



News Release Details

Progenity Announces \$40 Million Private Placement

June 10, 2021

SAN DIEGO, June 10, 2021 (GLOBE NEWSWIRE) -- Progenity, Inc. ("Progenity") (Nasdaq: PROG), an innovative biotechnology company, today announced that it has entered into a definitive securities purchase agreement with two leading healthcare-focused investment funds for the sale of units consisting of shares of common stock (or pre-funded warrants to purchase common stock in lieu thereof) and warrants to purchase common stock, as described below, in a private placement expected to result in gross proceeds to Progenity of approximately \$40 million, before deducting placement agent commissions and other offering expenses.

Pursuant to the terms of the securities purchase agreement, at the closing of the private placement, Progenity will issue units representing an aggregate of 16,194,332 shares of common stock (or pre-funded warrants in lieu thereof) and warrants to purchase an aggregate of 16,194,332 shares of common stock. The aggregate purchase price of each unit, which consists of one share of common stock (or pre-funded warrants in lieu thereof) plus a warrant to purchase one share of common stock, is \$2.47. The warrants will have a per share exercise price of \$2.84 and may be exercised at any time on or after the closing date and through the fifth anniversary of the closing date. The price per unit was based in part upon the average of the last five closing prices of the common stock on the Nasdaq Global Market. If exercised for cash, the warrants would result in additional gross proceeds to Progenity of up to approximately \$46 million.

The private placement is expected to close on June 14, 2021, subject to the satisfaction of customary closing conditions. Additional details regarding the private placement will be included in a Form 8-K to be filed by Progenity with the Securities and Exchange Commission ("SEC").

Progenity intends to use the net proceeds to support its operations, to invest in its molecular testing research and development program, to invest in research and development with respect to its precision medicine platform, and for working capital and general corporate purposes.

Piper Sandler & Co. served as lead placement agent on the offering with Raymond James & Associates, Inc. acting as co-placement agent.

The securities being sold in the private placement have not been registered under the Securities Act of 1933, as amended, or state securities laws and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from such registration requirements. Progenity has agreed to file a registration statement with the SEC covering the resale of the shares of common stock issuable in connection with the private placement and upon exercise of the warrants.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities,

nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Progenity

Progenity, Inc. is a biotechnology company innovating in the fields of gastrointestinal health and oral biotherapeutics. Progenity applies a multi-omics approach, combining genomics, epigenomics, proteomics, and metabolomics to its molecular testing products and to the development of a suite of investigational ingestible devices designed to provide precise diagnostic sampling and drug delivery solutions. Progenity's vision is to transform healthcare to become more precise and personal by improving diagnoses of disease and improving patient outcomes through localized treatment with targeted therapies.

Forward Looking Statements

This press release contains "forward-looking statements," which statements are subject to substantial risks and uncertainties and are based on estimates and assumptions. All statements, other than statements of historical facts included in this press release, including, but not limited to, Progenity's expectations regarding the completion of the private placement, the satisfaction of customary closing conditions related to the private placement and the expected receipt of proceeds from the private placement, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "develop," "plan" or the negative of these terms, and similar expressions, or statements regarding intent, belief, or current expectations, are forward looking statements. These statements involve known and unknown risks, uncertainties and other factors that could cause Progenity's actual results to differ materially from the forward-looking statements expressed or implied in this press release, the uncertainties related to market conditions and the completion of the offerings on the anticipated terms or at all, the uncertainties inherent in the clinical drug development process, such as the regulatory approval process, the timing of regulatory filings, and other matters, including the ongoing COVID-19 pandemic, that could affect sufficiency of existing cash, cash equivalents and short-term investments to fund operations and the availability or commercial potential of Progenity's products, and those risks described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Progenity's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 18, 2021, and other subsequent documents we file with the SEC, including but not limited to our Quarterly Reports on Form 10-Q. Progenity claims the protection of the Safe Harbor contained in the Private Securities Litigation Reform Act of 1995 for forward-looking statements. Progenity expressly disclaims any obligation to update or alter any statements whether as a result of new information, future events or otherwise, except as required by law.

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