liquid funds as of 30 September 2021 amounted to 26 546 (15 862) TSEK.

Number of shares

On September 30, 2021, the number of shares was 15 088 761 (13 186 870). Average amount of shares for the period was 14 137 816.

Prostatype Genomics business and financial ratios

Amounts in SEK	2021-07-01 2021-09-30	2020-07-01 2020-09-30	2021-01-01 2021-09-30	2019-07-01 2020-12-31* (18 months)
Operating margin	neg	neg	neg	neg
Profit margin	neg	neg	neg	neg
Return on equity	neg	neg	neg	neg
Equity/debt ratio	92%	5%	92%	84%
Equity capital	41 659 090	1 175 384	41 659 090	28 290 359
Cash flow	19 322 319	-4 180 590	10 683 744	13 169 631
Number of shares (end of the period)	15 088 761	9 301 550	15 088 761	13 186 870
Number of shares (average for the period)	14 137 816	9 301 550	14 137 816	6 644 476
Number of shares - full dilution (end of the period)	19 133 952	9 461 421	19 133 952	13 346 741
Earnings per share	-0,25	-0,40	-0,65	-1,32
Diluted earnings per share (end of the period)	-0,19	-0,39	-0,52	-1,30
Number of employees (end of the period)	6	6	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)

**The period covers 18 months. The Company's financial year was extended*

Financial statement

Amounts in SEK	2021-07-01	2020-07-01	2021-01-01	2019-07-01
	2021-09-30	2020-09-30	2021-09-30	2020-12-31* (18 months)
Net sales	0	15 000	10 000	683 878
Own work capitalized	426 442	354 394	1 764 622	3 231 665
Other operating income	0	186 341	12 187	721 004
Total revenue	426 442	555 735	1 786 809	4 636 548
Operating expenses				
Research and development cost	-405 535	-187 814	-877 230	-2 414 232
Other external cost	-1 897 831	-2 437 336	-5 650 137	-9 834 459
Staff cost	-1 731 898	-1 471 065	-4 990 064	-8 136 244
Depreciation, amortization, and impairment	-22 121	-22 121	-66 361	-149 052
Other operating expenses	-4 658	-14899	-17 519	-16 373
Operating profit/loss	-3 635 600	-3 577 500	-9 814 502	-15 913 812
Income after financial items				
Interest expenses and similar items		-	-	
Interest expenses and similar items	-19 980	-139 112	-62 006	-1 494 411
Profit/loss after financial items	-3 655 580	-3 716 612	-9 876 508	-17 408 222
Profit or loss before tax	-3 655 580	-3 716 612	-9 876 508	-17 408 222
Total profit/loss for the period	-3 655 580	-3 716 612	-9 876 508	-17 408 222

*The period covers 18 months. The Company's financial year was extended.

Balance sheet

(SEK)	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development expenditure	17 831 344	15 323 820	16 066 722
Patent	55 763	130 115	111 527
Total intangible assets	17 887 107	15 453 935	16 178 249
<i>Property, plant, and equipment</i>			
Plant and machinery			
Equipment and tools	17 623	42 749	28 220
Total property, plant, and equipment	17 623	42 749	28 220
Total fixed assets	17 904 730	15 496 684	16 206 469
Current assets			
<i>Inventory</i>			
Finished products	180 675	463 257	366 369
Advances to suppliers	93 278	82 012	28 578
Total current assets	273 953	545 269	394 947
<i>Current receivables</i>			
Accounts receivable	146 573	12 500	336 352
Other receivables	285 763	794 961	578 467
Prepaid expenses and accrued income	324 223	301 309	284 643
Total current receivables	756 559	1 108 770	1 199 462
<i>Cash and bank</i>			
	26 545 531	4 420 109	15 861 788
Total current assets	27 576 043	6 074 148	17 456 196
TOTAL ASSETS	45 480 773	21 570 832	33 662 665

Balance sheet

(SEK)	2021-09-30	2020-09-30	2020-12-31
EQUITY AND LIABILITIES			
<i>Total equity</i>			
<i>Restricted equity</i>			
Share capital	905 326	558 093	791 212
New share issue under registration	-	-	
Development fund	17 831 344	15 323 820	16 066 722
<i>Total restricted equity</i>	18 736 670	15 881 913	16 857 934
<i>Non-restricted equity</i>			
Share premium reserve	130 452 900	75 664 917	107 321 774
Profit/loss brought forward	-97 653 971	-77 738 225	-78 481 127
Net profit/loss for the year	-9 876 508	-12 633 222	-17 408 222
<i>Total non-restricted equity</i>	22 922 420	-14 706 530	11 432 425
Total equity	41 659 090	1 175 384	28 290 359
<i>Long-term liabilities</i>			
Convertible loan	-	4 084 882	
Other debt to credit institutions	1 066 667	1 166 667	1 066 667
Total long-term liabilities	1 066 667	5 251 548	1 066 667
<i>Current liabilities</i>			
Debt to credit institutions	300 000	400 000	400 000
Accounts payable	1 015 237	1 363 040	1 779 007
Tax liabilities	82 627	62 990	55 374
Other current liabilities	663 406	12 014 927	552 325
Accrued liabilities and deferred income	693 748	1 302 943	1 518 933
Total current assets	2 755 017	15 143 900	4 305 639
TOTAL EQUITY AND LIABILITIES	45 480 773	21 570 832	33 662 665

Cash flow statement

(SEK)	2021-07-01	2020-07-01	2021-01-01	2019-07-01
	2021-09-30	2020-09-30	2021-09-30	2020-12-31* (18 months)
Operating activities				
Profit after financial items	-3 655 580	-3 716 612	-9 876 508	-17 408 222
Adjustments for items not included in cash flow etc	22 121	137 695	66 361	776 184
Cash flow from operating activities before changes in working capital	-3 633 459	-3 578 915	-9 810 147	-16 632 038
Cash flow from changes in working capital				
Change in inventory	50 731	-157 442	120 994	269 053
Change in operating receivables	228 279	-377 980	442 902	-79 418
Change in operating liabilities	-476 083	332 470	-1 450 622	1 730 472
Cash flow from current operations	-3 830 532	-3 781 867	-10 696 874	-14 711 931
Investment activities				
Acquisition of intangibles	-426 442	-354 394	-1 764 622	-3 231 664
Acquisition of fixed assets	0	-10 995	0	-26 195
Cash flow from investment activities	-426 442	-365 389	-1 764 622	-3 257 859
Financing activities				
Paid-in option premium	0	0	0	204 165
Net issue liquidity incl. bridge loan	23 245 239	0	23 245 239	27 877 506
Received convertible loans		0	0	3 457 750
Amortization	-100 000	-33 333	-100 000	-400 000
Cash flow from financing activities	23 145 239	-33 333	23 145 239	31 139 421
Cash flow for the period	18 888 266	-4 180 590	10 683 744	13 169 631
Opening liquid funds	7 657 265	8 600 698	15 861 788	2 692 157
Closing liquid funds	26 545 531	4 420 109	26 545 532	15 861 788

*The period covers 18 months. The Company's financial year was extended.

Changes in equity

1 January 2021 – 30 September 2021

SEK	Share capital	Development fund	Share premium reserve	Accumulated profit/loss
Opening balance	791 212	16 066 722	107 321 774	-95 889 349
Transfer to development fund		1 764 622		-1 764 622
New share issue	114 113		24 610 470	
Expenses of the issue			-1 479 344	
Result for the period				-9 876 508
Closing balance	905 326	17 831 344	130 452 900	-107 530 479

1 July 2019 – 31 December 2020 (rev)*

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
Result for the period					-17 408 222
Closing balance	791 212	0	16 066 722	107 321 774	-95 889 349

*The period covers 18 months. The Company's financial year was extended.

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.

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 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 previous 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. However, during the first two quarters of 2021, the Company did experience some delays in the then ongoing validation study in Uppsala due to Covid-19.

Intangible assets

The Board makes the assessment that there is no need for impairment of the intangible assets. A mandatory annual impairment test will be performed during the fourth quarter. The value of the intangible assets on the balance sheet is dependent on the Company reaching a positive cash flow, as well as on that the existing plan for future financing comes to fruition.

Options programs

In connection with the listing on Nasdaq First North, warrants were issued under the TO 1 series to the number of 3,885,320. If all warrants of series TO 1 are exercised, the share capital will increase by an additional SEK 233,111.20. One (1) warrant of series TO 1 entitles the holder to subscribe for one (1) share at a price of SEK 10.90 during the subscription period which takes place during the period from 27 January 2022 to 17 February 2022.

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.

Related party transactions

During the period from January 1 2021 to September 30 2021, except for what is detailed below, no related party transactions have taken place.

The Company has during the period procured services for in total 794 501 SEK from the company SecureAppbox AB, which 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.

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

Interim report Q4 & Year End Report

2022-02-24

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 (Swedish version) has 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 18 November 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.

Solna November 18 2021

Anders Lundberg
Chairman of the Board

Håkan Englund
Director

Karlheinz Schmelig
Director

Michael Häggman
Director

Fredrik Persson
Chief Executive Officer



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