

Questions and answers regarding the proposals for reverse split and reduction of share capital in Prostatype Genomics AB

What does the reverse split mean for me as a shareholder?

The reverse split means that you will get fewer shares, but your ownership percentage in the company remains the same. The proposal means that 1,000 shares become 1 share. Example: A shareholder owns 50,000 shares. After the reverse split, this owner will own 50 shares.

Does the reverse split mean I lose anything?

No. The reverse split only means that you will have fewer, but larger, parts of the company. Currently, the company has approx. 5.3 billion shares, but after the reverse split, there will be approx. 5.3 million shares. However, your percentage ownership in the company will remain the same.

Do I need to do anything as a shareholder, or does the reverse split happen automatically?

The shareholders decide whether the reverse split will be carried out at an extraordinary general meeting on October 22, 2024. If you want to influence the decision, you can register to participate in the meeting. Instructions on how to register can be found in the notice, which is published on the company's website.

Who decides on the reverse split?

The decision on the reverse split is taken by the shareholders at the extraordinary general meeting on October 22, 2024. If the proposal should be adopted, a two-thirds majority of the votes present is required.

When will the reverse split be implemented?

If the general meeting decides to carry out the reverse split, it will be done as soon as possible after the meeting. The board and CEO are responsible for implementing the decision. The first step is to determine the record date, which is the day when the share register is checked to determine each shareholder's ownership. The record date is preliminary set to November 6, 2024, and on November 7, 2024, the new number of shares will appear in the shareholders' accounts.

I do not have an exact multiple of a thousand shares. How will this be handled in the reverse split?

Some major shareholders have committed to supplying shares free of charge to those who do not have a shareholding divisible by 1,000. This is done automatically via the issuing institution Nordic Issuing. Example: A shareholder who currently owns 422,456 shares will be given 544 shares (free of charge), so that this shareholder instead has 423,000 shares on the record date. After the reverse split, this shareholder will have 423 shares.

Why is the reverse split being carried out?

The company has a large number of shares (approximately 5.3 billion) and a relatively low share price (a few cents per share). The board believes that a reverse split could lead to a more reasonable share price. Mathematically, a reverse split of 1,000 shares into 1 share means that the price increases 1,000 times. Example: With a market value of approximately 70 MSEK and a current price of 1.35 cents per share, the price after the reverse split would be approximately 13.50 SEK.

Why is the reverse split being carried out now?

The board considers it the right time. Moreover, reverse splits like this will not be possible for Companies with its share listed on NASDAQ First North Growth Market after the turn of the year 2024/2025 due to changes in Euroclear's regulations.

I own warrants of series TO4. How does the reverse split affect these warrants?

The exercise conditions for the warrants will be recalculated as a result of the reverse split. The exercise price is set during the period November 11–22, 2024, and will correspond to 70 percent of the volume-weighted average price during this period. After the reverse split, each warrant will entitle its holder to subscribe for one-thousandth of a share. This means that 1,000 warrants are needed to subscribe for 1 share. Example: If a person owns 50,000 series TO4 warrants, the holder will be entitled to subscribe for 50 shares.

The notice for the general meeting includes a proposal for a reduction of share capital. What does this mean and does it affect me as a shareholder?

The proposal means that a large part of the company's restricted capital is converted to unrestricted capital. However, this does not mean that any capital leaves the company. It does not directly affect shareholders, but is rather an accounting measure. The company has made similar reductions in share capital before, both in 2020 and 2024.

Why is the reduction of share capital being carried out?

The company's current share capital is high due to previous financing rounds, and the board considers it too high compared to other companies of the same size. A high share capital can also mean that certain mandatory rules (the so-called control balance sheet rules) come into play earlier, and this is a reason for having a lower share capital. For reference, the Companies Act requires that a listed company must have a share capital of at least SEK 500,000.