ADVERTISEMENT

Prostatype Genomics

# EXERCISE OF WARRANTS OF SERIES TO 1

## PROSTATYPE GENOMICS AB

**EXERCISE PERIOD**
**JANUARY 27TH – FEBRUARY 17TH 2022**

**IMPORTANT INFORMATION**

This marketing brochure has been prepared by Prostatype Genomics AB ("Prostatype Genomics" or "the Company"). Readers are asked to read the prospectus published by Prostatype Genomics in connection with the Company's IPO (published on September 15th, 2020) for a description of the risks associated with an investment in the Company. The prospectus is available for download on the Company's website (www.prostatypegenomics.com).

# PROSTATYPE GENOMICS AB

*Prostatype Genomics was founded in 2007 and has been researching the genomics of prostate cancer for 15 years. The result of the research work is the CE-marked and market-ready product Prostatype® Test System, which today is the market's only genetic test in kit format for prostate cancer.*

Prostatype Genomics is a medical technology company that conducts research, development and sales of medical technology products linked to prostate cancer. Globally, prostate cancer is the second most common form of cancer among men, where approximately 1.3 million men are diagnosed with the disease each year.[1] In Sweden, approximately 100,000 men are estimated to live with prostate cancer and approximately 10,000 are diagnosed with the disease each year.

Prostatype® is a genetic test for the prognosis of prostate cancer and provides an improved basis for decision-making in order to be able to choose the optimal treatment strategy for the individual patient.

Through a combination of artificial intelligence and an advanced algorithm, the expression of genes in cancer cells from prostate tissue is analysed and provides decision support for optimal treatment for each individual patient.

[1] World Cancer Research Fund. Prostate Cancer Statistics. Retrieved from: https://www.wcrf.org/dietandcancer/cancer-trends/prostate-cancer-statistics


## WHY PROSTATYPE GENOMICS?

### THE BENEFITS OF THE PROSTATYPE GENOMICS METHOD

- For the urologist, the Prostatype Genomics method provides advanced decision support when choosing treatment, avoids repeated biopsies, reduces the risk of overtreatment and undertreatment and provides an easy-to-understand and clear decision basis for patients and doctors.
- For the patient, Prostatype® ensures an objective second opinion before the important decision whether to undergo radical treatment for their prostate cancer or not. Furthermore, it enables the patient to be involved in the choice of treatment and most importantly – the opportunity for improved quality of life.
- For the pathologist, the Prostatype Genomics method provides the opportunity to assess the aggressiveness of cancers based on existing biopsies, and thus offer an optimal assessment of the individual patient.
- For the healthcare system in general, Prostatype Genomics method ensures significantly reduced costs for by avoiding both under- and over-treatment of patients.

### MARKET POTENTIAL

According to the Company's assessment, the global annual market potential is approximately SEK 14 billion. The Company estimates that the annual addressable market for Prostatype Genomics amounts to approximately SEK 9 billion, which corresponds to approximately 65 percent of the total market. The Company estimates that the global market's annual growth rate is between 4 and 6 percent.

## IMPORTANT OBJECTIVES ACHIEVED DURING 2020-2021

### SCIENTIFIC OBJECTIVES

- Prostatype Genomics presented an external validation study from Skåne University Hospital at EAU (European Association of Urology) in 2020. The results of the validation study showed, among other things, that patients whose prostate cancer was originally categorized as high risk using Prostatype® could be recategorized to low (10.5 percent) and intermediate risk type (31.5 percent) when using Prostatype®. It is of great importance before the decision whether a patient should undergo radical treatment or not.
- Prostatype Genomics announced strong results for Prostatype® from the first step in the validation study conducted in an Asian population. The results from the initial pilot study show that about a third of the patients are reclassified, completely in line with the results we see in studies with patients of Caucasian origin. As with previous external validations of Prostatype®, the biggest effect is that patients are downgraded in terms of the risk of dying from prostate cancer, i.e., that Prostatype® helps to reduce the overtreatment that is well known in prostate cancer. The Company is working on another study in China where the results are expected to be presented during the first quarter of 2022.
- Another milestone achieved in the Company's development is the clinical study with Prostatype® conducted at the University Hospital in Uppsala. The results show that the correlation between gene expression from biopsies (tissue samples) and already operated prostate (so-called prostatectomy) means that the treating physician and patient can with greater certainty determine the most optimal treatment for the individual patient before any radical treatment is performed. The study has generated great interest and will be presented at the AUA (American Urology Association's) annual meeting in New Orleans, USA, at the end of May.

### COMMERCIAL OBJECTIVES

- Agreements with distributors in Spain, Portugal and the United Kingdom have been signed for further commercialization.
- Sales organizations have been established in Germany and Italy.
- Sales have begun, of which the first customers in Germany and China have been invoiced.
- The market organization has been strengthened with several positions in communication and sales.
- The Company has initiated a commercial and research and development collaboration with the Swiss company Proteomedix. Proteomedix provides the already market-approved biomarker Proclarix®, which strengthens Prostatype Genomics' market position by being used in the diagnostic phase to determine whether a patient should proceed to take a tissue sample from the prostate or not. A big win for the Company is the quick start to further work in the promising area of multiomics. The two companies have started a collaboration with the goal of developing a product where the combination of markers (in this case tissue markers and blood markers) holds great potential.

"In 2021, an important milestone was reached in the Company's development – the ground-breaking clinical study with Prostatype® that was conducted at the University Hospital in Uppsala. We are very happy and proud of the results shown by our product and our associated algorithm P-score. We are aware of the potential of Prostatype®, but the results exceeded high expectations, which we have confirmed as the study was selected by a scientific committee for presentation at one of the world's largest urology conferences, AUA, in the US in the spring of 2022."


## THE OFFER IN BRIEF

**Exercise period**: 27th of January – 17th of February 2022.
**Subscription price**: Each warrant of series TO 1 gives the holder the right to subscribe for one (1) new share in Prostatype Genomics at a price of SEK 10.90 per new share.
**Issue volume**: Approximately SEK 42.3 million before issue costs.
**Last day for trading in warrants**: 15th of February 2022.
**Number of outstanding shares in Prostatype Genomics before warrant exercise**: 15 088 761 shares.
**Valuation in current offer (pre-money)**: Approximately SEK 164.5 million.

### USE OF THE ISSUE PROCEEDS

The proceeds that the Company can receive through the warrant exercise are intended to be used to intensify the launch of Prostatype® Test System in selected European markets as well as in the USA and Asia. To enable the Company's commercialization and expansion plan, Prostatype Genomics needs to secure additional competencies in sales and marketing to support distributors. In order to be able to launch the Prostatype® Test System, validation and market studies are necessary in some countries and the studies are planned to be carried out in connection with the product being introduced on each market. More extensive validation studies have been conducted, or are ongoing, in Sweden, The People's Republic of China, Germany and Taiwan.

Proceeds through warrants of series TO 1 (approximately SEK 39.4 million in net payment) are intended to be used for the following:

- Expansion of the organization with a focus on business development and research and development (approximately 60 percent)
- Ongoing operations (approximately 30 percent)
- Digital investments and marketing (approximately 10 percent)

## UPCOMING OBJECTIVES

### 2022

- Agreement with American distributor/partner.
- Conduct registration study in the United States.
- Identify suitable partners for the Chinese market.
- Conduct validation studies in southern and northern Europe.
- Identify and sign agreements with distributors / partners in Italy, Switzerland, and Austria.
- Sales start in the UK, USA, Italy, Austria, Switzerland and Norway.

### 2023

- Identification of, and agreements with, distributors/partners in Japan and South Korea.
- Begin Chinese validation study CFDA (The China Food and Drug Administration) with selected partner.
- Sales start in China.
- Identify and sign agreements with distributors / partners in Canada, Australia, and India.
- Validation studies agreed and started in Japan and South Korea.

# CEO FREDRIK PERSSON COMMENTS

Since our listing on First North in 2020, we have achieved important milestones for continued development and expansion. Our ambition has been to initiate an international market presence and we have today established ourselves in five new strategic markets. In addition to the Nordic domestic market, we have a market presence in Germany, Italy, the United Kingdom, Spain and Portugal – an important start in our commercialization process. In many respects, 2021 has been a peculiar year with the global pandemic that has ravaged, and is ravaging, the whole world. Despite the fact that we worked under very tough circumstances, where many countries were in principle completely shut down for long periods, we have reason to be very satisfied with the Company's continued development during the past year.

Our work to reach significant agreements with partners has been successful and agreements have been entered into with the leading British laboratory company Cambridge Clinical Laboratories ("CCL"). CCL currently offers Prostatype® in its own laboratories in the UK and Ireland.

We also notice a clear demand for Prostatype® in other markets, which indicates that we will sign more important collaboration agreements in 2022. However, our main focus in the next six months will be to ensure that the partners we have established in 2021 receive the backing and support they need to be able to take the sales of Prostatype® further in each local market. One of the reasons for the interest we can note is that we can show strong results for Prostatype® in terms of performance. From the first step with the validation study from Skåne University Hospital, we can now show further promising results in both an Asian population and the clinical study with Prostatype® that was conducted at the University Hospital in Uppsala. The study from Uppsala has been selected to be presented at one of the world's largest urology congresses, AUA in New Orleans, USA, in May 2022, which of course is a quality stamp for Prostatype®. Both the validation study from Skåne University Hospital and in Asian population show that when using Prostatype®, approximately one third of the patients can be reclassified to another risk group. The results are gratifying as they confirm the clinical benefit of Prostatype® as advanced decision support when choosing treatment for patients, which in turn can reduce patients' suffering and enable more cost-effective care.

For 2022, our goal is to complete validation studies in southern and northern Europe and the United States. Our ambition is to continue to sign agreements with distributors in Europe, China and the USA. An important milestone for 2022 is also to start sales of Prostatype® in the USA.

A step in the right direction to intensify the commercialization work and implement the marketing strategy is that we have strengthened our marketing organization with Ulrika Flock as Nordic Product Manager and Nicklas Rosendal as Communications Manager.

I hereby invite you to exercise your warrants of series TO 1, an important addition to Prostatype Genomics' continued commercialization process and expansion. We follow our plan and continue to deliver in accordance with our set goals and business plans. If all warrants are exercised, Prostatype Genomics will have a strong financial position and be able to continue the work of improving the quality of life for millions of people worldwide.

**Fredrik Persson, CEO, Prostatype Genomics AB**

"The results of Prostatype® have exceeded our high expectations, and we look forward to helping patients in several new and exciting markets."

- Fredrik Persson, CEO, Prostatype Genomics AB

# Summary of terms for warrants of series TO 1

There are 3,885,320 outstanding warrants of series TO 1. Holders of warrants of series TO 1 have the right to subscribe for one (1) new share in Prostatype Genomics at a price of SEK 10.90 per share for each warrant. Subscription with the support of warrants of series TO 1 can take place during the period from the 27th of January 2022 until the 17th of February 2022. Subscription must be made by simultaneous cash payment no later than 17:00 CET on the 17th of February 2022.

**You need to take a position on the offer as a warrant holder**
***- how to use your TO 1 series warrants:***
In order for your warrants not to expire worthless, you must subscribe for new shares, with the support of warrants, no later than 17:00 CET on the 17th of February 2022, or sell your warrants no later than on the 15th of February 2022 (the warrants are traded under the short name "PROGEN TO 1".

**You can have your warrants registered in two ways:**
At a securities depository in a bank or with another manager (for example Avanza or Nordnet), in an investment savings account (ISK) or in an endowment insurance (KF). Your warrants are then nominee registered. On a VP account (a VP account starts with three zeros). Your warrants are then direct registered.

***If your warrants are nominee registered***
Subscription and payment of new shares, with the support of warrants, shall be made to the respective bank or other nominee where the warrants are registered. Subscription and payment shall be made in accordance with the instructions provided by each such bank or trustee. The bank/nominee usually sends out a digital notice to the account holder, otherwise it is usually sufficient to log in to the securities depository from the first day of the exercise period in order to receive instructions on how to exercise warrants to subscribe for new shares. Please contact your bank or trustee if you do not find these instructions. Note that banks and other nominees can set different time limits for subscription, therefore it is recommended that you contact your bank/nominee early during the exercise period to obtain information about subscription and payment. Subscribed and paid shares may be registered at your securities depository such as "interim shares" or "IA" until the issue is registered with the Swedish Companies Registration Office, after which interim shares are automatically converted into ordinary shares in Prostatype Genomics.

***If your warrants are direct registered***
No issue report will be sent out. Subscription of new shares, with the support of warrants, shall take place by submitting a fully completed application form to Nordic Issuing. In connection with the registration form being sent to Nordic Issuing, payment must be made in accordance with the payment instructions on the registration form. Registration form and this folder are available on Nordic Issuing's (www.nordic-issuing.se) website. Completed application form and payment must be received by Nordic Issuing no later than 17:00 CET on the 17th of February 2022. Subscribed and paid shares will be registered in your VP account such as "interim shares" or "IA" until registration of the issue is completed with The Swedish Companies Registration Office, after which interim shares are automatically converted into ordinary shares in Prostatype Genomics.

**Subscription over EUR 15,000 if applicable**
In the event that your subscription to Nordic Issuing amounts to or exceeds EUR 15,000, the money laundering form must be completed and submitted to Nordic Issuing at the same time as payment is made in accordance with the Act (2017: 630) on measures against money laundering and terrorist financing. Please note that interim shares cannot be booked out, even though payment has been received, until the money laundering control is available to Nordic Issuing. Money laundering form is obtained from Nordic Issuing.

**Important dates**
The 27th of February 2022 – the exercise period begins
The 15th of February 2022 – last day for trading in warrants
The 17th of February 2022 – the exercise period ends
The 22nd of February 2022 – planned publication of results in warrant exercise
The 7th of March 2022 – planned date for switching from interim shares to shares

**PLEASE NOTE** – in order for your warrants not to expire worthless, you must actively subscribe and pay for shares no later than 17:00 CET on the 17th of February 2022, or alternatively sell your warrants no later than on the 15th of February 2022.

For any questions regarding warrants of series TO 1, please contact Sedermera Corporate Finance AB or Nordic Issuing AB. Sedermera Corporate Finance AB and Nordic Issuing AB act as financial adviser and issuing agent to Prostatype Genomics in connection with warrant exercise. Markets & Corporate Law Nordic AB acts as legal advisor.

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