Prostatype Genomics

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Invitation to subscribe for units

Prostatype Genomics AB (publ)

The Prostatype® genetic test provides answers to the optimal treatment strategy for patients with prostate cancer

IMPORTANT INFORMATION
The following summary is not an offer but should rather be seen as an introduction to Prostatype Genomics AB's ("Prostatype Genomics") prospectus and does not necessarily contain all the information for an investment decision to be made. The investor is advised to read the prospectus, which is available on Prostatype Genomics' website (www.prostatypegenomics.com) before making an investment decision, to take note of the potential risks associated with the decision to invest in the securities. Prostatype Genomics AB, org.nr 556726–0285.

www.prostatypegenomics.com

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Prostatype Genomics' patented genetic test shows with high precision how aggressive prostate cancer is, making it possible for patients and doctors to choose the right treatment

Prostate cancer, which develops in the prostate gland, is the second most common form of cancer among men globally. Approximately 1.3 million men are diagnosed with prostate cancer each year[1]. Currently, in Sweden alone, it is estimated that 100,000 men are living with prostate cancer, and approximately 10,000 men are newly diagnosed every year in Sweden.

At the individual level, it is difficult to predict exactly how the development of prostate cancer will progress. In some men, prostate cancer grows and spreads rapidly and is therefore a very serious condition that requires aggressive and radical treatment. However, in the vast majority of cases of low-risk cancer, and in a small proportion of cases of intermediate-risk cancer, which in total constitute the absolute majority of patients, the cancer grows slowly and requires only active monitoring as opposed to treatment. Today's methods for diagnosing prostate cancer are highly dependent on visual assessment and human interpretation. Decisions about treatment strategy are therefore made with subjective and qualitative information, which does not necessarily reflect the pathology of the individual patient's prostate cancer. As a result, a significant number of patients are miscategorized, resulting in overtreatment of some and undertreatment of others. Studies show that as many as 7 out of 10 patients with prostate cancer are treated incorrectly for their cancer[2,3]. This will in many cases result in a significantly reduced quality of life for the patient, which could have been avoided through individualized prognosis.

Prostatype Genomics AB is the result of over ten years of research in the genomics of prostate cancer. The company was founded in 2007 as a spin-off from Cancer Center Karolinska (Karolinska Institute, Stockholm). The result was the development of the now CE-marked and market-ready product Prostatype® Test System. Prostatype® is a test for diagnosis and prognosis that has been developed to provide the additional information required to select the optimal treatment strategy for each patient. The test analyzes the expression of the genes in cancer cells from prostate tissue, which in combination with an advanced algorithm and data analysis provides decision support for optimal treatment of individual patients when prostate cancer has been confirmed. Prostatype® is currently the only genetic test for prostate cancer available in kit format. The product is also very scalable thanks to the algorithm on which the test is based.

The offering

Subscription period: Subscription of units shall take place during the period from September 17, 2020 – October 1, 2020.

Subscription price: The subscription price is SEK 9.65 per unit, which corresponds to SEK 9.65 per share. One (1) unit consists of one (1) share and one (1) warrant of series TO 1. The warrants are issued free of charge.

Subscription post: The minimum subscription post is 520 units, which corresponds to SEK 5,018.00. Thereafter, subscription takes place in any number of units.

Issue volume: The initial issue comprises a maximum of 3,885,320 units, which corresponds to approximately SEK 37.5 million. In January / February 2022, the company can receive an additional approx. SEK 42.3 million in the event that all associated warrants are exercised.

Warrants: One (1) warrant of series TO 1 entitles the holder to subscribe for one (1) new share at a price of SEK 10.90 during the subscription period that takes place during the period from and including January 27, 2022 to and including February 17, 2022.

Number of shares prior to the issue: 9,301,550 shares.

Valuation (pre-money): Prostatype Genomics AB's valuation amounts to approx. SEK 89.8 million.

Pre-subscription commitment: Approx. SEK 27.2 million of the initial issue is covered by pre-subscription commitments, corresponding to approx. 72 percent of the total initial issue volume.

Listing on Nasdaq First North Growth Market: Prostatype Genomics' shares and warrants are planned to be listed on First North. The first day for trading is expected to be October 27, 2020.

1. World Cancer Research Fund. Prostate Cancer Statistics. Retrieved from: https://www.wcrf.org/dietandcancer/cancer-trends/prostate-cancer-statistics
2. Bill-Axelson A, Holmberg L, Garmo H, et al. (2014). Radical Prostatectomy or Watchful Waiting in Early Prostate Cancer. New England Journal of Medicine
3. Ayal A. Aizer, Xiangmei Gu, et al. (2015). Cost Implications and Complications of Overtreatment of Low-Risk Prostate Cancer in the United States. *Journal of the National Comprehensive Cancer Network*

Objectives

In 2019, Prostatype Genomics went from being a company in development phase to being a company with a focus on sales and commercialization, with Sweden as the initial market. The company's core product Prostatype® Test System is CE-marked and sales have been initiated on a smaller scale in the Swedish market.

With AI technology (artificial intelligence), Prostatype Genomics' genetic testing makes it possible to better predict prostate cancer and categorize the patient's condition into different types of risk. As a result, the company can reduce the risk of overtreatment or undertreatment, which in many cases leads to major problems for the patient. Current diagnostic tools can only assess whether the patient has cancer or not but have limitations when it comes to assessing how aggressive the cancer is. The Prostatype® Test System can thus ensure better quality of life for people whose prostate cancer is considered low or intermediate risk, without risking the safety of patients with aggressive tumors. Being able to better determine the development of cancer also results, according to the company, in reduced health care costs.

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[4].

2020 -2021

- Presentation of external validation study from Skåne University Hospital at EAU (European Association of Urology).
- Completion of Taiwanese validation study of 50 patients.
- Explorative Uppsala-study completed during Q3 2020. Abstract finalized Q4 2020.
- German and Spanish distribution partners contract signed.
- Sales start in Taiwan, Spain and Germany.

2022

- Initiate discussions with Chinese distributors.
- South and North Europe as well as US market validation studies completed and communicated to the market.
- Agreement reached with US distributor/ partner.
- Identification of, and agreement reached with, distributors/partners in Italy, Switzerland, and Austria.
- Sales start in the US, Austria, Italy, Switzerland, and Norway.

2023

- Identification of, and agreement reached with, distributors/partners in Japan and South Korea.
- Initiate Chinese CFDA (The China Food and Drug Administration) validation study together with selected partner.
- Sales start in the UK and China.
- Identification of, and agreement reached with, distributors/partners in Brazil, Philippines, Russia, Canada, Australia, and India.
- Validation studies agreed and started in Japan and South Korea.

Highlights

Positive results in several external validation studies

Global market opportunity with low entry barriers

Contributes to reduced health care costs and increased quality of life for the patient

Patented product based on more than 10 years of research

Great need for new prognostic tools in health care

Commercial phase initiated – product CE-marked

Attractive business model and high margins

4. Rawla P. (2019). Epidemiology of Prostate Cancer. World Journal of Oncology, 10(2), 63–89. https://doi.org/10.14740/wjon1191

CEO Fredrik Persson comments

In early 2020, the corona virus paralyzed large parts of the world. We are still in the middle of the pandemic, but there is now light in the tunnel. Prostatype Genomics has implemented important measures to reduce the risks for employees, at the same time, it is clear that the company is relatively spared from the effects of the virus.

We estimate that any declines in demand will be temporary and that demand for the product will return to the levels seen before the pandemic. Certainly, the need for prognostic markers remains unaffected. We are thus continuing our operations according to plan, which is good news for patients diagnosed with prostate cancer who, regardless of the current situation, should be able to be offered the Prostatype® test.

Prostate cancer is the most common type of cancer in many developed countries around the world. In Sweden, prostate cancer accounts for about 30 percent of all cancer diagnoses among men[5]. Being diagnosed with cancer is always difficult. What many men are not aware of, however, is that a majority of all prostate tumors are of the type that do not develop rapidly and are limited to the prostate gland. The cancer often grows so slowly that in many cases the patient dies due to other reasons, before the cancer has even become life-threatening. Of course, all patients want to be free of cancer and to surgically remove the prostate or undergo radiation therapy can accomplish this. The problem, however, is that an alarming proportion of all men undergoing aggressive cancer treatment are forced to suffer serious side effects. Current research shows that the proportion of men who suffer from impotence varies between 40–80 percent[6,7,8,9] while urinary incontinence varies between 10–20 percent[6,8,9] within three years after treatment. Treating prostate cancer can therefore have a more negative impact on the patient's quality of life than the underlying condition would have if left untreated but actively monitored.

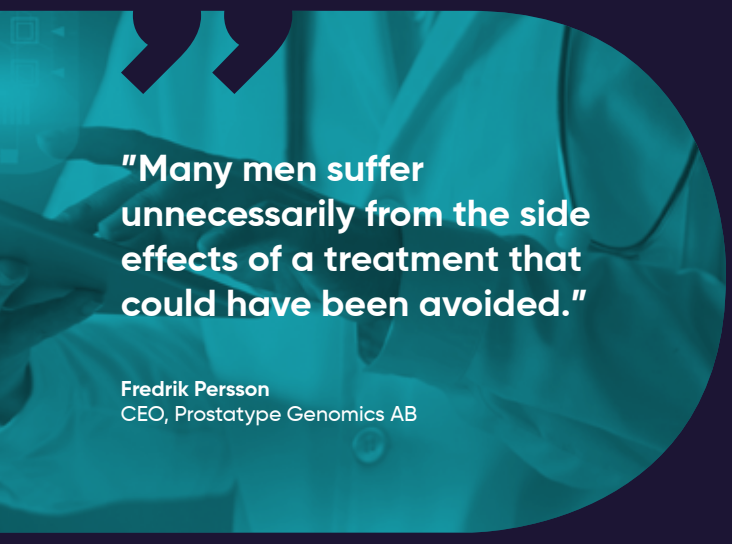
Many men thus suffer unnecessarily from the side effects of a treatment that could and perhaps should have been avoided. The clinical challenge has been to determine the prognosis for prostate cancer accurately. Due to the potentially serious side effects of the treatment, the patient and the urologist together make an assessment before deciding on the treatment strategy. Often the question regarding treatment is a difficult decision. Experienced doctors can go a long way when it comes to making the diagnosis and prognosis, but in many cases it is difficult to determine with certainty how aggressive the cancer is. It can be likened to solving a puzzle where certain pieces are missing. This is where our Prostatype® product can help. Thanks to Prostatype®, the missing pieces can be added and the puzzle solved more easily.

Prostatype® is the result of more than 10 years of research in the field of prostate cancer. From the original 24,000 genes, our researchers have reduced it to three cancer stem cell genes that contain enough information to categorize patients' prostate cancer into subtypes with high, intermediate, and low risk. By measuring the expression of these three stem cell genes, Prostatype® can evaluate the status and aggressiveness of prostate cancer as well as the patient's health in an integrative way. A large external validation study conducted by Associate Professor Göran Ahlgren at the University Hospital in Skåne, in which patients diagnosed with prostate cancer participated, shows that about 35 percent could be reclassified to another risk group after performing the Prostatype® test. Of the patients previously classified with high-risk cancer, 42 percent were categorized as intermediate or even low risk. If Prostatype® had been used in connection with the diagnosis of these men, radical treatment would probably have been avoided in many cases. Deciding with certainty on the optimal treatment method for each patient would not only prevent unnecessary suffering among patients who have been overtreated or undertreated but can also reduce health care costs. We estimate that Prostatype® has an average health economic value based on data from IHE (Swedish Institute for Health Economics) of between SEK 92,000–158,000. As this would benefit the public health service, we are optimistic that the authorities will add Prostatype® to their future reimbursement system for men diagnosed with prostate cancer.

After more than 10 years of research and hard work, we are now finally ready to accelerate. The commercial plan is in place and the marketing strategy has been established. However, in order to intensify the commercialization process and scale up our business, we must secure additional resources, primarily in sales and marketing. To finance the initial commercialization process, we are now conducting an issue of units in connection with the listing of Prostatype Genomics' shares and warrants on Nasdaq First North Growth Market.

I hereby welcome you to join us on the exciting journey ahead. We offer a product with potential to significantly increase the quality of life for prostate cancer patients globally, while reducing society's total annual health care costs. We are sure that there is a great need for a product like Prostatype®, which finally puts the missing puzzle pieces in the right place.

Fredrik Persson
CEO, Prostatype Genomics AB



5. Statistics on Cancer Incidence 2015. Socialstyrelsen. 2017
6. Roderick C.N. van den Bergh, et.al. Sexual function with localized prostate cancer: active surveillance vs radical therapy. BJU International, January 2012;
7. Matthew J. Resnick, M.D., et.al. Long-Term Functional Outcomes after Treatment for Localized Prostate Cancer. the New England Journal of Medicine, January 2013
8. Grabbert M et al., Long-term functional outcome analysis in a large cohort of patients after radical prostatectomy. Neurourology and Urodynamics, 2018
9. Raisa S. Pompe et al., Short Short- and Long-term Functional Outcomes and Quality of Life after Radical Prostatectomy: Patient-reported Outcomes from a Tertiary High-volume Center. European Urology Focus, 2017.

Subscription form – for subscription of units in Prostatype Genomics AB

Prostatype Genomics

Subscription period:	17 September –1 October 2020
Subscription price:	SEK 9.65
Allocation:	Any allotment of units will be notified via a settlement note via e-mail.
Payment:	To be made in accordance with instructions on the settlement note.

In an assessment of Prostatype Genomics AB future development and operations, it is of great importance to consider all relevant risks. Each investor must make their own assessment of the impact of these risks by reading and understanding all available information published concerning this offer. The prospectus is available for download at www.sedermera.se, or www.prostatype.se.

Subscription can also be made electronically with BankID and NemID on www.sedermera.se

Please also note that the subscriber who has a custody account or account with specific rules, such as an ISK/KF account, the subscription must be made in agreement with the bank/trustee for the account.

1. The undersigned hereby applies for subscription of the following number of units in Prostatype Genomics AB at a subscription price of SEK 9.65 per unit. Each unit consists of one (1) share at a price of SEK 9.65 per share and one (1) warrant of series TO 1 issued free of payment. Minimum allowed subscription is of 520 units (amounts to SEK 5,018).

Number of units

2. Fill in where the allotted and paid for units are to be delivered, owner-registered securities account (Swedish: VP-account) or custody account (state only one alternative)

Owner-registered securities account/ Service account	Bank/Trustee
0 0 0	

Custody account	Bank/Trustee

Do you have an account at Nordnet or Avanza? Please, contact your respective bank to make your subscription directly via Nordnet or Avanza.

3. Do you invest regularly through Sedermera Fondkommission? I.e., have you through Sedermera Fondkommission, invested ten (10) times during the last twelve (12) months, or six (6) times each year for the last five (5) years? ☐ Yes ☐ No

4. Subscription over 15 000 EURO?
If the subscription amounts to or exceeds 15 000 EURO, or if the answer on question **3** above is "**Yes**" a money laundering form shall be fulfilled, which can be found on our website www.sedermera.se Please note that Sedermera Fondkommission cannot guarantee that the subscription form will be considered if Sedermera Fondkommission does not receive a completed money laundering form before the subscription period has ended.

5. Fill in your name and address information (PLEASE WRITE CLEARLY)

Last name/Company		Name	National ID number/Corp.ID.no.
Street address		Daytime telephone	NID* (private person)/LEI** (company)
Postal code	City	Country (if other than Sweden)	E-mail (mandatory)
Place and date		Signature (authorized company signature, or guardian, if applicable)	

*__NID__ is a national ID for ***physical*** persons, required when subscribing for, trading, buying, selling and moving securities. Please fill in ff you have dual citizenship or citizenship outside Sweden and Denmark. **__LEI-code__ is a global ID-code for ***legal*** persons, required when subscribing for, trading, buying, selling and moving securities. Application for LEI-code can be made with support from your bank, but is also possible to conduct directly through companies providing LEI-codes.

6. By signing this subscription form I confirm the following:

- That I have read the prospectus (Swedish use) and understand the risks associated with investing in this particular financial instrument;
- That I have read and understand the information stated in the section "Terms and Conditions" in the prospectus;
- That I have read and accepted the information stated on the subscription form;
- That no modifications or amendments may be made to the printed text in this subscription form;
- That an incomplete or incorrect subscription form may be disregarded;
- That I am aware that no customer relationship exists between Sedermera Fondkommission and the subscriber with respect to this subscription;
- That I am aware that Sedermera Fondkommission will not make any assessment of whether the subscription to the instrument in question is suitable for me or the person on whose behalf I am subscribing;
- That I have observed that the offer is not addressed to persons resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectus, registration or other measures other than those required by Swedish law;
- That I am aware that the application is not covered by the right of return that follows from the Swedish Distant and Doorstep Sales Act;
- That the subscription is binding;
- That in signing this subscription form, I authorize Sedermera Fondkommission, at the undersigned's expense, to implement the subscription of units pursuant to the terms and conditions stated in the prospectus issued by the board of directors of Prodtatype Genomics AB in September 2020;
- That personal data will be stored and processed in accordance with the General Data Protection Regulation (GDPR);
- That I am aware that I am only allowed to submit one subscription form per signatory. In case several subscription forms are submitted, only the last received will be considered;
- That the allocation of units in accordance with the subscription cannot be guaranteed.

7. Send the application form by one of the following options:

Mail:
Subject: Prostatype
Sedermera Fondkommission
Norra Vallgatan 64, 211 22 Malmö, Sweden

E-mail:
issuingservices@sedermera.se
(scanned subscription form)

Questions, please call:
Phone: 0046 40-615 14 10
Website: www.sedermera.se

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