

Genetic Analysis announces placement of directed share issue of appr. NOK 10 mill, intention to conduct subsequent offering to shareholders, non-binding LoI for further investment, updated milestones

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Genetic Analysis AS ("GA" or the "Company") is pleased to announce that it has successfully placed a directed issue and on basis of commitments received from current major shareholders, the board of directors of GA has conditionally allocated 12,396,933 new shares at a subscription price of NOK 0.79 per share (the "Directed Issue"), through which the Company may raise approximately NOK 10 million before transaction related costs. Subscribers of the Directed Issue is a group of existing shareholders, including the Company's main shareholder Bio-Rad Laboratories. The Directed Issue is anticipated to be expanded with a separate tranche of up to an additional amount of NOK 0,7 million at identical terms which will be available for subscription by individuals from the Board of Directors and management ("PDMR's") which due to regulatory restrictions are restricted from subscribing shares prior to publication of the Company's 2023 Q3 report. The Directed Issue is subject to approval by an extraordinary general meeting in the Company planned to be held on or about November 20, 2023 (the "EGM"). Notice of the EGM will be published via a separate press release. The net proceeds from the Directed Issue will be applied for the purpose of financing the Company's continued expansion and growth plan. The subscription price of the Directed Issue corresponds to a discount of approximately 20 percent compared to the volume-weighted average price during the period from and including September 19, 2023, to and including October 30, 2023, and a premium of approximately 13 percent compared to the closing price of the share on November 2, 2023. In order to reduce the dilution effect from the Directed Issue and to potentially raise additional financing, the Company intends to carry out a subsequent offering with the same subscription price as in the Directed Issue of up to approximately NOK 9 million with preferential rights for shareholders per the date of the Directed Issue November 2, 2023 which have not been allocated shares in the Directed Issue (the "Subsequent Offering"). In connection with the Directed Issue, GA has also entered into a non-binding letter of intent with its Chinese diagnostic partner Shanghai Thalys Medical Laboratory Co. LTD ("Thalys"), whereby Thalys has expressed an intention to subscribe for shares with an aggregate subscription amount of USD 500,000 within the first quarter of 2024. In relation to the proposed Directed Issue and intended Subsequent Offering the Company has decided to forward the publication date for the interim report of the third quarter and first nine months of 2023 to today, November 2, 2023. The Company, moreover, communicates updated milestones.

Ronny Hermansen, CEO of Genetic Analysis AS, comments: *"We are pleased by the strong interest from our key shareholders in response to our capital raise and we thank our largest shareholder, Bio-Rad Laboratories, as well as our loyal existing shareholders who have continued to show trust in us. We are happy to see that the number of laboratory customers*

implementing the GA-map® are growing month by month globally and that this capital raise provides GA with the financial resources needed to further expand the commercialization of our microbiome diagnostic platform. In connection with the raise, we update our forthcoming goals for the coming years thanks to the significant progress we have made with our GA-map® diagnostic platform."

The Directed Issue

GA is pleased to announce that it has successfully placed a directed issue and on basis of commitments received from investors, the board of directors of GA has conditionally allocated 12,396,933 new shares at a subscription price of NOK 0.79 per share (the "Directed Issue"), through which the Company may raise approximately NOK 10 million before transaction related costs. The Directed Issue is subject to approval by an extraordinary general meeting in the Company planned to be held on or about November 20, 2023 (the "EGM"). Notice of the EGM will be published via a separate press release. Subscribers of the Directed Issue is a group of existing shareholders, including the Company's main shareholder Bio-Rad Laboratories.

The Directed Issue is subscribed by the following parties (rounded figures):

- Bio-Rad Luxembourg s.á.r.l (NOK 3.3 million)
- Lucellum AS (NOK 1 million)
- S. Munkhaugen AS (NOK 1 million)
- Muen Invest AS (NOK 1 million)
- Ochrino AS (NOK 0.8 million)
- Stella Invest AS (NOK 0.7 million)
- Kagge AS (NOK 0.7 million)
- LJM AS (NOK 0.5 million)
- Others (NOK 0.7 million)

The Directed Issue may be expanded with a separate tranche of up to an additional amount of NOK 0,7 million at identical terms which will be available for subscription by individuals from the Board of Directors and management ("PDMR's") (and companies controlled by such persons) which due to regulatory restrictions are restricted from subscribing shares prior to publication of the Company's 2023 Q3 report. Such subscriptions must be made within 08:30 CET on November 3, 2023 and will be announced immediately thereafter. Certain PDMRs have confirmed an intention to fully subscribe this tranche.

The subscription price in the Directed Issue is set to NOK 0.79 per share, which corresponds to a discount of approximately 20 percent compared to the volume-weighted average price during the period from and including September 19, 2023, to and including October 30, 2023, and a premium of approximately 13 percent compared to the closing price of the share on November 2, 2023, on Spotlight Stock Market.

The net proceeds from the Directed Issue will be applied for the purpose of financing the Company's continued expansion and growth plan.

Existing shareholders that participate in the Directed Issue have undertaken to vote for their shares at the EGM in favour of the resolution to conduct the Directed Issue and to authorise the Board of Directors in the Company to carry out the Subsequent Offer.

The subscription price has been determined by negotiation between the Company and the non-PDMR investors. In deciding on the type of issue, the Board of Directors has considered it positive to, via the Directed Issue, be able to take advantage of the interest of existing financially strong and reputable shareholders/investors. A major advantage is that the investors have not demanded a large issue discount, instead the issue discount

corresponds to a price level at which the market has been able to acquire shares recently. Hence, the Company's Board of Directors considers the subscription price and discount to be marked-based as well as accurately reflects current market conditions and demand.

The directed issue entails a deviation from existing shareholders' preferential rights to subscribe for new shares in the Company and the Company's Board of Directors has investigated the conditions and carefully considered the possibility of carrying out a preferential rights issue to raise the necessary capital as an alternative to a directed issue. The Board of Directors has concluded that a preferential rights issue would entail a significantly longer completion period and thus greater exposure to share price fluctuations in the stock market in comparison to a directed issue and may lead to the Company losing the opportunity to make value-driving investments in the business as well as securing going concern. Against the background of decreasing liquidity, prevailing sentiment and the volatility that has been observed in the stock market for smaller growth companies in 2022 and in the beginning of 2023, which also continues to prevail, the Board of Directors has assessed that a preferential rights issue would also require significant underwriting from a consortium of guarantors, which would entail substantial costs and/or further dilution for the shareholders depending on the type of remuneration paid for such underwriting commitments. In addition, a preferential rights issue would likely have been made at a lower subscription price, given the recent discount levels for preferential rights issues in the market.

The Board of Director's overall assessment is thus that the reasons for conducting the Directed Issue in this manner outweighs the reasons that justify the main rule of issuing shares with preferential rights for existing shareholders, and that an issue with deviation from the shareholders' preferential rights is thus in the interest of the Company and all shareholders. In addition to that the Directed Issue is conditional on the approval of the EGM, the Company intends to carry out a subsequent offering to the same subscription price as in the Directed Issue in order to reduce the dilution effect from the Directed Issue.

Subsequent Offering to shareholders

Provided that the upcoming EGM resolves to issue the new shares in the Directed Issue and grants the Board of Directors with an authorisation to issue new shares for the Subsequent Offering, it is the Board of Directors intention to conduct the Subsequent Offering of up to approximately NOK 9 million and 11,392,405 shares with preferential rights, subject to applicable laws, for existing shareholders as of the date of the Directed Issue, November 2, 2023. The subscription price in the Subsequent Offering will be the same as the subscription price in the Directed Issue.

The motive of the Subsequent Offering is to reduce the dilution effect from the Directed Issue for shareholders which have not been allocated shares in the Directed Issue and to potentially raise additional financing for the Company. The Subsequent Offering will be directed towards shareholders of the Company as of November 2, 2023 (as registered in Euronext Securities Oslo (formerly named VPS) two business days thereafter, i.e. on November 6, 2023) who (i) were not allocated shares in the Directed Issue and (ii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Sweden) require any prospectus, filing, registration or similar action. Shareholders will be granted subscription rights to subscribe for, and, upon subscription, be allocated shares. The subscription rights are intended to be tradable on Spotlight Stock Market, there is however no certainty that a trading market will develop and shareholders might not be able to sell their allocated subscription rights. The subscription rights in the Subsequent Offering are not yet issued or admitted to trading on Spotlight Stock Market, and will only be tradable on Spotlight Stock Market during parts of the subscription period of the Subsequent Offering.

Oversubscription will be allowed for holders of subscription rights. In case of oversubscription of the Subsequent Offer, shares will be allocated based on number of subscription rights used by a subscriber. Subscription without subscription rights will not be permitted.

The Subsequent Offering is expected to take place during December, 2023. Further details of the Subsequent Offering will be announced by the Company following a Board of Directors decision to conduct the Subsequent Offering provided that the EGM approves the Directed Issue and grants the Board of Directors with an authorisation to issue new shares in the Subsequent Offering.

Furthermore, the Subsequent Offering will, if approved, commence after a memorandum describing the Subsequent Offering has been approved by Spotlight Stock Market and published by the Company.

Non-binding letter of intent (LoI)

In connection with the Directed Issue, GA has also entered into a non-binding letter of intent with its Chinese diagnostic partner Shanghai Thalys Medical Laboratory Co. LTD, whereby Thalys has expressed an intention to subscribe for shares with an aggregate subscription amount of USD 500,000 within the first quarter of 2024. GA will request the EGM to grant the Board of Directors with an authorization to increase the Company's share capital and issue such shares if and when final terms and binding agreement is reached with Thalys. Any such final terms and decision to issue shares will be announced through a separate press release.

Shares and share capital

The Directed Issue entails a dilution effect of approximately 35 percent of the number of shares and votes in the Company (excluding shares in the Subsequent Offer and assuming full subscription in the separate tranche for PDMRs as described above). Through the Directed Issue, the number of shares and votes in the Company increases by maximum 13,283,007 from 24,916,312 to 38,199,319 (assuming full subscription in the separate tranche for PDMRs as described above). The share capital increases by a maximum of NOK 7,969,804.20 from NOK 14,949,787.20 to NOK 22,919,591.40 (assuming full subscription in the separate tranche for PDMRs as described above).

Updated operational, organizational, and financial targets

As of today, the Board of Directors of GA updates the Company's operational, organizational, and financial targets. The updated targets are:

Operational and organizational targets

2023 H1

- Sign an agreement with a commercial partner in India for the launch of GA-map® - **Achieved**
- Sign a distribution agreement with ELTA90 Group, a Sofia-based fast-growing distributor of laboratory diagnostics in the Balkan region with operations in several countries - **Achieved**
- Finalize a new distribution model to cover all major geographical areas. This model now fuels lab customers directly via GA distributors - **Achieved**
- Thailand's Food and Drug Administration approves GA-map® for clinical use in IBS and IBD patients - **Achieved**

2023 H2

- Launch GA-map® Discovery as a new service product for the research market – **Achieved**
- Achieve commercial sales via partners also in Asia, meaning that the Company will have commercial sales on a total of three continents – **Achieved**
- Sign research and development agreement with a partner to develop a complementary diagnostic marker for gut microbiome – **Ongoing**

2024

- Enter into an agreement with a new lab company that provides laboratory diagnostics to clinics, public health departments and research universities in the US. An important step forward in the Company's expansion into the US microbiome market with an expected launch in Q1 2024 – **Ongoing**
- Launch and commercial sale of GA-map® by another strategic customer in the US.
- Sign commercial agreement with a partner and launch a complementary diagnostic marker for gut microbiome.
- Sign an agreement with a partner for the development of a project aimed at finding early microbiota markers for type 2 diabetes and launch the project.
- Sign another agreement with a partner to develop a complementary diagnostic marker for the gut microbiome.
- Finalise a Research Use Only version of the IBD prognostic marker.
- Expand into the end user market.

2025

- Expand the GA-map® technology towards new test methods outside the gastrointestinal area (within saliva, skin or vaginal area).
- Extend the CE marking for GA-map® Dysbiosis Test to be approved for CE-IVDR in the EU.
- Application for CE-IVDR authorisation for IBD prognostic marker.
- Sign commercial agreement with a partner for the Company's project towards IBD product development.
- Apply for FDA clearance for a complementary diagnostic marker.

Financial targets

2023

- Operating income of approximately NOK 20-25 million.

2024

- Operating income of approximately NOK 25-35 million.

2025

- Operating income of approximately NOK 40-60 million as well as positive cash flow.

Extraordinary general meeting

The Board of Directors' proposal regarding the Directed Issue is subject to approval at the EGM planned to be held on November 20, 2023. The notice for the extraordinary general meeting will also propose an authorization to the Board of Directors to be used in connection with the Subsequent Offering and an authorization for the possible investment relating to the non-binding letter of intent with Thalys. As the letter of intent with Thalys is non-binding, the Company will also request that the latter authorization may be used in connection with other capital raises with the aim to secure sufficient funding throughout

2024 should the investment by Thalys not be completed. Notice of the extraordinary general meeting will be published via a separate press release.

Publication of the Q3 interim report

In relation to the proposed Directed Issue and intended Subsequent Offering the Company has decided to forward the publication date for the interim report of the third quarter and first nine months of 2023 to today, November 2, 2023. The previously published date for the publication was November 16, 2023. The report will be published via a separate press release.

Advisors

In connection with the Directed Issue, Sedermera Corporate Finance AB (www.sedermera.se) is appointed Swedish financial advisor and Advokatfirmaet Wiersholm AS is the Company's Norwegian legal advisor.

For further information, please contact:

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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 sales, operations, bioinformatics, molecular biology, and bioengineering.

For more general information: www.genetic-analysis.com

Stay updated on GA and sign up for more investor-related information: <https://www.genetic-analysis.com/subscriptions/>

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

Important information

The information included in this announcement is considered to be inside information pursuant to the EU Market Abuse Regulation. This announcement was made by the contact persons set out above on November 2, 2023, at 20:00.

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions and the recipients of this press release in jurisdictions where this press release has been published or distributed shall inform

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This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. The information in this press release is only disclosed as background information and does not claim to be complete. Accordingly, an investor should not rely solely on the information in this press release or its accuracy or completeness.

This press release does not constitute a recommendation for any investors' decisions regarding the Directed Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical

facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or the rules of Spotlight Stock Market.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Notwithstanding the EU Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.