

Half-year report January–June 2023

OSLO, NORWAY, August 30, 2023 – Genetic Analysis AS (“GA” or “the Company”) hereby publishes the half-year report for the second quarter and first six months of 2023. The half-year report is available as an attached file to this release and on the Company’s website (www.genetic-analysis.com). Below is a summary of the report.

Ronny Hermansen, CEO of Genetic Analysis, comments:

“I am pleased to provide you with an update on the significant achievements and developments that have marked Genetic Analysis AS’s second quarter of 2023. Our focus on global expansion and advancing the capabilities of the GA-map® platform has yielded favorable results. We have observed a 22 percent increase in sales revenues compared to Q2 2022, reaffirming our commitment and capacity to address the rapidly growing microbiome market. We have experienced some effects from the COVID pandemic with a few customers having built inventory during COVID to keep their deliveries up and running during the difficult times. During Q2 2023, GA was hit by customers building down these inventory levels which reduced sales by NOK 1,0 million. Despite this, GA delivered a 22 percent growth in the quarter. Adjusted for the inventory decrease, the sales growth would have been at 56 percent. This impressive growth has been enabled as a direct result of our new global distribution model.”

Q2 2023 (01.04.2023 – 30.06.2023)

- Operating income amounted to NOK 5,7 million (5,5)
- Sales amounted to NOK 3,7 million (3,0)
- Net profit/loss amounted to NOK -5,5 million (-6,1)
- Total assets amounted to NOK 52,0 million (70,1)
- Equity ratio amounted to 60,8 % (83,2 %)
- Earnings per share amounted to NOK -0,22 (-0,24)

H1 2023 (01.01.2023 – 30.06.2023)

- Operating income amounted to NOK 12,1 million (10,3)
- Sales amounted to NOK 7,8 million (5,5)
- Net profit/loss amounted to NOK -12,8 million (-13,8)
- Total assets amounted to NOK 52,0 million (70,1)
- Equity ratio amounted to 60,8 % (83,2 %)
- Earnings per share amounted to NOK -0,51 (0,55)

Highlights during Q2 2023

- GA has during H1 2023 completed a new distribution model to cover all major geographical areas. This setup is now fueling lab customers directly to our distributors. Combined with GA’s cloud-based training software, it gives GA a superb bandwidth to onboard new customers. Towards the end of the quarter, the new distribution setup signed up several new lab customers that will generate high-margin reagent revenues going forward.

Press release

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- On May 11, 2023, GA held an Annual General Meeting. Resolutions with summarized decisions are available on the Company's website (www.genetic-analysis.com).
- On June 8, GA entered a distribution agreement with ELTA90 Group, a Sofia-based fast-growing distributor of Laboratory diagnostics in the Balkan region with operations in several countries. One of ELTA90's focus areas is specialized molecular diagnostics for the clinical diagnostics and research market.
- On June 29, GA announced that the Company has been awarded a patent (2017/06307) by the South African Companies and Intellectual Property Commission (CIPC). The important patent entitled "A Method for Determining Gastrointestinal Tract Dysbiosis" covers the Company's unique algorithm incorporated in the GA-map® technology for profiling gut microbiota.

Highlights after the end of the period

- On August 23 GA announced that a scientific article has recently been published in the medical journal BMC Endocrine Disorders, showing promising results of using microbiota as a tool for risk prediction of diabetes disease at an early stage. The article titled "EXPLORING THE GUT MICROBIOTA IN PATIENTS WITH PRE-DIABETES AND TREATMENT NAÏVE DIABETES TYPE 2 - A PILOT STUDY", written by researchers at GA, demonstrates the strength of GA's research portfolio and underlines the potential for expanding the use of the GA-map® testing platform into the Diabetes Type 2 disease area.
- On August 25, GA announced that its distributor Eagle Biosciences Inc, entered an agreement with an undisclosed partner, a high-volume lab company providing laboratory diagnostics to clinics, public health departments, and research universities in the US. The partner is expected to launch the standardized and validated GA-map® as a testing service during Q4 2023. The partnership perfectly aligns with GA's strategy to accelerate growth through new high-volume labs and marks an important step forward in GA's business expansion in the US microbiome market.

For more information about GA, please contact:

Ronny Hermansen, CEO

E-mail: rh@genetic-analysis.com

Eilert Aamodt, CFO

E-mail: ea@genetic-analysis.com

About Genetic Analysis

Genetic Analysis AS (GA) is a science-based diagnostic company and pioneer in the human microbiome field with more than 15 years of expertise in research and product development. The unique GA-map® platform is based on a pre-determined multiplex targets approach specialized for simultaneous analysis of a large number of bacteria in one reaction. The test results are generated by utilizing the clinically validated cutting edge GA-map® software algorithm. This enables immediate results without the need for further bioinformatics work. GA's vision is to become the leading company for standardized gut microbiota testing worldwide, and GA is committed to help unlocking and restoring the human microbiome through its state-of-the-art technology. GA employs a team of highly qualified employees with scientific backgrounds and competence in bioinformatics, molecular biology, and bioengineering.

For more information: www.genetic-analysis.com

Interested in reading more about GA's products? Please visit ga-map.com