Genetic Analysis

Genetic Analysis AS
Annual Report 2023

Supplying high quality diagnostics to the microbiome market

Annual report 2023

Contents

In this document, the following definitions shall apply unless otherwise specified: "the Company" or "GA" refers to Genetic Analysis AS, business no: NO 933 373 575.

Key figures and selected posts

Figures in parentheses refer to the corresponding period last year.

01.01.2023 – 31.12.2023

- Operating income amounted to NOK 23,2 million (20,7)
- Sales amounted to NOK 14,1 million (11,2)
- Net profit/loss amounted to NOK -23,8 million (-28,3)
- Total assets amounted to NOK 53,5 million (64,4)
- Equity ratio amounted to 60 % (69 %)
- Earnings per share amounted to NOK -0,62 (-1,13)

Definitions:
Equity ratio: Shareholder's equity as a proportion of total assets.

During 2023, we have tripled the number of GA-map® system installations to customer Laboratories globally, and we are establishing a solid fundament for future revenue growth. We have entered into new distribution agreements and continued to enter new markets.

Letter from the CEO

2023 was the year we increased our presence in the microbiome testing market and took a leap forward in our commercialization journey. In 2023, we have further developed and enhanced our GA-map® platform, entered into new distribution agreements, and continued to enter new markets. During the year we also launched our new service product, the GA-map® Discovery, to research customers and initiated a collaboration to commercialize our innovative GA-map® to the consumer market.

Increased awareness of our offering

It is encouraging to witness a significant increase in attention within the microbiome testing field. Notably, we're receiving more invitations to participate and contribute at conferences alongside our partners. These events provide valuable opportunities for us to spotlight our distinctive GA-map® platform. One of our partners, Luminex, has actively promoted GA-map® through their social media campaigns and making their customers aware of how our offering complements their technology used by thousands of laboratories. This visibility represents a significant opportunity for us in our efforts to increase sales, and we've observed a notable surge in interest in our offering as a result. We are excited to see the sales effects of this in 2024 when we will continue to participate in more events and presentations.

Introducing the GA-map® Discovery to research customers

We are experiencing high momentum in the research community, and in October, we launched GA-map® Discovery – a new microbiome profiling service offered to research customers in academia and industry. Our new offering, which is based on the GA-map® platform, is developed to facilitate academic and industry microbiome research in discovering new biomarkers and bacteria signatures associated with health and disease. We are excited to enter this fast-growing research market and see great potential for our product offering in this segment.

Introducing GA-map® to the consumer market

At the end of the year, we established a collaboration with a partner to develop and commercialize an online digital business platform to introduce GA-map® to the consumer market. By combining our expertise in microbiome testing and our partner's knowledge in developing digital solutions and software for the health sector, our partner will create a highly attractive and competitive offer to consumers. Our partner is initially targeting the Nordic market as there is a significant unmet need for high-quality, standardized, and user-friendly microbiome tests, and the digital platform makes it possible for us to scale for future international growth. This is in line with our updated strategy, and we are confidently looking forward to launching this exciting offering in Q2 2024.

Financial development

During 2023, GA experienced another year of solid sales growth, and our GA-map® revenues increased by 27% compared to 2022. Despite this, we have also evaluated all cost drivers during the year to reduce the cost base and thus extend the cash runway and minimize the need for new financing. To support the ongoing commercial expansion and to secure a more stable financial position for the upcoming year, we conducted two share issues in the fourth quarter; a directed issue raising NOK 10,5 million and a repair issue raising additionally NOK 3,1 million. The directed share issue was supported by our key shareholders, management and board of directors. Our largest shareholder Bio-Rad Laboratories Inc. contributed and increased their ownership. I am pleased with the strong interest among existing shareholders in supporting our journey and I want to thank our loyal shareholders who continue to show trust in us. Going forward, we will continue to evaluate our financial position to reach a positive cash flow by the end of 2025.

Accelerating the commercialization in 2024

Our primary focus going forward is implementing our technology platforms in laboratories since this will generate recurring high margin reagent kit sales. I am thrilled to report that during 2023, we more than tripled the number of GA-map® system installations in labs globally, with more than 40% of these installations being done in Q4. This represents a solid foundation for continued revenue growth in the year to come. In 2024, our main goal is to continue our progress in the worldwide commercialization of GA-map®, and we will intensify our focus on the research market and the expansion into new segments for current products. Genetic Analysis is experiencing positive momentum, and I look forward to communicating more of our upcoming accomplishments with you.

Yours sincerely,

Ronny Hermansen
CEO

Key events 2023

Q1

- On January 16, GA entered a Tech Transfer Agreement with **Microbiome Research Pvt. Ltd**. ("MRPL"), a Mumbai-based biotechnology company providing microbiome profiling services within the gut microbiome space in India. MRPL will launch a test service portfolio based on the GA-map® Dysbiosis Test – making it the first CE-IVD-marked standardized gut microbiome test on the Indian market. The service offering targets clinical research customers and medical customers.

- On January 19, GA was informed that the **Thailand Food and Drug Administration** ("Thai FDA") authority has granted GA a license for the GA-map® Dysbiosis Test in Thailand. GA has, in cooperation with its distributor Hausen Bernstein Co. Ltd. ("HB") filed for regulatory approval of the GA-map® Dysbiosis Test in 2022, and we are happy to announce that the test has now been approved by the Thai FDA authorities for Clinical use in IBS and IBD patients.

- In February, the cloud-based **GA-map® Analyzer** tool was launched to selected customers. This software performs quality control on the run file and generates the microbiome profiling test results, including calculation of the Dysbiosis Index score and Bacteria Abundance table. The software also facilitates the generation of an easy-to-interpret result report for each sample.

Q2

- 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.

- On May 11, 2023, GA held an **Annual General Meeting**. Resolutions with summarized decisions are available on the Company's website.

- 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.

Q3

- In Q3 2023, GA introduced some important updates to the GA-map® Dysbiosis Test. This includes **increased shelf-life from 12 to 18 months**, as well as an increase in the number of times the reagents can be thawed, allowing for up to 5 times re-use. These changes will make it more cost-efficient for low-to-medium volume labs to set up the GA-map® platform in their lab, allowing increased flexibility while developing the market and increasing the customer base.

Q4

- In Q4, **Luminex Corporation distributed a whitepaper describing how the GA-map® Dysbiosis Test utilizes the xMAP® technology** for microbiome profiling. This whitepaper was sent out in several mailings to all Luminex customers globally and demonstrates for thousands of xMAP® users the benefits of running GA-map® on their Luminex xMAP® instruments.

- On October 12, GA announced that the Company had successfully completed a pilot project and initiated a **development project in collaboration with a pharmaceutical company** to develop a new microbiome-based rapid companion diagnostic PCR test. The development project's goal is to provide clinicians with a decision tool for prescribing treatment and monitoring treatment effects aimed at faster clinical decision-making.

- On October 24, GA announced that the Company had **launched GA-map® Discovery** – a new microbiome profiling service directed to research customers in academia and industry. GA-map® Discovery is GA's first dedicated offering to the research market which has witnessed considerable growth.

- On November 2, GA announced that the Company had issued **a direct share issue of approximately NOK 10,5 million**. at a subscription price of NOK 0,79 per share. Subscribers of the directed issue were a group of existing shareholders, including the Company's main shareholder Bio-Rad Laboratories. To reduce the dilution effect from the directed issue, the Company carried out a **subsequent offering** at the same subscription price as in the directed issue. **The subsequent offering was subscribed to NOK 3,1 million**, or approximately 35 percent.

- On November 20, GA held an **Extraordinary General Meeting**. The General Meeting formally decided on the share capital increase and all items on the agenda were approved as proposed.

- On November 23, GA published the **outcome of option exercise of series TO 2**. No warrants of series TO 2 have been exercised. The background is that the subscription price, when exercising warrants of series TO 2 during the entire exercise period, exceeded the current share price.

- On December 13, GA published a **summary of the current year's product development and ongoing projects**. The Company now looks ahead to the value-adding milestones in 2024.

- On December 21, GA announced a **collaboration with Comono AS to develop a digital business platform for microbiome testing for the consumer market**. Microbiome testing will be performed with the GA-map® technology. The digital platform is already in advanced development, and a joint venture has been established to complete the development and commercialize the consumer offering with an expected launch in Q2 2024. This will initially target the Nordic consumer market through online sales. By combining GA's validated testing platform and expertise in microbial analysis with advanced software, GA, backed up by a partner, makes a strategic move into the microbiome consumer testing market with the aim of delivering a unique and user-friendly experience for consumers.

Highlights after the end of 2023

- On January 10, GA announced that the **subsequent offering** to existing shareholders, for which the subscription period ended on December 22, 2023, has now been registered with the Norwegian Register of Business Enterprises.

- On February 26, GA announced that the **GA-map® Sample Collection Kit** had obtained CE-IVDR marking according to In Vitro Diagnostic Regulation (EU) 2017/746. The GA-map® Sample Collection Kit is now commercially available and will be offered as a stand-alone product for researchers and laboratories in need of fecal collection sampling.

Genetic Analysis' mission is to become the leading company for standardized gut microbiota testing worldwide, and GA is committed to helping to unlock and restore the human microbiome through its state-of-the-art technology.

GA in brief

GA at the microbiome frontier

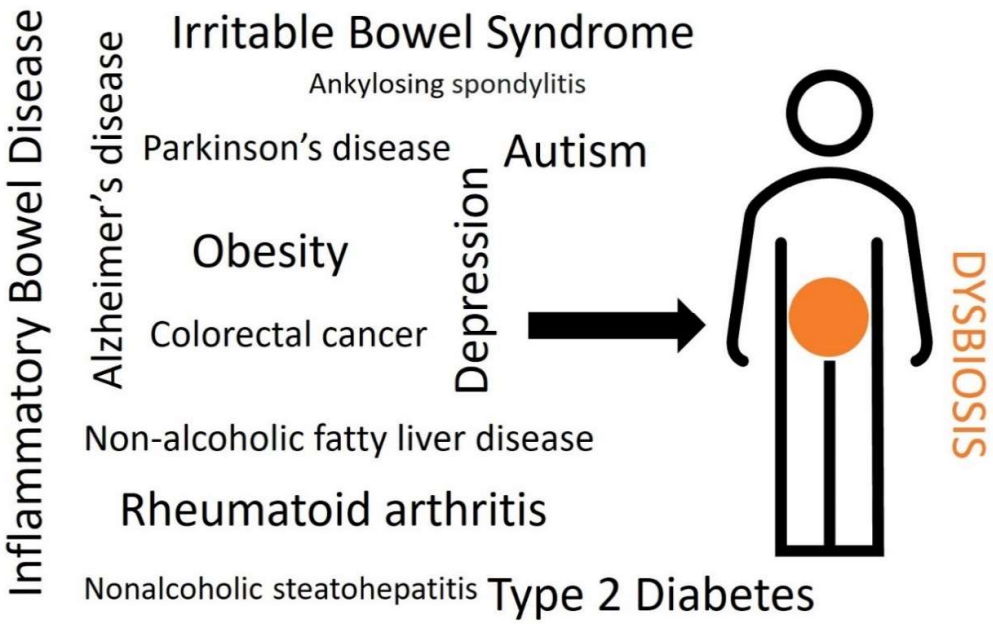
Genetic Analysis AS is a diagnostic company based in Oslo, Norway, and a pioneer in the human microbiome field with more than 15 years of expertise in research and product development since its foundation in 2008. Based on the research work by Professor Knut Rudi from the Norwegian University of Life Sciences, Genetic Analysis has developed the diagnostic platform – GA-map® – for the analysis of the human gut microbiota. The platform enables cost-effective and reliable mapping of the intestinal microbiota through In Vitro Diagnostics (IVD). The GA-map® Dysbiosis Test was launched as the only patented and CE-IVD-marked routine diagnostic test in this field. The GA-map® Dysbiosis Test detects and characterizes dysbiosis, a disruption or imbalance in the gut microbiome, and offers an automatic comparison against a pre-defined healthy microbiota, a normal range. The test results are automatically generated through the company's software, the GA-map® Analyzer, without the need of bioinformatic processing. Genetic Analysis' current operations are focused on molecular laboratories in the EU, USA, and Asia for routine applications and clinical studies. GA-map® has been validated and developed from the Company's accumulated experience in the field and has currently been used in more than 70 clinical studies and is supported by 52 peer-reviewed scientific publications.

The vision

GA's vision is to become the preferred company for standardized gut microbiota testing worldwide. GA is committed to helping to unlock and restore the human microbiome through its state-of-the-art technology.

Diseases linked to gut microbiota imbalance

In recent years, research has defined the human microbiome as an essential part of our well-being, while at the same time, a significant number of diseases are linked to imbalances in the composition of the gut microbiota, called dysbiosis. Genetic Analysis has developed the GA-map® Dysbiosis Test, currently the only validated routine diagnostic test that identifies the imbalance in the gut microbiota and targets the symptoms of Irritable Bowel Syndrome (IBS) and Inflammatory Bowel Disease (IBD). As these diseases affect numerous people around the world, there is a significant need for diagnostic tools with clinical relevance for the treatment of gut microbiota imbalance.



Correct diagnosis - key to successful treatment

Correct diagnosis is key to any successful treatment. The GA-map® can aid in the diagnosis of gut-related conditions and diseases, help clinical personnel follow up on the effect of treatment, reduce treatment costs, and ultimately improve patients' lives.

Genetic Analysis business model

Genetic Analysis' business model is to develop and sell IVD products following applicable legal requirements through the Company's value chain. The value chain consists of in-house development and manufacturing, recurring revenues from the sales of reagent kits and software to laboratories, sales of services from GA's service laboratory in Oslo, and in addition, sales of analytical instruments to laboratories using GA-map®. Genetic Analysis commercializes its diagnostic platform to laboratories globally through its own sales department, distributors, and service laboratory. The company's new distribution model, finalized in 2023, in which trusted partners sell GA-map® products directly to laboratories, ensures global reach and facilitates logistics solutions.

Genetic Analysis has its own service laboratory in its Oslo facility. The service laboratory is a revenue-generating unit that serves the needs of clinical research customers. Customers come from both the pharmaceutical industry and academic research. The laboratory serves both the local gastro-clinical market by analyzing patient samples and European laboratory customers that are too small to offer GA-map® tests on their own. The Genetic Analysis service laboratory will also be able to serve potential customers who are in the process of evaluating or implementing the full GA-map® platform in their laboratories.

Today's manufacturing processes are largely manual and managed in-house. GA's capacity can easily be expanded as volumes grow, through automation, workforce expansion, and outsourcing of parts of the production.

GA's targeted markets

Genetic Analysis has three main targeted markets for further commercialization: the U.S., Europe, and Asia.

The U.S. is currently the most important market for GA and accounts for approximately 50 percent of current sales. Europe is the second largest market with 35 percent and Asia accounts for the remaining 15 percent. In the short and medium term, GA expects the greatest growth to occur in the U.S. and Asian markets. In the U.S. and Europe, GA plans to carry out further commercialization through a combination of direct sales efforts by the Company and external distributors. In Asia, GA plans to appoint one or more selected partners to act as distributors. GA currently has distributors and diagnostic partners in the U.S., Europe, and Asia. The most important growth markets in Europe are Germany, Switzerland, Austria, Benelux, Poland, U.K. and France. In Asia, it is especially China, India, and Thailand that are expected to generate the greatest growth for GA.

GA has continuous dialogues with its distributors and potential partners to increase its global commercialization. In 2023, the Company entered into an agreement with the Indian company Microbiome Research Pvt. Ltd. to launch a portfolio of testing services based on the GA-map® Dysbiosis Test for the Indian market. With this, GA-map® becomes the first available CE-IVD-marked standardized gut microbiome test in that market. GA has also increased its market presence by signing an agreement with ELTA90 Group to distribute the GA-map® technology in the Balkan region.

GA's customers

GA's customers can be segmented into two customer profiles depending on what they purchase from GA. These are kit customers and service lab customers. GA can supply directly to kit customers, which are typically medical labs or research labs. GA can also perform the testing in-house for small-volume customers, and research customers. Additionally, GA offers CRO services through its service laboratory to industry and academic partners. The CRO activities contribute significantly to GA's revenues.

IVDR CE-mark for the GA-map® Sample Collection Kit, and ongoing IVDR preparations for the GA-map® Dysbiosis Test

As of 26th of May 2022, GA has been compliant with the EU IVDR 2017/746 both as a company, for GA's IVDD 98/79/EC products, and for new products. The new stricter IVDR requirements for CE-marking of laboratory testing are expected to create a window of opportunity for GA in relation to implementing the CE-marked GA-map® Dysbiosis Test with larger laboratories in the EU. At the beginning of 2024, GA obtained CE-IVDR marking for its GA-map® Sample Collection Kit. The kit is a complementary product to the Company's offering to the research lab customers, and it has been designed to be used in conjunction with the GA-map® Dysbiosis Test. The marking enables broader market access for GA in the European markets as it lowers the entry barrier for smaller labs to start microbiome testing.

Organization

GA holds a team of highly qualified employees with relevant scientific backgrounds and extensive competence in bioinformatics, molecular biology, and bioengineering. Our employees based in Norway and Germany are dedicated to microbiota, and how to expand the GA-map®

potential as well as becoming the preferred partner for standardized gut microbiota testing worldwide.

Even with a small team of 21 employees, GA has impressive geographical coverage and background from 9 nations among its employees which again emphasizes the openness for new cultures, languages, and meeting new people on our expansion path.

The microbiome markets

Key drivers in the market

As understanding increases, it's becoming increasingly clear that the gut microbiome plays a crucial role in both maintaining good health but also in contributing to various diseases and conditions. With the rise in gastrointestinal issues like Crohn's disease, Ulcerative Colitis, and cancer, largely attributed to poor dietary and lifestyle habits in Western societies, there's a greater demand for microbiome testing in clinical settings. This demand stems from the necessity for better diagnostic tools, preventive measures, and treatment interventions. The approval of the first microbiome-based therapeutics by the U.S. Food and Drug Administration (FDA) is a huge driver in this market, as this represents evidence that the microbiome can play a direct role in diagnosis and treatment. In its publication from 2023 "Emerging Technologies and Scientific Innovations: A Global Public Health Perspective" the WHO listed microbiome analytical tools for research, clinical prevention, and treatment within innovations considered to have a very high or high impact and a high chance of adoption. In addition, the implementation of IVDR regulatory requirements leads to an increased focus on standardization and clinical validation of the technologies used for microbiome analysis in the European market.

The microbiome market is projected to grow rapidly in the coming years

Although the microbiome is frequently likened to genetics in terms of significance, the market for microbiome-related products and services remains relatively small and early-stage in both monetary size and technological advancement. An estimation of the market as of today is stated to be around USD 400 million, however, this is mainly accounted for the value of probiotics, prebiotics, and services in research and clinical development since approved products in both In Vitro Diagnostics and pharma are for the most part lacking. Recently, given the progress made in the microbiome field, the awareness among researchers, pharma companies, clinicians, patients, and investors has strengthened. In November 2022 the FDA approved Rebyota®, the first fecal microbiota product approved by the agency, and currently, a handful of companies have microbiome-altering drug products in the well-advanced clinical development phases 2 and 3. With the emergence of such products on the market, the need for routine diagnostics will become even more imminent. Human Microbiome Market (www.marketsandmarkets.com) states in a report published in April 2022 that this market will reach USD 269 in 2023 and USD 1.370 million in 2029 at a CAGR (Compound Annual Growth Rate) of 31,1% during the forecast period 2023 to 2029, which means considerable opportunities in the field of microbiomes in the years ahead.

Increasing attention within the medical field

The gut microbiome plays a central role in human health, and today the microbiome area is accounted to be one of the most published topics in gut medical scientific journals in the last years. The major challenge when exploring the relationships between gut bacteria and how they affect human health and disease is access to fast and reliable technologies to establish useful clinical data. The development of new technologies suitable for clinical use is few, and the need is continuously growing.

Need for more accurate and reliable routine diagnostics tests in laboratories

After many years of active research in the field of microbiota, with a growing understanding of the role and importance of the microbiome in human health, there is a clear drive to bring microbiota testing from research to clinical practice. Today, between 0,5 and 1 million microbiota tests are already performed annually in laboratories in the U.S. and EU, and the trend indicates that the number will increase in the future. These tests are mainly performed on research-based platforms and with in-house developed assays, contributing to the growing need for accurate and reliable diagnostic tests among clinical laboratories.

Medical diagnostics

Over the past few years, medical laboratories around the world have been heavily occupied with the pandemic and testing for COVID-19. Now that things have calmed down, we are seeing more medical laboratories reopening for other types of tests, and we assume there will be an increased focus on gut microbiome moving forward. In post-COVID, we have seen a stronger emphasis on how to stay healthy by strengthening the immune system by establishing a healthy gut microbiome. In addition, the existing testing market for microbiota is also gaining momentum, largely driven by patients becoming more aware of the need for a healthy life. The GA-map® platform offers a standardized microbiome test solution for these medical labs, and it is in GA's strategy to supply high-volume clinical laboratories with validated and documented quality diagnostics solutions that save both time and costs and provide excellent accuracy of results.

Consumer diagnostics

The consumer market is by many believed to be the fastest-growing segment within the microbiome market as consumers are willing to pay for self-tests to get actionable results. The trends within wellness, healthy lifestyle, and general focus on health are accelerating. The interest in consumer testing of the microbiome is growing online and there are more and more consumer tests offered. To benefit from this growing trend, GA has partnered up with the Norwegian company Comono AS to develop an easy-to-use microbiome testing offering for the consumer market.

Research diagnostics

Significant efforts are made to increase our understanding of the links between the microbiome and health, as seen in the increasing number of scientific publications involving microbiome analysis. Genetic Analysis is actively supporting multiple clinical studies through its Servicelab microbiome analysis offering and has to date participated in more than 70 clinical trials resulting in more than 50 peer-reviewed publications. With the new high-plex research panel for oral and gut microbiota analysis, the GA-map® Discovery, GA increases it's offering to academic and industry partners. The panel is well-suited for biomarker discovery studies, potentially leading to novel diagnostic solutions through IVD product development.

Companion diagnostics

The growth of the microbiome pharma market is underpinned by the huge efforts that are allocated to research in this field. According to www.microbiometimes.com, approximately USD 4,7 billion has been invested in the microbiome field and there are over 700 programs involved in the development of microbiome-altering drugs at various stages. The urgency for precise

diagnostics is intensifying as pharmaceutical products are nearing market release. Partnering with pharmaceutical and probiotics companies is a strategic priority for GA. Throughout the year, GA has undertaken a pilot project in partnership with a pharmaceutical company to develop a new companion diagnostic test.

There is an increasing demand for the inclusion of standardized gut microbiome assessments in clinical trials. This is due both to the impact new pharmaceuticals can have on the microbiome and the fact that the microbiota composition itself may greatly affect the response to treatment. By offering standardized microbiome-based diagnostics to the industry, GA makes important contributions to the development of new and improved pharma products, and thus improved patient treatment regimes.

GA attending several key conferences and events

During the year, GA participated in several international conferences and events to further showcase the Company and strengthen our strategic partnership dialogues. We participated in Digestive Diseases Week (DDW) in Chicago, U.S., and UK MedLab in Leeds, to present the GA-map® platform and continue our strategic partnership dialogues. These arenas give GA crucial access to potential customers, investors, and future partners. GA also attended and exhibited at WorldLab-EuroMedLab 2023 in Rome. This has proven to be an excellent forum to meet with partners and potential customers in the clinical laboratory field and follow our strategy to establish and optimize our global distribution setup. In collaboration with our U.S. partner – Eagle Biosciences – we attended the ADLM (former AACC) meeting in Anaheim. This is especially important to grow the business in the U.S., which is one of our prioritized markets, and ADLM has proven to be a successful platform for increasing our number of leads in the U.S.

Before the end of 2023, we also took part in xMAP® Connect EMEA, a conference organized by Luminex Corporation. There we showcased how our microbiome testing platform GA-map® functions together with the Luminex xMAP® technology. The event was highly attended and attracted strong interest and provided a great opportunity for us as it resulted in meaningful discussions and established contacts with global industry leaders in the microbiome diagnostics field.

Hot leads and market expansion

After completing technology transfer projects in both Thailand and India in Q2 2023, our local partners are in the launch phase and actively promoting the GA-map® platform to their end-users. We see further expansion of our business in the DACH area with the first placements successfully completed in Austria and Switzerland. GA is prioritizing the expansion of its global network of distribution partners, particularly those with strong connections to the gastroenterological and clinical diagnostics fields. Collaborating with these partners, we are actively engaged in several promising projects aimed at enhancing our pipeline for additional placements in key markets. We're observing growing interest from potential customers across all regions. By the end of December 2023, we have built a robust pipeline comprising several additional platform installations in Europe and the U.S. We have already commenced the implementation processes for three of these projects.

Uniquely positioned in the microbiota field

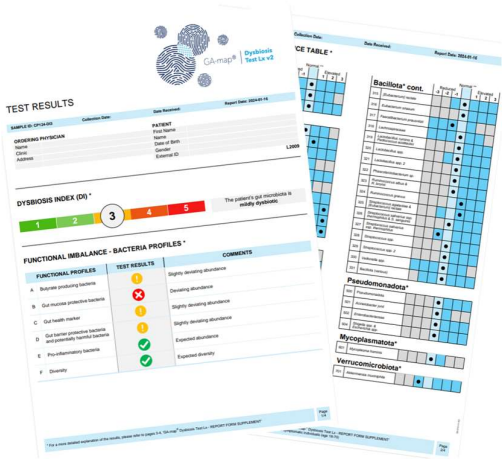
GA is positioned to take the lead in the microbiota field as the Company has developed the only patented and CE-IVD-marked standardized testing platform for microbiota analysis. The patented technology is well documented by approximately 51 articles and GA-map® has so far been used in more than 70 clinical trials. GA has an extensive network of contacts and partnerships with well-known players in the diagnostic and pharmaceutical industry, such as Luminex Inc. and Bio-Rad Laboratories Inc., which both have a global presence in the diagnostics and life science market. The GA-map® technology is versatile and can also be developed into several new products tailor-made for other diseases and indications, which further increases its competitiveness against potential competitors. Since the market for microbiota testing in general is characterized by non-standardized research-based testing, GA estimates that there are currently no direct competitors in its product area.

Products

For further information on the GA-map® technology, please see our webpage ga-map.com.

GA-map® Dysbiosis Test – Reproduceable microbiome test

The assay is a clinically validated and CE-IVD approved diagnostic 48-plex test designed for use in molecular labs. The reagent kit is produced at Genetic Analysis in Norway in compliance with ISO 13485. The test results are generated using the GA-map® Analyzer software, that performs QC on the run file and calculating results. The assay detects and characterizes dysbiosis, i.e., a disruption or imbalance in the gut microbiome, and offers an automatic comparison against a pre-defined microbiota with a clinically validated healthy normal range. The results are presented in an easy-to-interpret patient report, consisting of a Dysbiosis Index (DI) score, Bacteria Functionality Profiles, and an Abundance table. At the core is the proprietary dysbiosis algorithm and its intrinsic healthy reference range, allowing each sample to be compared to a clinically validated reference. The instruction for use describes all assay steps in detail and the test is documented to yield highly reproducible and robust results. The technology can be set up at any PCR laboratory or samples can be sent to the GA service laboratory for analysis. The results from the test are complementary diagnostics, along with other physician-ordered diagnostic tests in the diagnostics and treatment of IBS, IBD, lifestyle diseases, leaky-gut syndrome and other gut disorders. The GA-map® Dysbiosis Test is reproduceable, standardized and results can be delivered within 2-3 days.



GA-map® Discovery – A microbiota research assay

With the microbiome being one of the hottest research areas in clinical medicine and life science today, more and more medical labs are looking to implement microbiome analyses, both for clinical diagnostics and research. GA has enhanced our efforts in the clinical research segment to capture more of the testing business in this segment. This commercial strategy is reflected in our new comprehensive RuO (Research-use-Only) microbiota research assay, the GA-map® Discovery. This assay consists of a profiling panel based on the

proprietary GA-map® technology and is suitable for the Luminex LX200 readout platform. The panel anchors a highly comprehensive microbiota panel on a fully standardized platform. Being non-dependent on external databases, GA-map® Discovery gives researchers a much-needed tool to search for biomarkers, validate exploratory research findings or transfer their findings to a ready-to-use routine testing platform. The panel covers bacteria spanning over 110 genera and 9 phyla. Besides covering a range of clinically important gut bacteria (commensals, opportunistic pathogens, inflammation-associated bacteria, probiotic and beneficial bacteria), the panel also includes typical oral bacteria markers (commensals and pathogens), making the assay suitable for both stool and saliva/oral swab testing. The panel probes were designed using GA's in-house developed probe design software and design tool and have gone through extensive *in silico* and *in vitro* testing.

GA-map® Sample Collection Kit

The GA-map® Sample Collection Kit is intended for collection, transport and storage of fecal specimens for nucleic acid analyses without compromising the quality and integrity of the test results. It is a user-friendly kit for at-home fecal sampling and contains a stabilizing buffer for sample preservations up to 2 weeks at room temperature (5-25°C), 4 weeks at 2-8°C and for longer storage, samples can be frozen at -20°C. The kit is approved according to the CE-IVDR (EU) 2017/746 regulation and is commercially available. It will be offered as a stand-alone product for researchers and laboratories in need of fecal collection sampling.

GA-map® Covid-19 Fecal Test

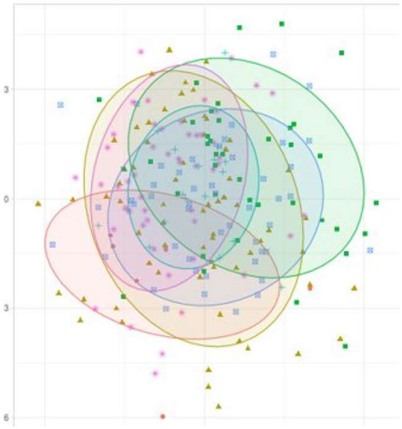
The GA-map® Covid-19 Fecal test reagent kit is a CE-IVD approved non-invasive test with an easy-to-use home sampling procedure. The reagent kit has been documented to reliably detect SARS-CoV-2 in fecal samples. The assay is a qPCR assay designed in compliance with US-CDC guidelines and recommendations for detection of the 2019 novel coronavirus (SARS-CoV-2).

Service laboratory

GA operates a service laboratory with end-to-end microbiota profiling analysis, translating complex data into meaningful results. The service laboratory receives microbiota samples from customers all around the world. Our workflow features comprehensive gut microbiota profiling of your sample as well as standardized, clinically validated parameters for microbiota assessment in clinical routine and research. Currently, the service laboratory performs the GA-map® Dysbiosis Test and the GA-map® Covid-19 Fecal Test. Analysis of our new GA-map® Discovery Test for customers and research partners, are also performed in the Service laboratory.

Bioinformatic analysis service

GA's team of highly qualified bioinformaticians offers comprehensive and sophisticated biostatistics as a service to clinical researchers. Among other functions, the customized bioinformatic pipelines are designed to detect correlations between microbiota markers and study cohorts, assist in sample classification based on these markers, and visualize the resulting data.



Genetic Analysis has developed and commercialized the only patented and CE-IVD-marked standardized testing platform for microbiome analysis, the GA-map®

Innovation and product development

Improving the GA-map® Dysbiosis Test to meet customer needs

The product development for the GA-map® Dysbiosis Test, which was completed with a CE-IVD marking in June 2021, has in 2022 been successfully deployed in several laboratories. In 2023, significant progress has been made on some key user aspects of the GA-map® Dysbiosis Test. The tests now have an extended shelf life of 18 months, surpassing the previous shelf life of 12 months. The reagent kits, once limited to three uses, are now optimized for up to five uses before disposal. These improvements underline the excellent quality of the GA-map® Dysbiosis Test and result in an even more user-friendly and cost-effective product, further strengthening the customer offering.

Expanding the GA biobank

GA has established a comprehensive clinical database of healthy and diseased populations with more than 7.000 samples in its collection. The bacteria signatures together with clinical information in this database are key for understanding the link between microbiome, gut functionality, and diseases. Clinical studies have been conducted in various countries to establish clinically validated normal healthy cohorts and to expand this valuable asset.

Speeding up the digital transformation of microbiome understanding

Moreover, GA has taken part in developing the HumGut database, which covers the broad diversity of bacterial and archaeal genomes found in the human gut. This database is unique as it has been filtered against nearly 6.000 metagenomes collected from healthy humans around the world. Additionally, the genomes are ranked based on their prevalence, highlighting their clinical relevance in the healthy global population. This work is funded by the Norwegian University of Life Sciences and the Research Council of Norway.

GA will continue the software development program and explore how the HumGut database, comprising a collection of over 30.000 genomes covering the broad diversity of bacterial genomes found in the human gut, can be utilized in future product developments.

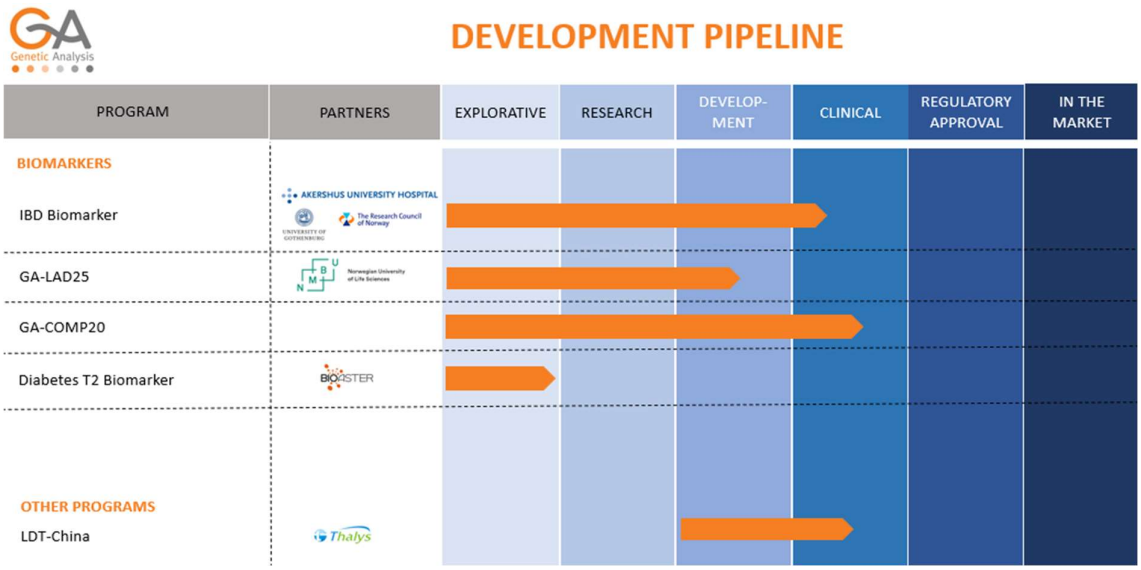
Moving the GA-map® Analyzer software to the cloud

GA has developed a cloud-based software solution, the GA-map® Analyzer, which enables customers to use the GA-map® Dysbiosis Test more efficiently. The software was upgraded to report bacteria functional groups in addition to containing more language translation features and it also secures GA proprietary software as we expand globally. The software was launched to GA customers during the year.

Developing a microbiome testing offering to the consumer market

To benefit from the health and wellness awareness trend among private consumers, GA has partnered with the Norwegian IT company Comono AS to develop and deliver a unique and

user-friendly microbiome testing service offering to the consumer market. The digital platform is currently under development and a joint venture will be created to complete the development and commercialize the offering to the consumer market. The intention is to initially target the Nordic consumer market through online sales and the market launch is planned for the second quarter of 2024.



New innovative biomarker for Inflammatory Bowel Disease (IBD)

GA is in the process of developing a new diagnostic test for inflammatory bowel disease (IBD) patients. The objective is to develop a diagnostic test that utilizes the profile of a microbiome test to predict the disease course of ulcerative colitis (UC) patients, which will enable specialists to facilitate personalized treatments. The development is continuing as planned, with significant sample cohorts being analyzed. GA receives significant grant funding for this project from the Research Council of Norway and is collaborating with the University of Gothenburg and Akershus University Hospital. The aim is to complete the development of a RuO (Research Use Only) version of this diagnostic marker in late 2024.

GA-LAD25 – New microbiota profiling technology

GA has developed a novel proprietary detection method, Liquid Array Diagnostics (LAD). This technology is qPCR-based with medium plex capacity. It aims to offer an easily accessible and inexpensive microbiota detection platform for medium plex. GA is currently discussing a project with a potential partner for the use of this technology.

GA-COMP20 - New companion diagnostic test

GA has completed a pilot study and initiated a development project in collaboration with a pharmaceutical company to develop a new companion diagnostic test, communicated in October 2023. The project's goal is to provide clinicians with a rapid decision tool for prescribing treatment and monitoring treatment effects aimed at faster clinical decision-making. By combining the research and technology of the companies into a simple microbiome-based test, clinicians will have a tool enabling patient stratification for treatment prescription and monitoring treatment effect.

Diabetes T2 Biomarker

Diabetes accounts for one of the biggest health diseases in society today. GA has conducted a pilot study showing promising results in using the GA-map® platform to predict the risk of developing diabetes disease at an early stage. This study aimed to search for gut bacteria able to distinguish individuals in danger of developing type 2 diabetes disease. It was revealed that at least thirteen different bacteria were recognized as candidates for developing such a predictive test, representing differences in the abundance of short-chain fatty acid (SCFA) producing bacteria, and an increase in typical inflammation-associated or potentially pro-inflammatory or opportunistic bacteria, that may contribute to the variations in the microbiota separating Diabetes Type 2 patients from the healthy subjects. Based on the results, researchers at GA published a scientific article in the medical journal BMC Endocrine Disorders. The article, "*Exploring the gut microbiota in patients with pre-diabetes and treatment naïve diabetes type 2 - a pilot study*" documents the strength of GA's research portfolio and the possible extended application of the GA-map® test platform to type 2 diabetes.

New microbiome diagnostic markers for China

In 2022, GA announced that the Company had entered a Microbiome Laboratory Developed Test (LDT) agreement for the Chinese market together with Thalys Medical Technology Group Corporation (Thalys). Thalys has since then completed the training of staff and the setup of the GA-map® platform in the Thalys laboratory in Shanghai and completed the recruitment of subjects for a clinical trial to establish a Chinese healthy reference range and performed the testing. The work to establish a Chinese healthy reference profile is in its final stages and is expected to be completed in Q2 2024. Thalys will use its newly built Shanghai-based independent clinical lab Thalys (Shanghai) Medical Laboratory Co Ltd to further develop and distribute tests in China based on the GA-map® technology.

Peter Malfertheiner

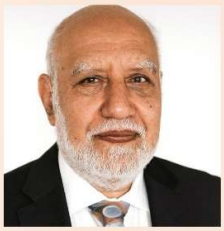
Emeritus Professor, Former Director of the Clinic of Gastroenterology, Hepatology and Infectious Diseases at the University Magdeburg, and currently Senior Professor at the Ludwig Maximilian University, University Clinic in Munich.

There is still so much to learn about the microbiome, we are only just beginning to discover its importance, and the GA-map Test will help us do just that.

Pia Munkholm

Professor, dr.med. Gastroenterology, NOH, Copenhagen University, Denmark.

In microbiome clinical studies the GA company offers high-quality service throughout the whole process from study design discussions, sample analysis, result reporting, and biostatistics all the way to important input in manuscript preparations. The GA-map® is especially valuable for clinicians, giving easy-to-interpret results already evaluated toward a healthy reference range. Additionally, suggestions to the clinicians regarding evidence-based treatment options if available.



Magdy El-Salhy

Professor of Gastroenterology and Hepatology at the School of Medicine, University of Bergen, and consultant gastroenterologist at Stord Hospital, Norway.

The GA-map® Test has been certainly critical in the development and success of our studies on FMT treatment in IBS patients, where the test was used to evaluate the intestinal bacterial profiles of patients following transplantation. Since our trials involved repeated sampling and measurements over a 3-year period, the use of a validated and standardized test was important.

GA-map® is a standardized diagnostic technology platform for characterization of the human gut microbiome. Join us in pioneering the field of gut microbiota diagnostics.

Corporate governance

GA seeks to comply with the principles of corporate governance set out in the Norwegian Code of Practice for Corporate Governance (the "Code" or the "Code of Practice"). This report sets out GA's main corporate governance policies and practices. The application of the Code is based on the "comply or explain" principle.

Good corporate governance is important for GA, and GA continuously works on its corporate governance principles and documents to ensure alignment of its practices with the Code. Like most companies, GA is dependent upon good relations with its contacts to succeed and this is a priority for the Company. A good reputation and solid financial development over time are important in order to build and maintain trust and confidence towards important contacts like customers, investors, suppliers, employees, partners, and public authorities. This requires good control of the business with open and honest communication. Equal treatment of shareholders is also important to increase share value and achieve investor confidence. GA is also aware of its responsibility in society towards the anti-corruption, working environment, discrimination, environment, and human rights.

Business

The purpose of the Company is, as defined in its articles of association, to develop and sell technology for the analysis of complex genetic systems. The articles of association are available at www.genetic-analysis.com.

The board of directors sets the direction for the Company by determining the objectives, strategy, and risk profile of the business within the parameters of the article of association so that the Company creates value for shareholders in a sustainable manner and takes into account financial, social, and environmental considerations. These objectives, strategies, and risk profiles are evaluated on an annual basis by the board of directors through a designated strategy process. Information concerning the objectives and principal strategies of the Company and changes thereto as well as business risk aspects are disclosed to the market in the context of the Company's annual and quarterly reports, marketing presentations, and on the Company's website.

Independency and neutrality

GA strives for independence and neutrality in the relations between the board of directors, management, owners and others. The principle of independence, neutrality, and arm's length principle applies to all contact and business associates like customers, suppliers, banks, and other connections.

Equal treatment of shareholders and free trade of shares

GA strives to ensure that all shareholders shall be treated equally. There is one class of shares and one share has one vote at the shareholders' meeting. All shares are freely negotiable with no form of restrictions. Shareholders are treated equally in relation to dividends. There is no

restriction related to the ownership of shares and there are no shareholder agreements that the Company is aware of.

All existing shareholders have pre-emptive rights to subscribe for shares in the event of share capital increases. The general meeting may by a qualified majority set aside the pre-emptive rights of existing shareholders. Any deviations from such rights must be justified by the common interest of the Company and the shareholders. Explanation of the justification by the board of directors shall be included in the agenda for the shareholders' meeting.

The Company will establish related party transaction procedures to ensure that all transactions with related parties are premised on commercial terms and structured in line with arm's length principles and further detail how the board end executive management should handle agreements with related parties. Such procedures will supplement the procedures set out in applicable law and may amongst other things lead to the arrangement of independent assessment of the related party transactions. It is the board members' and key employees' responsibility to give notice to the board of directors if they directly or indirectly have interests in any agreements the Company is about to enter. Information on relevant related party transactions is included in the notes to the financial statements.

General assembly

The general assembly is open to all shareholders and the board of directors strives to ensure that as many as possible of the Company's shareholders participate in the general assembly. The Company will send out a notice of the general assembly according to applicable law. An agenda, documents, and information about the matters to be resolved will be included in the notice so that the shareholders can be prepared on the issues treated at the general assembly. Shareholders can vote in each individual matter, and shareholders who are unable to attend the meeting in person may vote by proxy. A proxy form is included in the notice convening the general assembly.

Any deadline for shareholders to give notice of their intention to attend the meeting will be set as close to the date of the general assembly as possible. The general assembly will be able to elect an independent chairperson for the general assembly.

A shareholder may be represented through power of attorney. The chairperson of the board will attend the meeting.

Equity and dividends

GA will strive to have a solid balance sheet. The board of directors and the executive management regularly monitor the Company's capital structure including the level of equity that is appropriate for the Company's objective, strategy, and risk profile.

Authorizations to the board of directors to increase the Company's share capital are granted with a defined purpose and limited to no later than 24 months from the date of granting.

GA has ambitious goals for future growth and the overall objective is to create long-term value for its owners. To reach the goals the Company will endeavor to have an optimal capital

structure. For the time being, this means that the board of directors is currently not proposing annual dividends.

Board of directors

The articles of association stipulate that the board of directors shall consist of between 2 and 7 shareholders elected board members, who are elected by the general assembly for a period of one year. The composition of the board of directors aims to ensure that the interests of all shareholders are attended to, and meet the Company's need for expertise, capacity, and diversity, and at the same time function effectively as a collegiate body. A majority of the shareholder elected board members are independent of executive personnel, material business contacts, and major shareholders. The board of directors does not include any executive personnel.

Members of the board of directors are encouraged to own shares in the Company. The board of directors has a fixed yearly compensation decided by the general assembly and reflects the board's responsibilities, competence, time use, and the complexity of the Company. The remuneration of the board of directors is not dependent on results. Share options have been issued to some board members. Board members or companies they are affiliated with do not normally assume tasks for the Company in addition to the board position. If such a commitment were to be established, the entire board would be informed and the fee for the engagement would be approved by the board. If remuneration is given to the members of the board beyond the board fee, this will be stated in the annual report. The shareholding and remuneration of the board of directors are set out in the notes to the financial statements of the Company.

Committees

Nomination committee

The article of association stipulates that the Company shall have a nomination committee appointed by the general assembly. The nominal committee proposes candidates to the board of directors, the nomination committee, as well as yearly compensation to the members of the board or committees. The majority of the nomination committee shall be independent of the board of directors and management. The nomination committee consists of 2-3 members who will serve for a term of one year. The chairperson of the committee is Kari Stenersen. Other members are Svein W. F. Lien and Eilert Aamodt.

Compensation Committee

A compensation committee was established in 2021 to ensure that compensation arrangements support the strategic aims of a business and enable the recruitment, motivation, and retention of senior executives while also complying with the requirements of the regulation. The compensation committee is responsible for, amongst others, preparing the board's proposal to the guidelines for remuneration for key personnel and the yearly remuneration report. The compensation committee in 2023 consisted of Rune Sørum (chairperson), Camilla Huse Bondesson, and Eilert Aamodt.

Risk management and internal control

The board of directors has a yearly meeting to set the strategy for the Company and identify important risk factors. The board of directors receives updated financial information at every board meeting. The financial position is analyzed and compared against budgets, strategic plans, and last year's performance. The board of directors reviews the quarterly reports and risk factors for the Company are discussed and evaluated. The board of directors has an annual review together with the auditor before approving the annual report. Risk factors are also reviewed.

Compensation to management

It is important for GA to be an attractive employer. The Company strives to attract competent employees with relevant experience and give them the opportunity for further development. The compensation to management will at all times be at market terms.

The Company has adopted guidelines for the remuneration of the executive management which has been presented to the general assembly. The principles presented in these guidelines provide the framework for the remuneration of key personnel in GA and aim to support the Company's business strategy and long-term interests.

The Company has established both short-term and long-term incentives for key personnel. The short-term incentive includes a bonus arrangement, and the long-term incentive includes a share option program which both are based on defined measurable goals. Key personnel are included in the same pension and insurance plan as other employees.

The board of directors sets terms and conditions for the CEO. The CEO determines the remuneration of executive personnel on the basis of the guidelines laid down by the board of directors, reflecting the overall guidelines adopted by the general assembly. Terms and conditions are set at market terms and evaluated on a yearly basis. It is Company policy to reflect the average level in the market.

Information and communication

GA has been listed on the Spotlight Stock Market in Stockholm since October 2021 and is obliged to follow applicable rules for handling information. All relevant information is published through Spotlight Stock Market, the news agency Cision, and the Company website www.genetic-analysis.com. The Company wishes to maintain an open dialog with shareholders, potential investors, and other participants in the securities market.

Auditor

In addition to serving as the Company's auditor, the auditor firm may also be used for advice in matters that are not prohibited according to the applicable independence regulations. The auditor is not used when establishing the Company strategy or in other operational matters. Only the CEO or the CFO hires services from the auditor.

The auditor is participating in the board meeting approving the annual report. In this meeting, the auditor is describing its views on accounting matters and principles, risk areas and internal control. The auditor participates in other board meetings on request from the board when the board wants to get the auditor's view on a specific matter.

Compensation to the auditor is set by the general assembly and is described in the notes to the financial statement.

Company take-overs

The board of directors will implement guidelines for take-over situations and how it will act in the event of a take-over bid in accordance with applicable law and recommendations. In a potential offer where the effect of the transaction is a take-over, the board of directors will handle the matter in a professional manner and ensure equal information and treatment of all shareholders. The board will not hinder or obstruct take-over bids for the Company's activities or shares. The board will consider to actively seek other offers upon the receipt of a take-over bid when it is considered to be in the best common interest of the Company and its shareholders. Any agreements entered into between the Company and a bidder, or significant terms and conditions thereof, that are material to the market's evaluation of a bid shall be publicly disclosed no later than at the same time as the announcement that the bid will be made public. In the event of a take-over bid for the Company's shares, the board should not exercise mandates or pass any resolutions with the intention or effect of the disposal of the Company's activities, or material parts thereof, or otherwise obstructing the take-over bid unless this is approved by the general meeting following the announcement of the bid. Furthermore, the board and management shall refrain from implementing any measures intended to protect their personal interests at the expense of the interest of shareholders following an intention to make a take-over bid or announcement of a bid.

If an offer is made for the Company's shares, the board shall consider issuing a statement making a recommendation as to whether shareholders should or should not accept the offer in accordance with applicable law. Furthermore, the board shall consider arranging for a valuation of the Company from an independent expert for publication together with its statement.

Composition of the board of directors and independence

The board of directors consists of the following members:

Chairperson **Per Matsson** (born 1954, Swedish citizenship) boasts over 35 years of international experience in the diagnostic industry. His recent roles include executive management positions such as Vice President of Research and Development at Phadia, and Chief Technology Officer at Thermo Fisher Scientific's ImmunoDiagnostics division. Matsson holds a PhD in cell biology, has pursued MBA studies in Management of Innovation, and is appointed assistant professor at Uppsala University and the Veterinary Faculty of the Swedish Agricultural University. Currently, Mr. Matsson operates as a senior advisor and board member for companies and industry organizations. He actively participates as a co-founder and chairperson in different companies.

Mr. Matsson holds 156.582 shares and 225.000 options in Genetic Analysis AS.

Andrew Stapleton (born 1956, U.S. citizenship) holds a PhD in Biochemistry from the University of Manchester in England, and an MBA in Strategic Management from John F. Kennedy University in the US. He has more than 30 years of international experience from executive management positions and senior roles in the life science and diagnostic industries. Andrew recently retired from his position as Vice President in the Corporate Business Development team in Bio-Rad Laboratories Inc, where he is focused on identifying M&A targets and managing the Corporate Venture fund, which introduced him to GA originally.

Mr. Stapleton holds 0 shares and 0 options in Genetic Analysis AS.

Camilla Huse Bondesson (born 1958, Norwegian and Swedish citizenships) holds an Executive MBA from Stockholm University and is currently chairperson of the board of Immuneed AB and TdB Labs AB. She has over 30 years of international operational and strategic experience from leading positions within companies in the life science field, including as head of Behring Diagnostica AB, international product manager at Biacore, marketing director for Amersham Biosciences (now Cytiva) and VP Marketing for Gyros AB. Since 2004, Mrs. Bondesson has worked as a consultant - now in Electa Bioscience AB, a consulting company focusing on life science.

Ms. Bondesson holds 165.042 shares and 70.000 options in Genetic Analysis AS.

Rune Sørum (born 1956, Norwegian citizenship) holds a Master of Science in Business and Economics (siviløkonom) from Copenhagen School of Economics and Business Administration. He is a Norwegian citizen with residence in Oslo, Norway. Mr. Sørum is currently a partner in Televenture Management. Before joining Televenture, he was a private investor and senior adviser for European companies working in both Asia and the Middle East. Mr. Sørum has held several board positions in Norwegian investment companies.

Mr. Sørum holds 0 shares and 70.000 options in Genetic Analysis AS.

Corporate social responsibility

General

GA provides a positive contribution to society through its activities. GA develops, manufactures and sells technology for analysis of complex genetic systems, which helps the diagnosis of a wide range of human diseases.

The Company's innovations and routine diagnostic tool lead to improved analysis of the microbiota for patients and contributes to better lives for patients concerned.

GA performs R&D, production, laboratory analysis, marketing and distribution from the headquarter in Oslo, Norway. The Company serves the global market for microbiota testing but uses partners and key distributors in specific geographical markets. GA's approach is to serve the customers in a collaborative and adaptable manner without compromising quality.

Ethical and professional guidance

Employees of GA perform work of great importance to health care providers, laboratories and patients. To succeed with the Company's vision and goals, it is essential that work and behavior are based on values that provide credibility, trust and respect among customers, employees and others who employees associate with through his/her work.

All employees are introduced to the GA quality system as a part of their initial training. This is based on the ISO 13485 standard for quality management systems for medical devices and related services. GA has been certified according to ISO 13485:2016 since June 2018.

Since GA is heavily dependent on staff with specialized higher education, the Company contributes to the further professional development of its employees. It has therefore in particular participated in the Industrial-PhD program from the Norwegian Research Council as well as positively supported professional development initiatives from employees.

Expectations

GA's basic expectations for employees are:

- Each employee is familiar with GA's values and uses them as the basis for their work.
- Act professionally and with care, integrity and objectivity.
- Abstain from actions that could undermine confidence in GA.
- Treat everyone they meet through their work with courtesy and respect.
- Be aware of ethical issues in business, including human rights, labor rights, environment and anti-corruption.
- In his/her work seeks to influence GA's employees and partners to maintain high ethical standards in the way of conducting business.

Anti-corruption policy

Corruption stand in the way of economic development is anti-competitive and undermines both the rule and law and the democratic process. GA's worldwide operations are subject to national and international law prohibiting GA and its employees to take part in corruption, such as bribery of public officials or employees in the private sector. The fact that many corruption rules also apply outside the territory of each country, shows that it is not sufficient to follow the local national law when operating abroad.

GA has a strong commitment to operate according to sound, ethical and sound business principles and comply with all laws and regulations. GA will not allow or tolerate involvement in any form of corruption.

There is a requirement for all GA's employees that they at all times fully comply with GA's anti-corruption policy, and no GA employee can give another GA employee authorization to deviate from this. Any violation of applicable anti-corruption legislation will be considered a serious violation of the employee's duties to GA and will most likely result in termination of employment or other appropriate sanctions.

GA will also take necessary steps to the extent possible to ensure that GA's independent business partners, including suppliers, customers and joint ventures partners, do not take part in corruption or other illegal or unethical activities in connection with its business with GA.

Directors' report 2023

Overview

GA is a fast-growing molecular diagnostic company in a unique position, with its patented and documented GA-map® technology, to be the leader in mapping of gut microbiota, by detecting and characterizing imbalance in the gut microbiome. GA has core competence in molecular biology and detection of microorganisms such as bacteria and viruses, utilizing the GA-map® to develop IVD (In Vitro Diagnostic) tests in all diseases where microbiota is involved.

GA is headquartered in Ulvenveien 80, Oslo, Norway, where also the production and laboratory facilities are located.

The directors of the Company in office at the date of this report are: Chairperson Per Matsson, Andrew Stapleton, Rune Sørum, and Camilla Huse Bondesson. The Company has implemented a directors' liability insurance covering events up to NOK 10 million.

Financial Results

The Company accounts are made up in accordance with IFRS.

Being a company in its early commercialization phase, GA has through 2023 been focusing on revenue growth. GA generated total revenues of NOK 23,2 million in 2023 (NOK 20,7 million in 2022). Of this, sales revenues were NOK 14,1 million in 2023 (NOK 11,2 million in 2022), and other income, which is mainly research support and grants, accounted for NOK 9,0 million in 2023 (NOK 9,6 million in 2022).

Total operating expenses amounted to NOK 47,0 million for the full year (NOK 48,9 million in 2022).

Reported employee costs decreased from NOK 25,2 million in 2022 to NOK 23,6 million in 2023. Compared to 2022, these expenses have decreased from 2022 to 2023 reflecting the fact that GA has adjusted the manning.

Amortization and depreciation expenses increased from NOK 4,8 million in 2022 to NOK 5,6 million in 2023. Software development costs of NOK 0,5 million was capitalized in 2023 according to IFRS IAS38 (NOK 0 million in 2022). No assets were written down during 2023 or 2022.

Other expenses decreased from NOK 15,1 million in 2022 to 13,5 million in 2023, mainly driven by sound cost management and contractual initial effects for 2023 from the new rental agreement.

Net financials showed an income of NOK 0,02 million in 2023 compared to an expense of NOK 0,09 million in 2022.

Net loss for the Company during 2023 was NOK 23,8 million compared to a net loss of NOK 28,3 million for 2022.

Cash Flow and Balance Sheet

Cash generated from operating activities showed a negative of NOK 17,2 million in 2023 compared to a negative of NOK 19,5 in 2022. Cash flow from investing activities generated a negative outflow of NOK 1,1 million in 2023, compared to a negative outflow of NOK 0,2 million in 2022. Financing activities showed a positive inflow of NOK 9,3 million, where the main effect came from the two share issues, compared to a negative outflow NOK 1,8 million in 2022. Net cash flow for 2023 showed a negative outflow of NOK 9,0 million, compared to a negative outflow of NOK 21,5 million in 2022.

GA had total assets of NOK 53,5 million at 31.12.2023 (NOK 64,4 million at year end 2022). Total intangible assets as per 31.12.2023 amounted to NOK 17,8 million (NOK 20,8 million at year end 2022). The cash balance at 31.12.2023 was NOK 16,3 million compared to NOK 25,3 million at year end 2022.

Total equity for GA as of 31.12.2023 was NOK 32,0 million compared to an equity of NOK 44,1 million at year end 2022. The decrease in equity is mainly explained through loss of NOK 23,8 million.

The registered share capital in GA as of 31.12.2023 was NOK 22.919.591 divided into 38.199.319 shares at a nominal value of NOK 0,60 each. In January 2024, an additional 3.958.036 shares were issued following the ongoing registration of the subsequent offer conducted in December 2023.

Financial Risk Management

The Company does not use financial instruments, including derivatives, for revenue purposes. Procedures for risk management are adopted by the board.

The Company is exposed to the variety of financial risks, whereby the liquidity risk has the highest exposure, while market and credit risks have less company impact.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is in a phase whereby the expansion is funded by issuing shares in the marketplace, research grants and revenues from product sales.

The Company will actively seek to have a balance of short- and long-term facilities that are designed to ensure that the Company has sufficient funds available for financing ongoing operations, market expansion and development projects. The management and the board actively monitor the forecast of the Company's liquidity reserve and cash.

The Company has assessed and forecasted its liquidity for 2024. This assessment shows that the Company has sufficient cash until Q3 2024 based on the current business plan, but will need further strengthening of the capital situation in order to guarantee sufficient liquidity for fulfilling its obligations in 2024 on a going concern basis. The Company is therefore evaluating

further financing options in 2024, including capital raise and other debt financing options to secure funding for the planned business activities. If GA should not be able to secure sufficient funding, the current activity level will be adjusted down accordingly.

Market Risk - Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro and U.S. dollars. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company has not established currency hedge arrangement. The Company will consider the need to establish hedge arrangement on a continuing basis. Due to extent of commercial operations in 2023, the impact of currency risk is considered as low.

Market Risk - Interest Rate Risk

The Company's interest rate risk arises from long-term borrowings. The Company has borrowings issued at variable interest rates. Management's risk policy is to, on a continuing basis, monitor the risk and consider the need to establish security arrangement. During 2023, the Company's impact from currency risk has been considered as low.

Market Risk - Price Risk

Price risk arises when there are changes in market price that are not otherwise accounted for by interest rate or currency rate changes. Due to the size of the commercial operations in 2023, the impact of price risk is considered as low.

Market Risk - Credit risk

Credit risk is the risk that the customers will not be able to settle their debt. The customers of GA in the healthcare segment or public sector are generally considered to be customers with high ability to pay and the credit risk is considered low.

Going Concern

As outlined in the note 25 to the financial statements, the directors recognise that there is uncertainty attached to the timing and quantum of the anticipated revenue levels, cost savings and the future funding required by the Company over the forecast period. The Company is therefore evaluating further financing options in 2024, including capital raise and other debt financing options to secure funding for the planned business activities. Collectively, the above conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Board is confident that funding will be secured or refinanced and that the Company will be able to achieve the levels of revenue and savings to allow GA to continue in operational existence for a period of 12 months after the date of signing these financial statements. However, whilst the Directors acknowledge these uncertainties may cast doubt on the entity’s ability to continue as a going concern, they have concluded that it is appropriate to prepare the financial statements on a going concern assumption.

Research and Development

GA has had a high activity level within R&D and several ongoing development projects in 2023. During the year, GA continued to improve the existing GA-map® Dysbiosis Test with improved features to meet customers' needs. The development of the innovative biomarker project for Inflammatory Bowel Disease (IBD) continued as planned and made good progress. GA initiated a project in collaboration with a pharmaceutical company to develop a new companion diagnostic test and conducted a pilot study. GA has also conducted a pilot study showing promising results in using the GA-map® platform to predict the risk of developing diabetes disease at an early stage. The collaboration on a microbiome laboratory-developed test for the Chinese market has advanced, and the work to establish a Chinese healthy reference profile is estimated to be completed at the beginning of 2024. Lastly, GA has begun to develop a microbiome testing offering to the consumer market together with Comono AS, which is planned to launch in the second quarter of 2024.

Working environment and social responsibility

GA seeks to create an environment which attracts and retains highly qualified employees and in which employees feel valued for their own contribution to the Company's performance. The Company focus on providing a safe working environment for its employees, and to ensure that the employees fully understand their own responsibilities regarding environment, health and safety matters.

GA is encouraging equal rights and opportunities amongst its employees and does not tolerate harassment or discrimination in any form. The working environment in GA is considered good. Sick leave has been 3,5% in 2023, showing an increase from 2,2% in 2022. The increase was related to one employee having planned long-term sick-leave. No working accidents or injuries has occurred in 2023.

As of 31.12.2023, the management team in GA consist of 5 people, 2 women and 3 men. At the end of the year, GA had a total workforce of 21 people and 16 of these were women. The board of GA has 4 members of which one is woman and 3 are men.

Environment

GA believes that the Company's operation has, by its nature, minimal impact on the environment, but is nevertheless committed to sound environmental practices.

Outlook

The positive customer feedback on our current products and the commercial rollout into a growing number of labs globally underlines that GA is building a solid platform for future revenue growth.

The launch of new products on the GA-map® platform has significantly strengthened GA's position in the market. We believe that GA through its partnership agreements builds a solid foundation for strong commercial growth in the European, the U. S. and Asian markets. The management and the board will continue to work for value-added agreements and projects, where GA as a world-leading diagnostic innovator within the microbiome field will be visible and attractive to both industrial and financial players.

Finally, it should be noted that the area of microbiome is still shaping and even though it will grow significantly over the coming years, it is still difficult to predict growth rates etc, and it should also be noted that forward-looking statements are always associated with a level of uncertainty.

Events after the Balance Sheet Date

There have not been any significant events after the balance sheet date.

Allocation of the net result of the year

GA generated a net loss for the year 2023 of NOK -23 817 918 after tax. The board proposes the following allocation of the results for Genetic Analysis AS for the year:

Net profit / loss	- 23 817 918
Transferred to / from Other Equity	23 817 918

In addition, the board proposes a reallocation of share premium to cover historical losses, however mainly covering the losses from the year 2023:

Transferred to / from Share premium	- 23 377 373
Transferred to / from Other Equity	23 377 373

Oslo, 17. April 2024

For Genetic Analysis AS

Per Matsson
Chairperson of the Board

Andrew Stapleton
Board Member

Anne Camilla Huse Bondesson
Board Member

Rune Sørum
Board Member

Ronny Hermansen
CEO

Financial statements 2023

Genetic Analysis AS

Statement of Profit or Loss

For the year ended 31 December 2023

	Notes	2023 NOK	2022 NOK
Revenue	5	14 146 581	11 163 018
Other income	24	9 017 000	9 584 056
Operating income		**23 163 581**	**20 747 074**
Cost of goods sold		4 430 600	3 907 271
Employee benefits expense	6, 16	23 558 954	25 195 659
Depreciation and amortization	11, 12	5 578 728	4 833 594
Other expenses	6	13 550 064	15 116 442
Other gains and losses		-31 043	-122 139
Operating expenses		**47 000 851**	**48 930 827**
Finance income	7	359 455	27 432
Finance expenses	7	340 102	117 717
Finance – net		**19 353**	**-90 285**
Profit / (loss) before income tax		**-23 817 918**	**-28 274 040**
Income tax expense	8, 18	0	0
Net profit / (loss)		**-23 817 918**	**-28 274 040**

Genetic Analysis AS

Statement of Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 NOK	2022 NOK
Profit for the year		-23 817 918	-28 274 040
Items that will not be reclassified to profit or loss		0	0
Items that may subsequently be reclassified to profit or loss		0	0
Other comprehensive income / (loss) for the year, net of income tax		0	0
Total comprehensive income / (loss) for the year		**-23 817 918**	**-28 274 040**

Genetic Analysis AS

Statement of Financial Position

As at 31 December 2023

Assets	Notes	31.12.2023 NOK	31.12.2022 NOK
Non-current assets			
Property, plant & equipment	11, 19	6 188 444	8 142 204
Intangible assets	12	17 831 605	20 845 235
Investments in ass. companies	26	413 549	0
Total non-current assets		**24 433 598**	**28 987 439**
Current assets			
Inventory	15	1 539 365	1 754 591
Trade receivables	10	1 897 697	2 610 289
Other receivables	10	9 327 490	5 749 102
Cash and cash equivalents	9	16 291 604	25 323 301
Total current assets		**29 056 156**	**35 437 283**
Total assets		**53 489 755**	**64 424 722**

Genetic Analysis AS

Statement of Financial Position

As at 31 December 2023

Equity and liabilities	Notes	31.12.2023 NOK	31.12.2022 NOK
Equity attributable to owners of the parent			
Ordinary shares	21	22 919 591	14 949 787
Share premium	21	5 951 156	29 190 572
Non-registered capital increase	21	3 126 848	0
Retained earnings		0	0
Total equity		**31 997 599**	**44 140 359**
Non-current liabilities			
Lease liabilities	13, 19	5 147 627	6 638 303
Other borrowings	13	300 000	700 000
Total non-current liabilities		**5 447 627**	**7 338 303**
Current liabilities			
Trade payables	14	5 584 693	4 616 421
Other current liabilities	13, 14	10 459 837	8 329 637
Total current liabilities		**16 044 530**	**12 946 057**
Total liabilities		**21 492 157**	**20 284 360**
Total equity and liabilities		**53 489 755**	**64 424 722**

The financial statements were approved by the directors and authorised for issue on 17 April 2024:

Per Matsson
Chairperson of the Board

Andrew Stapleton
Board Member

Rune Sørum
Board Member

Camilla Huse Bondesson
Board Member

Ronny Hermansen
CEO

Genetic Analysis AS

Statement of Changes in Equity

As at 31 December 2023

	Note	Attributable to the owners				
		Share capital NOK	Share premium NOK	Non-registered capital increase	Retained earnings NOK	Total NOK
Equity at 01.01.2022		**14 949 787**	**57 140 146**	**0**	**0**	**72 089 934**
Profit for the financial year		0	0	0	-28 274 041	-28 274 041
Other comprehensive income		0	0	0	0	0
Share options	17	0	0	0	324 467	324 467
Settlement of uncovered losses		0	-27 949 574	0	27 949 574	0
Equity at 31.12.2022		**14 949 787**	**29 190 572**	**0**	**0**	**44 140 359**
Equity at 01.01.2023		**14 949 787**	**29 190 572**	**0**	**0**	**44 140 359**
Profit for the financial year		0	0	0	-23 817 918	-23 817 918
Proceeds from share issue		7 969 804	2 523 771	0	0	10 493 575
Non-registered capital increase		0	0	3 126 848	0	3 126 848
Costs of share issue		0	-2 385 814	0	0	-2 385 814
Share based payments		0	0	0	440 545	440 545
Settlement of uncovered losses		0	-23 377 373	0	23 377 373	0
Equity at 31.12.2023		**22 919 591**	**5 951 156**	**3 126 848**	**0**	**31 997 599**

Genetic Analysis AS

Statement of Cash Flow

For the year ended 31 December 2023

	Note	2023	2022
Profit / (Loss) before income tax		**-23 817 918**	**-28 274 040**
Adjustments for:			
Depreciation and amortisation charges	11,12	5 578 728	4 833 594
Stock options	17	440 545	324 467
Items classified as financing activities		117 980	6 600
Changes in working capital			
Changes in inventory	15	215 226	612 611
Changes in trade receivables	10	712 592	-1 559 323
Changes in trade payables	14	968 272	2 202 052
Changes in other items		-1 448 189	2 395 418
Net cash flow from operating activities		-17 232 764	**-19 458 621**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	-144 315	-226 735
Payments for capitalized development	12	-498 504	0
Investments in other companies	26	-500 000	0
Net cash flow from investing activities		**-1 142 819**	**-226 735**
Cash flows from financing activities			
Repayment of borrowings	13	-400 000	-400 000
Installments on leasing liabilities	13, 19	-1 490 676	-1 401 498
Paid in capital	21	11 234 562	0
Net cash flow from financing activities		**9 343 886**	**-1 801 498**
Net change in cash and cash equivalents		-9 031 697	**-21 486 854**
Cash and cash equivalents at beginning of year	9	25 323 301	46 810 155
Cash and cash equivalents at end of year	9	**16 291 604**	**25 323 301**

1. General information

Genetic Analysis AS (GA) is a researched driven diagnostic company dedicated to deliver new and innovative diagnostic solutions to the rapidly growing human microbiome market. GA is developing innovative standardized routine diagnostic solutions for improved patient treatment in rapidly growing markets, with few diagnostic options. GA has products on the market within the area of gastrointestinal diseases.

GA is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Ulvenveien 80, 0581 Oslo, Norway. The Company is listed at Spotlight Stock Market in Stockholm with ticker "GEAN".

The financial statements were considered and issued by the Company's board of directors on 17 April 2024.

2. Material accounting policy information

Basis for preparation
These financial statements have been prepared in accordance with IFRS® Accounting Standards ('IFRS') as adopted by the EU, and the additional disclosure requirements of the Norwegian Accounting Act at 31. December 2023.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently, unless otherwise stated. The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements are disclosed in the notes to these financial statements.

The financial statements have been prepared on a going concern basis. Please see note 25.

New and amended standards adopted by the Company
The group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates – amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The group also elected to adopt the following amendments early:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Amendments to IAS 1 – Non-current Liabilities with Covenants.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted
Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Corporate management has evaluated that the Company operates in only one segment. Therefore, there is no separate segment reporting in the financial statements.

Foreign currency translation
Functional and presentation currency
The financial statements of the Company are presented in Norwegian Kroner (NOK), which is the functional currency of the Company.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'Other (losses)/gains – net'.

Property, plant and equipment
Tangible fixed assets primary consists of machinery and equipment. They also include right of use assets for leased buildings, machinery and equipment accounted for in accordance with IFRS 16. Tangible fixed assets are measured at historical cost less depreciation. They are reflected in the statement of financial position and depreciated to residual value over the asset's expected useful life on a straight-line basis.

Property, plant and equipment also include right of use assets for leased equipment and the Company's offices in Oslo, which is accounted for in accordance with IFRS 16. Right of use

assets are measured at cost and depreciated over the lease period. See more information under "Leases" later in this note and note 19 "Leases".

The estimated useful lives used in the calculation of depreciation and amortisations are as follows:
Machinery and equipment: 5-10 years.
Right-of-use assets: 5 years.

Intangible assets

Research & Development
Research expenditures are recognized as an expense as incurred. Costs incurred on development projects (related to development, design and testing of new or improved products) are recognised as intangible assets. Capitalized development costs that have finite useful life, is amortized on a straight-line basis over the expected useful economic life of the intangible asset from the commencement of the commercial production. Time of amortization is normally 10 years, but maximum 15 years.

Computer software
Computer software is depreciated on a straight-line basis to their residual value over their expected useful life, which is 5 years.

Leases
Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Financial assets

The Company´s financial assets are: accounts receivable, other receivables at amortized cost and cash and cash equivalents. At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of

recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Inventory
Inventory comprises purchased raw materials, work in progress and finished goods. Raw materials, work in progress and finished goods are measured at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company purchase the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if

payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. The Company establishes provisions on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Employee benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts

expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Pension plan
The Company has a defined contribution pension plan as required by the Norwegian Law. This pension plan applies to all employees of the Company living in Norway.

Profit-sharing and bonus plans
The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obligated or where there is a past practise that has created a constructive obligation.

Share based payments
The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period).

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

Government Grants
Government grants including non-monetary grants at fair value, will only be recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them, and the grants will be received. The grants are recognised as cost reductions in the profit and loss statement and as other income if the grant has an element of payment for services to the project.

Revenue recognition

The allocation of revenue is based on the stand-alone selling price for each separate performance obligation in the contract with the customer, and the revenue is recognised when the service/good is delivered.

The Company develops, manufactures and sells diagnostic tests to the global health market based on a DNA-based platform technology that allows for simultaneous analysis of a large number of similar (but not identical) gene fragments in one reaction.

Sale of goods and services
Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales of goods are recognised in profit and loss when the Company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Sales of services are taken to income when the service is rendered.

Delivery is not completed until the products have been sent to the agreed place, and control of the products have been accepted by and transferred to the customer. Contractual data is applied to estimate and recognise provisions for discounts and rebates at the sales date and historical data is applied to estimate and recognise any provisions for returns.

3. Financial risk management and Financial instruments

Financial risk management
The Company uses capital increases for the purpose of raising necessary capital for the Company's business. In addition, the Company has financial instruments such as accounts receivable, accounts payable, etc. in relation to daily operations. The Company does not use financial instruments, including derivatives, for revenue purposes. Procedures for risk management are adopted by the Board. The Company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's management regularly evaluates these risks and establishes guidelines for how they are handled.

Market risk - Foreign exchange risk
The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro and U.S. dollars. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company has not established currency hedge arrangement. The Company will consider the need to establish hedge arrangement on a continuing basis.

At 31 December, if the currency had weakened/strengthened by 1 per cent against the Euro with all variables held constant, post-tax profit for the year would have been NOK 58 340 (2022: NOK 25 340) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables and trade payables.

At 31 December, if the currency had weakened/strengthened by 1 per cent against the U.S. dollars with all variables held constant, post-tax profit for the year would have been NOK 73 230 (2022: NOK 82 800) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables and trade payables.

Market risk - Interest rate risk
The Company's interest rate risk arises from long-term borrowings (see note 13). Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

Management's risk policy is to, on a continuing basis, monitor the risk and consider the need to establish security arrangement. During 2021 and 2023, the Company's borrowings at variable and fixed rate were denominated in NOK.

The following table illustrates the sensitivity of the Company to potential interest rate changes. The calculations are based on a change in the average market interest rate for each period,

and the financial instruments held at each reporting date that are sensitive to changes in interest rates.

Interest rate sensitivity	Changes in interest rates in basis points	Effect on profit before tax	Effect on equity
2023	+50	4 500	4 500
2023	-50	-4 500	-4 500
2022	+50	6 500	6 500
2022	-50	-6 500	-6 500

Based on the financial instruments that existed per 31 December 2023, an increase of 0,5% would reduce the company's profit before tax by NOK 2 500 (2022: NOK 6 500).

The average effective interest rates of financial instruments were as follows:

	2023	2022
Other loans	7,1%	5,1%

Market risk - Price risk
Price risk arises when there are changes in market price that are not otherwise accounted for by interest rate or currency rate changes. Due to limited commercial operations in 2023, the impact of price risk is considered as low.

Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to trade and other receivables. The Company has routines to ensure that sales on credit are made only to creditworthy customers.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has assessed and forecasted its liquidity for 2024. This analysis shows that the Company has insufficient liquidity for fulfilling its obligations during 2024 with a going concern basis. See note 25 for further information about going concern.

The Company will actively seek to have a balance of short term and long-term facilities that is designed to ensure that the Company has sufficient funds available for financing ongoing operations, market expansion and development projects. The Management and the Board actively monitor the forecast of the Company's liquidity reserve and cash on the basis of the expected cash flow on a monthly level.

Periods to maturity of financial liabilities incl. interest:

	Less than one year	Between one and two years	Between two and five years	More that five years
At 31 December 2023				
Borrowings	443 724	311 915	0	0
Trade payables	5 584 693	0	0	0
Lease liabilities	1 689 102	1 650 000	3 712 500	0
Other liabilities	8 489 702	0	0	0
At 31 December 2022				
Borrowings	455 800	431 000	309 300	0
Trade payables	4 616 421	0	0	0
Lease liabilities	1 270 975	1 689 102	4 950 000	412 500
Other liabilities	6 547 000	0	0	0

Fair value of financial instruments

The carrying amount of cash and cash equivalents approximates fair value because these instruments have a short-term maturity date. Similarly, the carrying amount of accounts receivable and accounts payable approximates fair value as the impact of discounting is not significant.

Derivative financial instruments and fair value estimation

At the end of year 2023 and end of year 2022 there were no financial assets or liabilities to measure.

Classification of financial assets and liabilities

The Company has the following classification of financial assets and liabilities. See note 2 for a description of the various categories.

Financial instruments

31.12	2023	2022
Assets		
Trade receivables	1 897 697	2 610 289
Cash and cash equivalents	16 291 605	25 323 301
Total financial assets	**18 189 302**	**27 933 590**

Liabilities		
Loans and borrowings	5 447 627	7 338 303
Trade payables	5 584 693	4 616 421
Total financial liabilities	**11 032 320**	**11 954 724**

Capital management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

4. Important accounting estimates and discretionary assessments

Estimates and discretionary assessments are based on historical experience and other factors, including expectations of future events that are considered likely under present conditions. The Company prepares estimates and makes assumptions about the future. Accounting estimates derived from these will by definition seldom accord fully with the outcome. Estimates and assumptions which represent a substantial risk for significant changes in the carrying amount of assets and liabilities during the coming fiscal year are discussed below.

Estimated value of Research and Development
Expenditure on research is written off as incurred. When a project has reached development, and the stage in the development phase defined as pre-launch phase, development costs are capitalized. The pre-launch stage is reached when it is whereby it is probable that the product will generate future economic benefits, and the following criteria have been met; technical feasibility, intention and ability to sell the product, availability of resources to complete the development of the product and the ability to measure the expenditure attributable to the project.

Research and development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Capitalized development costs are amortized over the useful economic life of the asset, not exceeding ten years. The useful economic life is determined on a product-by-product basis

taking into consideration a number of factors including license/patent periods and expected technological changes. Where deferred costs capitalized no longer provide future economic benefit, they are derecognized immediately.

5. Geographical breakdown of sales and assets

Geographical distribution of sales:	2023	2022
USA	7 323 170	7 500 876
Europe	4 719 603	2 369 770
Rest of world	2 103 808	1 292 372
Total	**14 146 581**	**11 163 018**

The geographical distribution is based on countries where the customers are located.

In 2023, one customer account for 39,0 % of the sale, another customer account for 10,6 % of the sale, and a third customer account for 7,4 %, most others were below 5 % each.

Analysis of sales by category:	2023	2022
Products	9 617 065	8 889 411
Services	3 017 296	982 949
Platform installations	1 512 220	1 290 658
Total	**14 146 581**	**11 163 018**

Geographical breakdown of assets:	2023	2022
Norway	19 614 442	22 854 023
Total	**19 614 442**	**22 854 023**

Included in assets under geographical segment are inventory, property, plant and equipment and intangible assets excluding rights of use assets and deferred tax assets.

6. Employee benefits expense and auditor remuneration

Personnel expenses:	2023	2022
Salaries	18 822 932	20 655 387
Payroll tax	2 843 113	2 886 345
Pension cost	574 021	415 347
Other benefits	878 343	914 807
Stock options	440 545	298 422
Total personnel expenses	**23 558 954**	**25 195 659**

Average number of man-years	21	23
Average number of employees	22	24

Auditor remunerations:	2023	2022
Statutory audit	522 471	584 971
Other assurance services	0	0
Tax advisory fee	35 000	25 000
Other services	150 000	145 000
Total audit remuneration	**707 471**	**754 971**

VAT is not included in the audit fee.

7. Financial income and expenses

Financial income:	2023	2022
Interest income on short-term bank deposits	43 054	9 006
Other interest income	316 401	18 426
Total financial income	**359 455**	**27 432**

Financial costs:	2023	2022
Interest expenses on borrowings	65 183	61 514
Interest expenses on leasing	188 389	51 003
Loss from results in associated companies	86 451	0
Other interest expenses	79	5 201
Total finance expenses	**340 102**	**117 718**
Net financial costs/income	**19 353**	**-90 285**

8. Income tax expense

	2023	2022
Tax payable	0	0
Deferred tax	0	0
Income tax expense	**0**	**0**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the domestic tax rate applicable to profit as follows:

	2023	2022
Ordinary profit before tax	-23 817 918	-28 274 040
Tax calculated at the domestic rate (22%)	-5 239 942	-6 220 289
Expenses not deductible for tax purposes	-761 706	-787 127
Tax loss for which no deferred income tax asset was recognized	6 001 648	7 007 417
Tax cost	**0**	**0**

The income tax expense is calculated using the domestic tax rate. The tax rate is 22 % in Norway in 2022 (22% in 2021).

No current or deferred tax expense or income has been recognized in the Statement of Other Comprehensive Income in the period. See note 18.

9. Cash and cash equivalents

Cash and other cash equivalents:	2023	2022
Short term cash deposits, cash equivalents	15 278 871	24 419 794
Restricted cash	1 012 734	903 507
Cash and cash equivalents	**16 291 605**	**25 323 301**

Restricted cash:	2023	2022
Security for tax withholding	1 012 734	903 507
Total restricted cash	**1 012 734**	**903 507**

10. Trade and other receivables

	2023	2022
Trade receivables	1 954 084	2 658 355
Less: provision for impairment of trade receivables	56 387	48 066
Trade receivables – net	**1 897 697**	**2 610 289**
Prepaid expenses	180 926	760 044
Receivable on employees	0	35 533
Receivable VAT	325 318	330 089
Receivable government grants*	3 982 000	3 994 164
Other receivables	4 839 246	629 272
Total other receivables	**9 327 490**	**5 749 102**
Total receivables	**11 225 187**	**8 359 391**

*See note 24 for more information on government grants.

The booked value of the trade receivables and other receivables is considered to be the fair value.

As of 31 December 2023, trade receivables of NOK 1 300 204 were past due but not impaired (2022: NOK 2 589 037). These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of trade receivables is as follows:

Ageing profile of trade receivables:	2023	2022
Receivables not due	653 881	69 318
Up to 3 months	599 355	2 583 348
3 to 6 months	700 848	5 689
Total trade receivables	**1 954 084**	**2 658 355**

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

Trade and other receivables per currency:	2023	2022
NOK	9 353 534	5 802 178
EUR	1 169 110	204 290
USD	702 543	2 352 922
Total receivables	**11 225 187**	**8 359 391**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

11. Property, plant, and equipment

	Machinery and equipment	Right-of-use assets	Total
Fiscal 2022			
Opening net book amount	199 478	1 387 094	1 586 572
Additions	226 735	7 700 208	7 926 943
Depreciation charge	-172 015	-1 199 296	-1 371 311
Closing balance	**254 197**	**7 888 006**	**8 142 204**
31.12.2022			
Acqusition cost	3 214 086	11 824 850	**15 038 936**
Accumulated depreciation	-2 959 889	-3 936 844	-6 896 733
Accumulated impairment	0	0	0
Net book amount	**254 197**	**7 888 006**	**8 142 204**
Fiscal 2023			
Opening net book amount	254 197	7 888 006	8 142 204
Additions	112 835	0	112 835
Depreciation charge	-123 561	-1 943 034	-2 066 595
Closing balance	**243 471**	**5 944 972**	**6 188 443**
31.12.2023			
Acqusition cost	3 326 921	11 824 850	**15 151 771**
Accumulated depreciation	-3 083 450	-5 879 878	-8 963 328
Accumulated impairment	0	0	0
Net book amount	**243 471**	**5 944 972**	**6 188 443**
Estimated useful life	5-10 years	5 years	

Machinery and equipment were provided at 31 December 2023 as security for NOK 1 000 000 (2022: NOK 1 100 000).

12. Intangible assets

	R&D	Patents	Software	Total
Fiscal 2022				
Opening net book amount	24 146 409	161 109	0	24 307 518
Additions	0	0	0	0
Disposals	0	0	0	0
Write-down	0	0	0	0
Amortization charge	-3 448 949	-13 334	0	-3 462 283
Closing balanse	**20 697 460**	**147 775**	**0**	**20 845 235**
31.12.2022				
Acquistion cost	34 489 488	200 000	2 219 842	36 903 330
Accumulated amortization	-13 792 028	-52 225	-2 219 842	-16 064 095
Accumulated write-down	0	0	0	0
Net book amount	**20 697 460**	**147 775**	**0**	**20 845 235**
Fiscal 2023				
Opening net book amount	20 697 460	147 775	0	20 845 235
Additions	0	0	498 504	498 504
Disposals	0	0	0	0
Write-down	0	0	0	0
Amortization charge	-3 448 949	-13 334	-49 850	3 512 133
Closing balanse	**17 248 511**	**134 441**	**448 654**	**17 831 605**
31.12.2023				
Acquistion cost	34 489 488	200 000	2 718 346	37 407 834
Accumulated amortization	-17 240 977	-65 559	-2 269 692	-19 576 228
Accumulated write-down	-0	0	0	0
Net book amount	**17 248 511**	**134 441**	**448 654**	**17 831 605**
Estimated useful life	10 years	15 years	5 years	

See note 4 for further information about capitalized research and development costs.

13. Borrowings and lease liabilities

Non-current:	2023	2022
Lease liabilities	5 147 627	6 638 303
Other borrowings	300 000	700 000
Total non-current liabilities	**5 447 627**	**7 338 303**

Other borrowings are related to a loan from Innovasjon Norge.

The carrying amounts and fair value of the borrowings are as follows:

	Carrying amount		Fair value	
	2023	2022	2023	2022
Lease liabilities	5 147 627	6 638 303	5 147 627	6 638 303
Other borrowings	300 000	700 000	300 000	700 000
Total non-current liabilities	**5 447 627**	**7 338 303**	**5 447 627**	**7 338 303**

The fair value of borrowings equals their carrying amount calculated at amortized cost.

Loans presented as financing activities in the cash flow statement	2023	2022
Borrowings repayable within one year	400 000	400 000
Lease liabilities repayable within one year	1 570 134	1 383 939
Borrowings repayable after one year	300 000	700 000
Lease liabilities repayable after one year	5 147 627	6 638 303
Total loans	**7 417 761**	**9 122 242**

Gross debt with fixed interest rates	0	0
Gross debt with variable interest rates	7 417 761	9 122 242
Total loans	**7 417 761**	**9 122 242**

	Borrowings	Lease liabilities	Total
Loans as at 31 December 2022	**1 100 000**	**8 022 242**	**9 122 242**
Cash flows	-400 000	-1 490 676	-1 890 676
Other non-cash movements	0	186 195	186 195
Loans as at 31 December 2023	**700 000**	**6 717 761**	**7 417 761**

14. Trade and other payables

Trade and other payables:	2023	2022
Trade payables	5 584 693	4 616 421
Total payables	**5 584 693**	**4 616 421**
Accrued employee benefits expense	3 231 463	1 802 398
Social security and other taxes	1 862 266	1 681 197
Contract liabilites	0	0
Lease liabilities	1 570 134	1 383 939
Borrowings	400 000	400 000
Accrued expenses	3 395 973	3 062 103
Other current liabilities	**10 459 837**	**8 329 637**
Total current liabilities	**16 044 530**	**12 946 057**

Amounts are settled on standard commercial trade terms. Generally, no interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15. Inventories

Inventory:	2023	2022
Raw materials and purchased semi-manufactures	1 243 881	749 182
Stock self-produced finished goods	295 484	515 343
Goods purchased for resale	0	490 066
Allowance for obsolete goods	0	0
Total inventory	**1 539 365**	**1 754 591**

16. Related party disclosures

Remuneration of senior executives:	2023	2022
Pay and other short-term benefits	1 967 466	2 071 770
Total	**1 967 466**	**2 071 770**

Payables:	2023	2022
Senior executives	0	0
Totalt	**0**	**0**

Senior executives comprise the CEO at Genetic Analysis AS. See table below for a more extensive description of remuneration of senior executives.

Pay and other remuneration of senior executives in 2023:

Name	*Function*	*Period*	*Basic salary*	*Bonus paid*	*Other remun.*	*Total pay and remun.*	*Pension contrib*
Ronny Hermansen	CEO	01.01-31.12	1 884 081	76 121	7 264	1 967 466	41 846
Total			**1 884 081**	**76 121**	**7 264**	**1 967 466**	**41 846**

Pay and other remuneration of senior executives in 2022:

Name	*Function*	*Period*	*Basic salary*	*Bonus paid*	*Other remun.*	*Total pay and remun.*	*Pension contrib*
Ronny Hermansen	CEO	01.01-31.12	1 860 172	207 206	4 392	2 071 770	26 348
Total			**1 860 172**	**207 206**	**4 392**	**2 071 770**	**26 348**

Pay and other remuneration of board members in 2023:

Name	*Function*	*Period*	*Basic salary*	*Bonus paid*	*Other remun.*	*Total pay and remun.*
Per Matsson	Chairperson	01.01.2023-31.12.2023	0	0	400 000	400 000
Staffan Strömberg	Board Member	01.01.2023-02.11.2023	0	0	125 000	125 000
Andrew Stapleton	Board Member	01.01.2023-31.12.2023	0	0	0	0
Anne Camilla Huse Bondesson	Board Member	01.01.2023-31.12.2023	0	0	125 000	125 000
Rune Sørum	Board Member	01.01.2023-31.12.2023	0	0	125 000	125 000
Total			**0**	**0**	**775 000**	**775 000**

At year end, the company has accrued NOK 600 928 including social security for board remuneration for the period 01.05-31.12.2023. This will be paid out after the annual general meeting in 2024.

Pay and other remuneration of board members in 2022:

Name	*Function*	*Period*	*Basic salary*	*Bonus paid*	*Other remun.*	*Total pay and remun.*
Kathryn M. Baker	Chairperson	01.01.2022-31.12.2022	0	0	400 000	400 000
Staffan Strömberg	Board Member	01.01.2022-31.12.2022	0	0	100 000	100 000
Anne Camilla Huse Bondesson	Board Member	01.01.2022-31.12.2022	0	0	100 000	100 000
Ashok K. Shah	Board Member	01.01.2022-31.12.2022	0	0	0	0
Total			**0**	**0**	**600 000**	**600 000**

Declaration of remuneration to senior executives
The table above includes information on all individuals covered by the disclosure obligation at any time during the year, while the following declaration is limited to the CEO and management team. The following review presents the executive remuneration policy as resolved by the board in Genetic Analysis. The mandatory executive remuneration policy was resolved by Genetic Analysis' annual general meeting on 30.06.2014.

Recommended executive remuneration policy
Genetic Analysis wants to offer competitive terms in order for the Company to attract and retain competent managers and at the same time achieve alignment of interest between management and shareholders. The remuneration and other terms of employment for the executives reflect a number of factors, such as the position itself and the market conditions.

The remuneration comprises a reasonable basic salary and a pension contribution plus a cash bonus, which is principally linked to the Company's performance. For the CEO and the management team the total bonus may not amount to more than 25 per cent of base salary. Certain tools, which are needed to perform executive duties, represent a taxable benefit which has been included in the amounts in the table above.

Genetic Analysis honours all employment agreements which are in effect. Future supplements to employment agreements and new employment agreements will be in accordance with these guidelines.

The board determines the remuneration and other terms of employment of the CEO and issues guidelines for the remuneration of leading personnel. The CEO determines the remuneration and other terms of employment of the senior management within the framework resolved by the board.

The CEO and members of the management team are members of Genetic Analysis' general pension contribution scheme that apply to all employees. The CEO may under certain circumstances have the right to receive six months post-employment compensation. There is no other post-employment remuneration or employment protection beyond a normal notice period.

17. Share-based compensation

Genetic Analysis' Option Program was established in 2014 with the objective to further align the interests of the management and key personnel with the interests of the shareholders. During 2021 the annual general meeting approved a consolidation of shares, increasing the nominal value from 0,10 per share to 0,60 per share, correspondingly the number of stock options granted and the exercise price have been updated to reflect the share consolidation. In 2022, the share option program was extended to include all employees. The total number of share options outstanding as at 31 December 2023 is 1 788 559 (2 061 004 in 2022) or 4,7% (8,3% in 2022) of total shares issued.

The Company utilizes a Black-Sholes-Merton option pricing model to determine the impact of stock option grants in accordance with IFRS 2, Share-based payment, on the Company's net income. The model utilizes certain information, such as the interest rate on a risk-free security maturing generally at the same time as the option being valued, and requires certain assumptions, such as the expected amount of time an option will be outstanding until it is exercised or it expires and the volatility associated with the price of the underlying shares of common stock, to calculate the fair value of stock options granted. The model also estimates the likelihood of performance fulfilment and takes this into account in the valuation.

During the period ended 31 December 2023, the Company has had share-based payment arrangements for employees, as described below.

Program	2018	2020	2022
Type of arrangement	Equity Settled	Equity Settled	Equity Settled
Dates of Grant	17.12.2018	30.06.2020- 01.08.2021	18.08.2022
Options granted as of 31.12.2023	58 334	708 337	1 021 888
Contractual life (from grant date)	4-5 years	6 years	4 years
Vesting conditions	100% of the options will vest 4-5 years after grant date. The employee must	100% of the options will vest 6 years after grant date. The employee must	100% of the options will vest 4 years after grant date. The employee must

	remain an employee of the company or an affiliated company when options are exercised.	remain an employee of the company or an affiliated company when options are exercised.	remain an employee of the company or an affiliated company when options are exercised.
Expiry date	30.06.2023–17.12.2024	01.01.2026-01.07.2026	18.08.2026

Fair value of share options granted is calculated using the Black-Sholes-Merton option pricing model.

The weighted average inputs to the model and fair values at grant date are:

Program	**2018**	**2020**	**2022**
Exercise price	25,80	6,00	2,80 for employees 4,00 for board members
Share price at grant date	25,80	6,00	2,80
Expected life from grant date	4-5 years	6 years	4 years
Volatility	57 %	62-63 %	60%
Risk free interest rate	1,42-1,54 %	0,34-0,43 %	3,155 %
Fair value per option	0,00	0,00	0,00

Interest rates used are quoted Norwegian government bonds and bills retrieved from Norges Bank.

The total expensed amount in 2023 arising from the option plan is NOK 440 545 (2022: NOK 324 467), not including social security.

Management Team	Number of options
Ronny Hermansen, Chief Executive Officer	516 667
Christina Casén, SVP Clinical and Medical Affairs	210 000
Lars Tiller, Head of Operations	60 000
Kari Furu, Chief Technology Officer	126 667
Eilert Aamodt, Chief Financial Officer	156 667

Board of Directors	Number of options
Per Matsson, Chairperson	225 000
Anne Camilla Huse Bondesson, Board member	70 000
Rune Sørum, Board member	70 000

Activity overview:

Activity	Number of options
Outstanding OB (01.01.2022)	1 385 006
Consolidation of shares	0
Granted	1 184 332
Exercised	0
Cancellations	-298 334
Expired	-110 000
Outstanding CB (31.12.2022)	2 061 004

Activity	Number of options
Outstanding OB (01.01.2023)	2 061 004
Consolidation of shares	0
Granted	0
Exercised	0
Cancellations	-122 444
Expired	-150 001
Outstanding CB (31.12.2023)	1 788 559

18. Deferred income tax

The tax effects of the Company's temporary differences and tax loss carry forwards are as follows at December 31:

	2023		2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Accelerated tax depreciation	1 558 465	0	1 937 501	0
Tax losses carried forward	56 320 016	0	49 939 332	0
Total	**57 878 480**	**0**	**51 876 833**	**0**

The Company did not recognize a tax asset in its statement of financial position since there is no convincing evidence that sufficient taxable profit will be available in future to allow a utilization of the deferred tax asset. The tax losses can be carried forward indefinitely.

19. Leases

Amounts recognized in the statement of financial position
The statement of financial position shows the following amounts relating to leases:

Right of use assets:*	**31.12.2023**	**31.12.2022**
Property	5 886 758	7 490 086
Office equipment	23 016	165 946
Equipment	35 199	231 975
Total	**5 944 973**	**7 888 007**

*Included in the line item "Property, plant and equipment" in the statement of financial position.

Lease liabilities: **	**31.12.2023**	**31.12.2022**
Current	1 570 134	1 383 939
Non-current	5 147 627	6 638 303
Total	**6 717 761**	**8 022 242**

**Included in the line items "Lease liabilities" and "Other current liabilities" in the statement of financial position.

Additions to the right-of-use assets in 2023 were NOK 0 (2022 NOK 7 700 208).

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right of use assets:	**31.12.2023**	**31.12.2022**
Properties	1 385 120	882 037
Office equipment	138 096	110 427
Equipment	190 017	268 088
Total	**1 713 233**	**1 371 311**

Interest expense	188 389	51 003
Expenses related to short-term leases	0	36 714
Expenses related to leases of low-value	13 260	6 600

The total cash outflow for leases in 2023 was NOK 1 490 676 (2022 NOK 1 401 498).

20. Contingencies and commitments

The Company did not have any contingent liabilities and commitments as at 31 December 2023 or at 31 December 2022.

21. Share capital and shareholder information

Share capital and premium	**Number of shares**	**Ordinary share capital**	**Share premium**	**Non-registered capital increase**	**Total**
31.12.2022	**24 916 312**	**14 949 787**	**29 190 572**	**0**	**44 140 359**
Capital increase	13 283 007	7 969 804	2 523 771	0	10 493 575
Non-registered capital increase	0*	0	0	3 126 848	3 126 848
Issue expense	0	0	-2 385 814	0	-2 385 814
Settlement of uncovered losses	0	0	-23 377 373	0	-23 817 918
31.12.2023	**38 199 319**	**22 919 591**	**5 951 156**	**3 126 848**	**31 997 599**

Each share has a nominal value of NOK 0,60.

*As at 31.12.2023 the shares had been subscribed, but not paid nor been issued. 3 958 036 shares were issued on 10.01.2024.

Shareholders	Shares	Percentage ownership
Bio-Rad Laboratories Inc.	9 504 458	24,88 %
Avanza Bank AB*	6 448 399	16,88 %
Muen Invest AS	1 801 794	4,72 %
S. Munkhaugen AS	1 750 116	4,58 %
Nordnet Bank AB*	1 671 741	4,38 %
Lucellum AS	1 550 000	4,06 %
Biohit Oyj	1 423 840	3,73 %
Ochrino AS	1 256 017	3,29 %
LJM AS	1 185 202	3,10 %
Stella Invest AS	1 059 232	2,77 %
Kagge AS	999 367	2,62 %
Grøttum, Tore	738 556	1,93 %
Gjone, Erik Borch	684 132	1,79 %
Molver AS	644 673	1,69 %
Invitrodia AS**	582 252	1,52 %
Jama Holding AS	429 351	1,12 %
Bjelland Capital I AS	423 077	1,11 %
Rolfs Holding AS	420 791	1,10 %
Nordnet Livsforsikring AS	277 280	0,73 %
Per Anton Invest AS	267 910	0,70 %
Top 20	**33 118 188**	**86,70 %**
Others	5 081 131	13,30 %
Total* **	**38 199 319**	**100,00 %**

* Nominee accounts

** Invitrodia AS is fully owned by CEO Ronny Hermansen

*** Shares issued as of 31.12.2023. On January 10th, 2024, an additional 3.958.036 shares were issued following the ongoing registration of the subsequent offer described in the press release issued 10.01.2024

Shareholding held by Management and Board of Directors:	Position	No of shares 2023	Percentage ownership 2023	No of shares 2022
Ronny Hermansen (InVitroDia AS)	CEO	582 252	1,52 %	172 040
Christina Cásen	SVP Clinical & Medical Affairs	160 489	0,42 %	87 072
Lars Tiller	Head of Operations	63 291	0,17 %	0
Kari Furu	Head of Commercial	73 291	0,19 %	10 000
Eilert Aamodt (E. B. Aamodt AS)	CFO	124 409	0,33 %	48 460
Camilla Huse Bondesson	Board member	165 042	0,43 %	38 460
Per Matsson	Chairperson	156 582	0,41 %	30 000
Total		**1 325 356**	**3,47 %**	**386 032**

22. Dividends

No dividends declared or paid during the financial periods ended 31 December 2023 and 31 December 2022.

23. Events after the statement of financial position date

There are no further events to report after the balance sheet day.

24. Other income and government grants specification

Specification of other income:	2023	2022
Norwegian Research Council	4 996 000	5 652 626
SkatteFUNN	3 982 000	3 926 454
Other income subject to VAT	39 000	4 976
R&D Support from partners	0	0
R&D Grants and Support	**9 017 000**	**9 584 056**
Commercialization support from partners	0	0
Public corona compensation	0	0
Total Other Income	**9 017 000**	**9 584 056**

The grant from the Norwegian Research Council for 2023 of NOK 4 996 000 is related to the IBD project aiming to develop a new microbiome marker recognized as other income. Costs related to this project are presented as other expenses. This project is ongoing.

Norwegian government grants have been approved for qualifying research and development expenditures under the program called SkatteFUNN. In 2023, GA has been applicable for SkatteFUNN, the same was true for 2022. The company has in 2023 recognized NOK 3 982 000 as other income arising from the government grant.

25. Going concern

In preparing these financial statements, the Directors are required to do so on the going concern basis unless it is inappropriate to presume that the Company will continue in business. In satisfaction of this responsibility, the Directors have considered the Company's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow. The Board's projections indicate a cash requirement in quarter three of 2024. The Board is confident that they will be able to access sufficient resources to manage this shortfall and have therefore concluded that there is sufficient access to funding to meet liabilities as they fall due. The Company is also reviewing its cost base, development projects and defer other planned discretionary expenditure in the short term to offset any likely reductions in revenue or funding.

However, at the time of approval of the financial statements, there are no contractual commitments in place that would guarantee the required funding for a period of no less than twelve months from the date of approval of the financial statements. The Company anticipates that the situation will be resolved in future months, which will provide additional certainty and clarity regarding the Company's ongoing funding status.

Collectively, the above conditions indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. The Board is confident that funding will be secured and that they will be able to achieve the levels of revenue and savings to allow the Company to continue in operational existence for a period of 12 months after the date of signing these financial statements. However, whilst the Directors acknowledge these uncertainties may cast doubt on the entity's ability to continue as a going concern, they have concluded that it is appropriate to prepare the financial statements on a going concern basis.

26. Investment in associated company

GA has in December 2023 agreed to invest NOK 500.000 in the newly established company Prokarimi AS (business register no. 932 746 026) based in Oslo, Norway. This equals to an ownership of 33,33%. The purpose is to develop and operate a direct-to-consumer sales platform. The result in 2023 was -259.614 NOK and the equity capital as of 31.12.2023 was 1.240.386 NOK.

Independent auditor's report

To the General Meeting of Genetic Analysis AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Genetic Analysis AS, which comprise the statement of financial position as at 31 December 2023, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 25 in the financial statements, which indicates that the Company projects that they will run out of cash in the third quarter of 2024 unless they are able to secure additional financing. As stated in Note 25, these events, or conditions, along with other matters as set forth in Note 25, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report,

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 17 April 2024
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant
(This document is signed electronically)

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