



Prostatype Genomics AB

Org. 556726-0285

Quarterly report Q2 2022

1 April 2022 – 30 June 2022

Quarter 2 (1 April – 30 June 2022) summarized

- Net sales amounted to 8 TSEK.
- Net revenue amounted to 8 TSEK.
- EBITDA (earnings before interest, taxes, depreciation, and amortization) amounted to -6 886 TSEK.
- Cash flow from current operations in the quarter amounted -5 515 TSEK.
- Total cash flow for the period amounted to -5 615 TSEK.
- Earnings per share amounted to -0,49 SEK.



Significant events during the Second Quarter

- In May, the Board of Directors announced in connection with the call to the Annual General Meeting that it sought authorization for a rights issue (the “Rights Issue”) of units for an initial amount of approximately SEK 22.5 million before issue costs, followed by an additional approximately SEK 22.5 million before issue costs attributable to attached warrants. The Annual General Meeting gave the authorization and in June the Board decided to carry out the Rights Issue
- In April, the Company announced that it has entered into a cooperation with Capio Solna Urologi and that the first patient has been treated based on the prognostic test result from the use of Prostatype®

Events after the balance day

- On July 20, the subscription period for the Rights Issue ended. The rights issue was subscribed for a total of approximately SEK 17.9 million, including subscription obligations of approximately SEK 8.5 million, corresponding to a subscription rate of approximately 79.5 percent. In addition, guarantee commitments corresponding to approximately SEK 4.6 million have been activated, meaning that Prostatype Genomics is provided with 100 percent of the issue volume. Prostatype Genomics will thus receive approximately SEK 22.5 million before issue costs of a total of approximately SEK 3.1 million (including guarantee compensation of approximately SEK 1.4 million). Through the rights issue, a total of 7,755,895 shares and 7,755,895 warrants of series TO 2 are newly issued. A total of 306,315 units (corresponding to approximately SEK 16.9 million) were subscribed with the support of unit rights, including subscription obligations of approximately SEK 8.5 million. Allocation of units has taken place in accordance with the allocation principles described in the prospectus published by the Company in connection with the Rights Issue.

CEO comments

For Prostatype Genomics, the second quarter of 2022 can be summarized as:

High activity levels, endurance and occasionally some frustration!

In the prioritized European markets, we have mainly focused on intensifying the work of presenting studies and establishing new commercial collaborations. Among other things, we started a very exciting project together with the Urology clinic Capio Specialistcenter in Solna, which gave patients and doctors immediate access to the gene test Prostatype®. Also in Germany, Spain, and Italy we see an increased interest from leading clinics and urologists, and several exciting collaborations are underway. These successes come after intensive and persistent work to process the many different levels of healthcare decision-makers that exist at European and national level. The built-in inertia created by these systems of hierarchical approvals and recommendations slows down the speed at which innovative technologies can benefit European patients. Many times, we experience a frustration because the processes often take longer than what might seem justified but which at the same time is required purely regulatory and logistically. Therefore, a continued high level of energy and endurance is required from our employees, board, and shareholders before the sales start in earnest. Although urologists in several parts of Europe clearly communicate a desire to get started with Prostatype®, there are several practical parts that must fall into place before it can really happen. Most importantly, the clinical need for Prostatype® remains unshaken. We hear daily from customers about the challenges of choosing the right treatment for patients and that Prostatype® is a welcome addition to the arsenal, which of course strengthens us in our work.

If we compare with our other main market, the USA, we see a very different situation, gratifyingly.

In mid-May, we attended what turned out to be the most exciting event in a very long time, the American Urology Association Meeting 2022 in New Orleans. The clinical study with Prostatype® carried out at the University Hospital in Uppsala was selected for presentation to an audience of leading urologists from all over the world, which of course was very gratifying and led to several interesting discussions with American urologists as well as with potential commercial partners. We can already see that the US will be an important market for Prostatype Genomics, indeed, with high probability the most important of all.

Both during our presentation and in the conversations and meetings we had during the week, it became very clear how far American healthcare and American urologists have come when it comes to using genetic testing as a natural part of the healthcare process for diagnosed prostate cancer. Instead of explaining and discussing the benefits of prognostic testing in general, we were able to go straight to our concrete product benefits and we were immediately heard. American healthcare has enormously strong commercial driving forces and one of the advantages of that is that you are extremely open to finding and implementing innovations. If you can then, as we can, offer a real win-win, something that helps the patients at the same time as it increases the clinics' profitability and reduces the total cost of care, it is not difficult to get the audience really interested.

In our last quarterly report, I told you a bit about how we started our US investment, with the fully owned subsidiary Prostatype Genomics, Inc already established. As you may understand, our meetings during the AUA meant that we became even more motivated to accelerate the investment and during the summer we have worked intensively to identify the key resources we need, both to find exactly the right people for the company and to carry out the necessary validation studies with the right partners. In both areas, we will return very soon with exciting and value-creating news.

To finance the intensified market work in Europe while seriously establishing an American presence, we carried out a rights issue during the summer, which ended on July 20. The issue was subscribed to almost 80% by existing shareholders, which was then filled up to 100% with the help of external guarantors. A total of 22.5 million was added to the company before issue costs. With a strong financial position and very exciting signals from the markets both in Europe and the USA, we look forward to an exciting autumn with very positive news!

Fredrik Persson

CEO, Prostatype Genomics AB

Solna 18 August

Financial information and comments

Comparison between April-June 2022 and April-June 2021

Net sales

Net sales for the Company amounted to 8 (5) TSEK. The company has not yet begun to sell its product in a significant volume; hence sales are as expected.

Operating profit/loss

The operating profit/loss for the Company's second quarter 2022 amounted to -7 373 (-2 350) TSEK which is a decrease with approximately 68% in comparison to prior period. The company's costs consist mainly of product development, testing, strengthening of their resources. The cost increases during the quarter are primarily related to the continued adding of commercial resources.

Cash flow from current operations

The cash flow for the second quarter 2022 amounted to - 5 615 (-2 862) TSEK. The cash flow from current operations amounted to -5 515 (-2 353) 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 -0 (-543) 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 (33) TSEK. Liquid funds as of 30 June 2022 amounted to 8 811 (7 657) TSEK.

Number of shares

On June 30, 2022, the number of shares was 15 103 602 (13 186 870). Average amount of shares during the second quarter 2022 was 15 096 182.

Comparison between January 2022 - June 2022 and January 2021 – June 2021

Net sales

Net sales for the Company amounted to 269 (10) 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 -12 910 (-5 745) TSEK which is a decrease with approximately 56 % in comparison to prior period. The main reasons are enforcement of staff and product commercialisation.

Cash flow from current operations

The cash flow for the period amounted -11 518 (-8 204) TSEK. The cash flow from current operations amounted to -11 318 (-6 886) 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 0 (-1 338) 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 -200 (- 1 338) TSEK. Liquid funds as of 30 June 2022 amounted to 8 811 (7 657) TSEK.

Number of shares

On June 30, 2022, the number of shares was 15 103 602 (13 186 870). Average amount of shares for the period was 15 096 182.

Prostatype Genomics business and financial ratios

Amounts in SEK	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-12-31
Operating margin	neg	neg	neg	neg
Profit margin	neg	neg	neg	neg
Return on equity	-32%	-11%	-20%	neg
Equity/debt ratio	81%	85%	85%	89%
Equity capital	22 961 943	22 503 484	22 961 943	35 905 840
Cash flow	-5 615 161	-2 862 498	-11 517 737	44 467 387
Number of shares (end of the period)	15 103 602	13 186 870	15 103 602	15 088 761
Number of shares (average for the period)	15 096 182	13 186 870	15 096 182	14 137 816
Number of shares - full dilution (end of the period)	15 248 632	13 346 741	15 145 458	15 248 632
Earnings per share	-0,49	-0,18	-0,49	-1,04
Diluted earnings per share (end of the period)	-0,48	-0,18	-0,48	-1,02
Number of employees (end of the period)	4	4	4	6
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	2022-04-01	2021-04-01	2022-01-01	2020-01-01
	2022-06-30	2021-06-30	2022-06-30	2021-12-31
Net sales	7 960	5 002	268 720	10 001
Own work capitalized	-	543 265	-	2 499 641
Other operating income	-	738	-	12 186
Total revenue	7 960	549 005	268 720	2 521 828
Operating expenses				
Research and development cost	-727 653	-232 048	-1 401 100	-1 488 110
Other external cost	-3 867 915	-1 013 083	-6 376 765	-8 491 058
Staff cost	-2 283 844	-1 632 171	-4 416 141	-7 980 680
Depreciation, amortization and impairment	-486 277	-22 117	-972 559	-88 483
Other operating expenses	-14 924	-	-11 938	-21 762
Operating profit/loss	-7 372 652	-2 350 413	-12 909 784	-15 548 265
Income after financial items				
Interest expenses and similar items	-	-	-	-
Interest expenses and similar items	-16 177	-14 090	-34 114	-81 493
Profit/loss after financial items	-7 388 829	-2 364 503	-12 943 897	-15 629 758
Profit or loss before tax	-7 388 829	-2 364 503	-12 943 897	-15 629 758
Total profit/loss for the period	-7 388 829	-2 364 503	-12 943 897	-15 629 758

Balance sheet

(SEK)	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized development expenditure	17 638 042	17 404 902	18 566 363
Patent	-	74 351	37 175
Total intangible assets	17 638 042	17 479 253	18 603 538
<i>Property, plant and equipment</i>			
Plant and machinery	-	-	-
Equipment and tools	7 026	21 157	14 089
Total property, plant and equipment	7 026	21 157	14 089
Total fixed assets	17 645 068	17 500 410	18 617 627
Current assets			
<i>Inventory</i>			
Finished products	74 240	296 106	107 520
Advances to suppliers	74 506	28 578	74 506
Total current assets	148 746	324 684	182 026
<i>Current receivables</i>			
Accounts receivable	396 136	152 823	146 573
Other receivables	1 151 756	535 225	502 980
Prepaid expenses and accrued income	358 480	296 790	424 429
Total current receivables	1 906 372	984 839	1 073 982
<i>Current investments</i>			
Other current investments	8 000 000	-	10 500 000
Total current investments	8 000 000	-	10 500 000
<i>Cash and bank</i>			
	811 439	7 657 265	9 829 175
Total current assets	10 866 557	8 966 788	21 585 183
TOTAL ASSETS	28 511 624	26 467 197	40 202 810

Balance sheet

(SEK)	2022-06-30	2021-06-30	2021-12-31
EQUITY AND LIABILITIES			
<i>Total equity</i>			
<i>Restricted equity</i>			
Share capital	905 326	791 212	905 326
New share issue under registration	-	-	-
Development fund	18 566 363	17 404 902	18 566 363
Total restricted equity	19 471 689	18 196 114	19 471 689
<i>Non-restricted equity</i>			
Share premium reserve	130 452 900	107 321 774	130 452 900
Profit/loss brought forward	-114 018 748	-97 227 529	-98 388 990
Net profit/loss for the year	-12 943 897	-5 786 875	-15 629 758
Total non-restricted equity	3 490 254	4 307 370	16 434 152
Total equity	22 961 943	22 503 484	35 905 841
<i>Long-term liabilities</i>			
Convertible loan	-	-	-
Other debt to credit institutions	866 667	1 066 667	866 667
Total long-term liabilities	866 667	1 066 667	866 667
<i>Current liabilities</i>			
Debt to credit institutions	200 000	400 000	400 000
Accounts payable	2 510 290	1 191 541	1 174 708
Tax liabilities	141 009	76 827	176 876
Other current liabilities	255 471	92 085	212 175
Accrued liabilities and deferred income	1 576 244	1 136 594	1 466 544
Total current assets	4 683 014	2 897 047	3 430 302
TOTAL EQUITY AND LIABILITES	28 511 624	26 467 197	40 202 810

Cash flow statement

(SEK)	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-12-31
Operating activities				
Profit after financial items	-7 388 829	-2 364 503	-12 943 897	-15 629 758
Adjustments for items not included in cash flow etc	486 277	22 117	972 559	88 483
Cash flow from operating activities before changes in working capital	-6 902 552	-2 342 386	-11 971 338	-15 541 275
Cash flow from changes in working capital				
Change in inventory	320	30 113	23 280	212 921
Change in operating receivables	-452 334	-265 893	-822 390	125 480
Change in operating liabilities	1 839 405	225 600	1 452 711	-875 336
Cash flow from current operations	-5 515 161	-2 352 566	-11 317 737	-16 078 210
Investment activities				
Acquisition of intangibles	-	-543 265	-	-2 499 641
Acquisition of fixed assets	-	-	-	-
Cash flow from investment activities	-	-543 265	-	-2 499 641
Financing activities				
Paid-in option premium	-	-	0	-
Net issue liquidity incl. bridge loan	-	-	0	23 245 239
Received convertible loans	-	-	0	-
Other received loans	-	33 333	0	-
Amortization	-100 000	-	-200 000	-200 000
Cash flow from financing activities	-100 000	33 333	-200 000	23 045 239
Cash flow for the period	-5 615 161	-2 862 498	-11 517 737	4 467 387
Opening liquid funds	14 426 599	10 519 763	20 329 175	15 861 788
Closing liquid funds	8 811 439	7 657 265	8 811 439	20 329 175

Changes in equity

1 January 2022 – 30 June 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
Transfer to development fund		-		-
Result for the period				-12 943 897
Closing balance	905 325	18 566 363	130 452 900	-126 962 645

1 January 2021 – 31 December 2021 (rev)*

SEK	Share capital	Development fund	Share premium reserve	Accumulated profit/loss
Opening balance	791 212	16 066 722	107 321 774	-95 889 349
New share issue	114 113		24 610 470	
Expenses of the issue			-1 479 344	
Reduction of the share capital				
Option premium				
Transfer to development fund		2 499 641		-2 499 641
Result for the period				-15 629 758
Closing balance	905 325	18 566 363	130 452 900	-114 018 748

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 Genomics”. 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

Compared with the previous financial year, the effects of the Covid-19 pandemic subsided during the quarter. However, in some markets it continues to make access to healthcare professionals more cumbersome that would otherwise be the case.

Related party transactions

During the period from January 1 2022 to June 30 2022, except for what is detailed below, no related party transactions have taken place.

The Company has during the period procured services for in total 199 750 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 Q3 2022-11-10

Interim report Q4 & Year End Report 2023-02-16

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 18 August 2022 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 August 18

Anders Lundberg
Chairman of the Board

Håkan Englund
Director

Karlheinz Schmelig
Director

Michael Häggman
Director

Fredrik Persson
Chief Executive Officer

Mattias Prage
Director



Prostatype Genomics AB

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