20 YEARS ANNIVERSARY

gentian

WE INNOVATE DIAGNOSTIC EFFICIENCY

Annual Report 2020

WE INNOVATE DIAGNOSTIC EFFICIENCY

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WE INNOVATE DIAGNOSTIC EFFICIENCY

ANNUAL REPORT 2020

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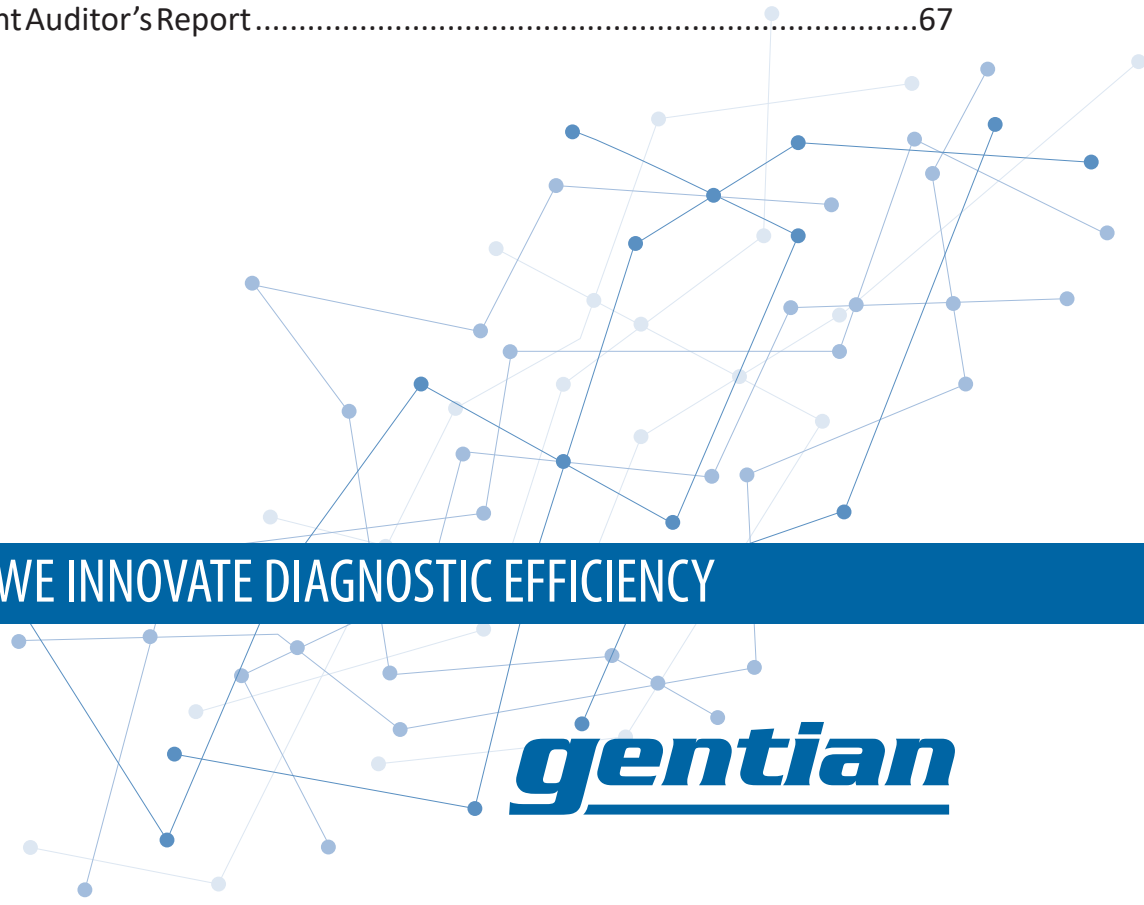

WE INNOVATE DIAGNOSTIC EFFICIENCY

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LETTER FROM THE CEO

"The fight against the COVID-19 outbreak has highlighted the importance of fast and reliable clinical diagnostics solutions. During this difficult time, Gentian has strengthened its position as the innovator in diagnostics efficiency. I'm convinced that Gentian is attractively positioned to create value for customers, shareholders and society."

Hilja Ibert
CEO, Gentian Diagnostics AS

Dear shareholders,

I am looking back to a special year with unexpected changes to all aspect of our lives. At Gentian, we have quickly found solutions for the COVID-19 related challenges, and in parallel we have identified new opportunities, which have allowed us to finish the year with a satisfying 32 % sales growth. Importantly, the pandemic has highlighted the criticality of clinical diagnostics, and the potential value that can be unlocked by innovations contributing to diagnostic efficiency.

We are proud to be recognised by our customers for our contribution to improved laboratory workflow and clinical outcome. Based on our strong value proposition, we have been able to gain new customers all over the world and have achieved an overall increased demand for our products.

I am pleased that the market development efforts for our GCAL® assay have resulted in an increased number of routine customers and new scientific publications, that proves the relevance of GCAL® in the context of sepsis and COVID-19 patient management.

The sales of our new turbidimetric fPELA® turbo assay was successfully initiated in June 2020 by our commercial partner BÜHLMANN Laboratories AG. Now, physicians will be supported to diagnose Intestinal Bowel Disease (IBD) and Pancreatic Elastase Insufficiency (PEI), which are causing similar symptoms, from the same stool sample. The avoidance of unnecessary endoscopic examinations is saving cost and is increasing patient satisfaction.

In 2021, Gentian Diagnostics will celebrate its 20th anniversary. Looking forward, our goals are clear: achieve continued double digit sales growth, to finalise our NT-proBNP assay for launch in 1Q22, the first turbidimetric cardiac marker on the market, and to list the company on the main market of the Oslo Stock Exchange.

The team at Gentian is full of passion for our unique technology and is deeply committed to serve the needs of our customers now and in the future. I am so proud to be part of it.

Hilja Ibert

MAIN ACHIVEMENTS IN 2020

- 32 % total year sales growth in a COVID-19 constrained market
- Successful launch of fPELA® turbo, together with our commercial partner BÜHLMANN Laboratories AG
- New scientific publications supporting GCAL® as an infection marker, and most recently as a promising biomarker for predicting severity of disease for COVID-19 patients
- Expanded NT-proBNP development scope to enable industry standardisation, expected to positively impact adoption rates and push launch date to Q1 2022 from Q4 2021
- Initiated the development of a SARS-CoV-2 total antibody immunoassay, to be launched during H2 2021
- Strengthened the management team with leading expertise in production, regulatory and commercial affairs and experience from Becton Dickinson, GE Healthcare, Fresenius Kabi and Thermo Fisher Scientific
- Successful divestiture of non-core holding PreTect AS

GENTIAN DIAGNOSTICS IN BRIEF

Gentian Diagnostics AS is a medical diagnostics company listed on the Oslo Stock Exchange, Euronext Growth. The company is involved in the production, R&D, marketing and distribution of immunoassays. Its headquarters and production facilities are located in Moss, Norway, with distribution subsidiaries in Sweden and the USA, a representative office in China as well as globally by a strong commercial partner and distributor network.

Gentian serves the immunochemistry segment of the in vitro diagnostics (IVD) market by making assays available on fully automated, high throughput platforms, utilising the Particle-Enhanced-Turbidimetric Immunoassay (PETIA) technology. Through in-depth research into PETIA, and its development of proprietary antibody and nano-particle technology, Gentian can offer immunoassays that enable clinical laboratories to move from low volume immunology platforms to fully automated, high throughput instruments with shorter turnaround times, better workflow and improved cost efficiency.

The current portfolio and pipeline of efficient and accurate reagents span areas of inflammations, severe infections, kidney failures and congestive heart failures and veterinary healthcare. The value propositions of the new products are scientifically proven and promoted by investments into clinical studies, state-of-the art marketing, and selective commercial representation in key countries.

20 years of innovating diagnostic efficiency

Gentian is celebrating 20 years of innovating diagnostic efficiency. The company was started by the brothers Erling and Bård Sundrehagen in 2001. Having originally worked together during the founding of Axis (later Axis-Shield ltd, Alere inc. and now Abbott), they were eager to start a new, innovative venture together in the diagnostics field.

The Gentian Cystatin C Immunoassay was launched in 2006 and after fast uptake in Sweden, a FDA-510(k) clearance was achieved in 2008. The Beijing representative office was opened in 2009 and Gentian USA Inc. was established in 2012 to expand the global reach. Gentian expanded into veterinary medicine with its Canine CRP Immunoassay in 2012. In 2016, a Swedish subsidiary Gentian Diagnostics AB was established to take charge of the Swedish distribution.

Gentian Diagnostics AS was admitted to the Oslo Stock Exchange list 'Euronext Growth' December 2016. The company currently has more than 800 shareholders.

During the last two years Gentian has extended its focus on market development for GCAL®, Gentian's plasma and serum calprotectin immunoassay. More and more clinical studies are showing the clinical value of calprotectin in risk assessment and evaluation of the disease severity in for example sepsis and COVID-19.

Gentian Diagnostics' employees

50 employees globally convert knowledge and research into immunoassays that improve diagnostic efficiency. Our international team continuously pursue scientific knowledge combined with business and product development skills that will contribute to improved solutions and diagnostic efficiency. The management team of Gentian has been commercially strengthened with leading expertise in

production technology, regulatory affairs, quality assurance and commercial affairsand experience from Becton Dickinson, GE Healthcare, Fresenius Kabi and Thermo Fisher Scientific in 2020.

Gentian Diagnostics' products and product pipeline

Gentian's portfolio of products launched and under development encompasses clinically relevant assays for detection and quantification of biomarkers which support the diagnosis of inflammations, severe infections, kidney failures and congestive heart failures and veterinary healthcare. Gentian has a well-founded strategy for sustainable double-digit sales growth supported by both increased adoption of existing products and our goal of delivering one new product per year.

Illustration of product categories and indicative market potential (USD)

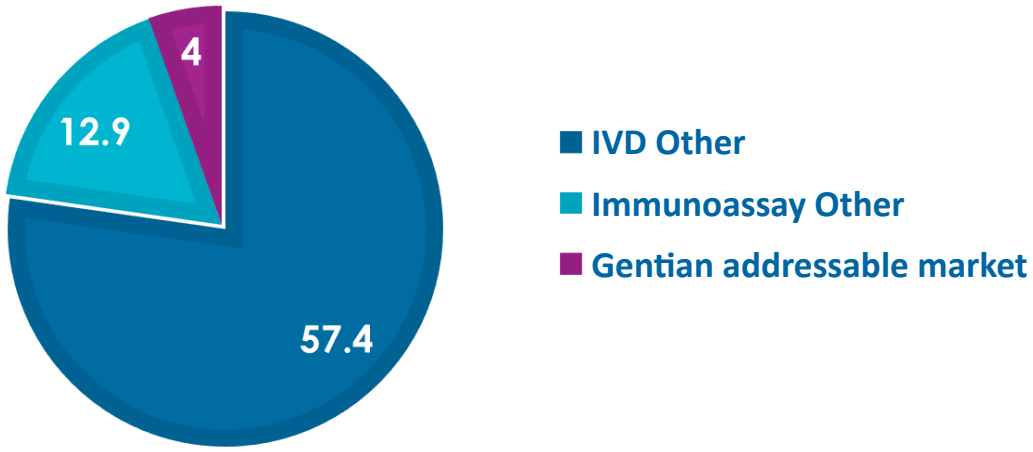
The current portfolio includes Gentian Cystatin C Immunoassay (CE marked and FDA-510(k) cleared), plasma and serum calprotectin immunoassay GCAL®(CE marked) and Gentian Canine CRP. Gentian is the sole reagent provider and manufacturer for the faecal calprotectin immunoassay fCAL® turbo (CE marked and FDA-510(k) cleared) in addition to the newly launched, pancreatic elastase immunoassay fPELA® turbo (CE marked, FDA Exempt). These immunoassays are sold through Gentian's partner BÜHLMANN Laboratories.

Gentian Diagnostics' target market

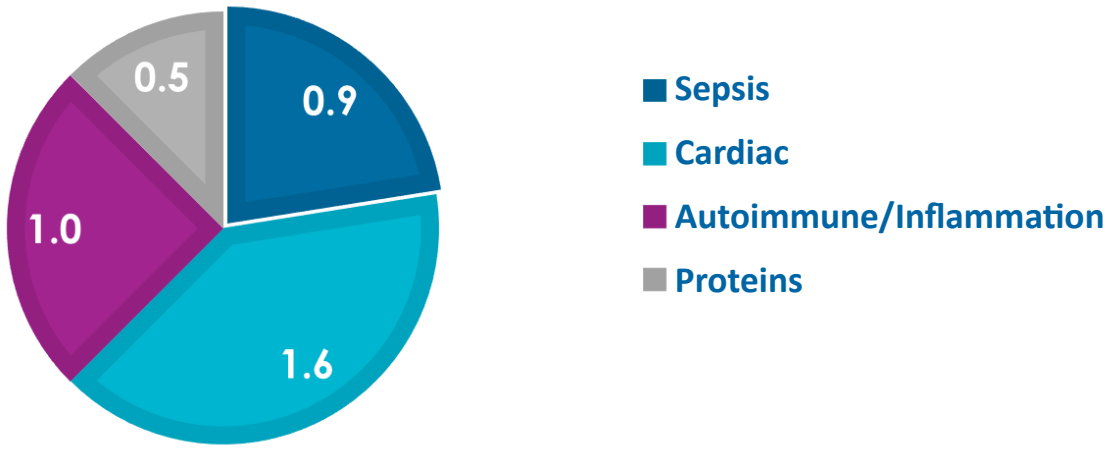
Gentian is dedicated to the In Vitro Diagnostics market with a focus on the immunoassay segment where the company possesses leading expertise. The global IVD market size (excluding COVID testing) was BUSD 74.3 in 2020 and the immunoassay segment represents approximately 23 % of this market at BUSD 16.9.

Gentian addresses target areas within the immunoassay segment with an estimated market size of BUSD 4.0. The core of the business is to move immunoassays from dedicated small to medium throughput immunochemistry instruments to turbidimetric clinical chemistry platforms, making them available for high throughput, fast and cost-effective instruments, increasing lab productivity and improving patient outcomes. These tests are based on Gentian's nanotechnology Particle-Enhanced Turbidimetric Immunoassay (PETIA).

Global IVD market without COVID-19 BUSD 74.3 (2020)[1]:

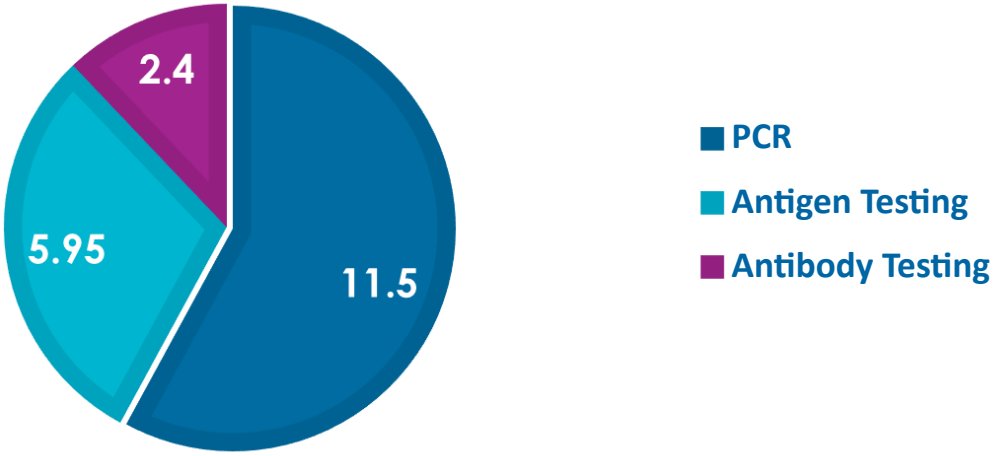


Gentian addressable market BUSD 4.0 (2020)[1]:



COVID-19 TESTING MARKET BUSD 19.85 (2020)[2]:

The COVID-19 pandemic has added considerable testing volumes and revenues to the IVD market with an estimated market size of BUSD 19.85 in 2020[2]. Gentian's SARS-CoV-2 Total Antibody Immunoassay targets the BUSD 2.4 Antibody testing segment of this market.



Gentian Diagnostics' customers

Gentian's customers can be divided into three distinctive segments: Global diagnostics companies, distributors and professional users in healthcare providers such as hospital laboratories and private laboratory organisations.

Global diagnostics companies

OEM partnerships to secure broad roll-out and product acceptance

Distributors

In selected markets we do not serve directly

Healthcare providers

Key relationships and larger institutions in selected markets

Customer testimonials:

BÜHLMANN collaborates with Gentian now for more than 10 years. We got in contact because we were interested in the Gentian Cystatin C. This was our first collaboration, with a BÜHLMANN branded Gentian Cystatin C. A nutshell what made our collaboration successful in the following years: A world class development and manufacturing team at Gentian combined with the BÜHLMANN global network and marketing and product skills.

It laid the foundation for a follow up collaboration with the fCAL® turbo project – which, as we all know, is "our" success story. Based on joint efforts and an optimal combination of our mutual strengths.

Thomas Hafen, CEO, BÜHLMANN Laboratories, Switzerland

When my company entered business relation with Gentian, standardization of cystatin C was often underappreciated, resulting in lack of harmonisation among IVD players. Over the years, Gentian has vastly improved the situation by successfully raising awareness of the true value of consistent performance of the cystatin C across multiple clinical laboratories. In addition, Gentian has impressed us with its commitment to meeting the highest ethical standards, and has been an inspirational model of sustainability and eco-friendliness. As a clinical pathologist and businessman, I am extremely proud of being a partner of Gentian.

Joonseok Park, CEO, Hanmi Healthcare, Korea

Our contacts with Gentian Diagnostics AB have worked very well, we get knowledgeable support in technical and scientific issues and good service when it comes to orders and deliveries etc.

Karolinska University Laboratory, Karolinska University Hospital, Sweden
Routine GCAL® customer since 2019

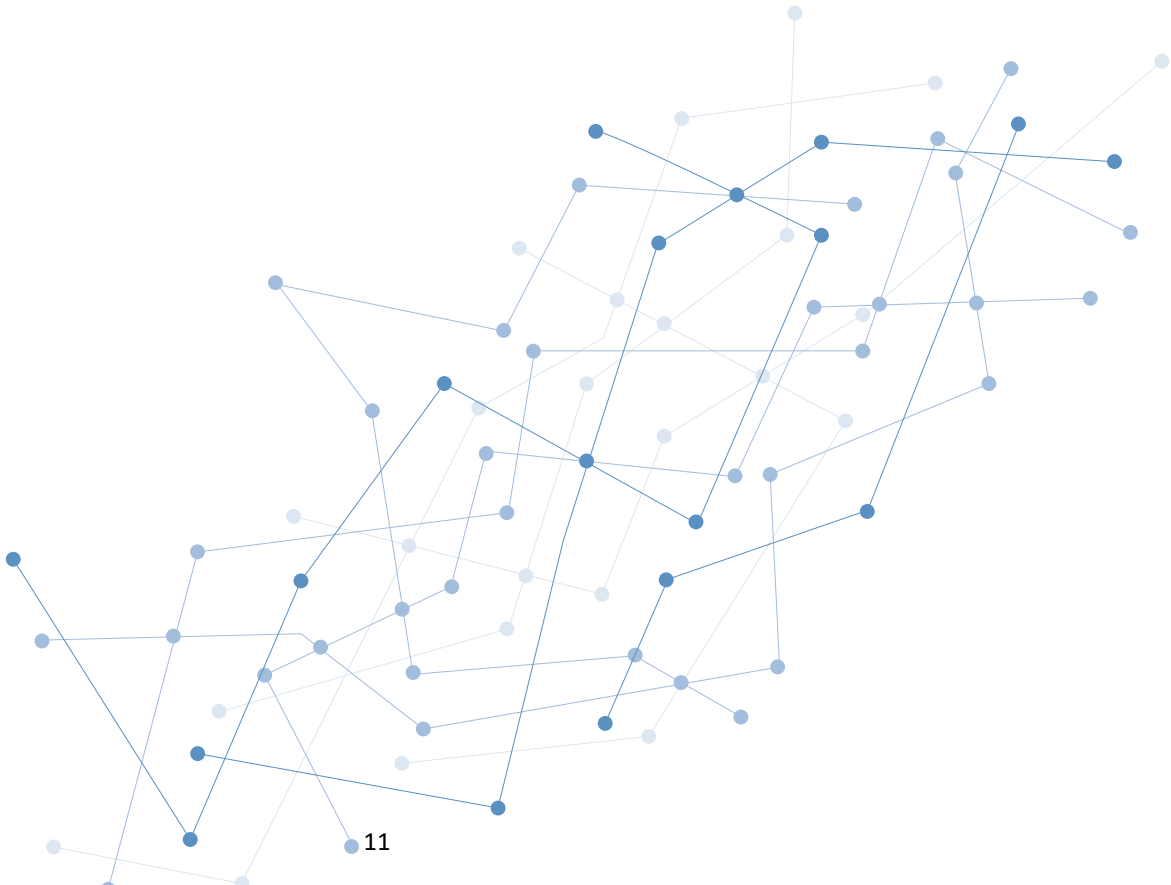
Gentian in preparation for IVDR

Gentian is following EU's implementation plan for the new In Vitro Diagnostics Regulation (IVDR) to ensure that we are ready towards the upcoming IVDR transition (Regulation (EU) 2017/746 on in vitro diagnostic medical devices). The company started the IVDR preparation in 2020, and the whole organisation, from R&D to production and marketing is involved in the transition work. Gentian is therefore well prepared to be certified and have approved products as of IVDR regulations before May 2022.

COVID-19

At Gentian, the health and safety of our employees, as well as our customers and partners, is our primary concern. That continues to be our focus as we manage our response to the COVID-19 outbreak that has proliferated globally. Gentian has robust business-continuity plans in place and expects to maintain production even if the situation deteriorates. Gentian abides by policies of the health authorities in all countries of operation whilst continuing to seamlessly support our customers. Gentian may be affected by the COVID-19 outbreak by reduced demand for diagnostic services, especially for outpatient markers, and we expect some delays with our R&D programs. The length of the delays will depend on the duration of the outbreak.

Gentian has managed the pandemic situation well, rapidly implementing measures in the facility, ensuring full manufacturing capacity, on time customer supply, development and customer support.



20 YEARS ANNIVERSARY gentian WE INNOVATE DIAGNOSTIC EFFICIENCY

2001

Gentian Diagnostics AS commenced operations

2006

- HQ in Moss, Norway established
- Gentian's Cystatin C Immuno-assay launched

2008

Cystatin C recieved FDA 510(k) clearance

2009

Beijing Repr. office established

2012

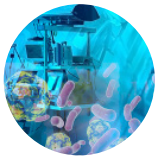
- Gentian USA Inc. established
- Gentian's Canine CRP Immunoassay launched

2015

The faecal calprotectin assay fCAL® launched in partnership with BÜHLMANN Laboratories

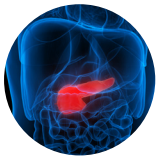
2016

Admitted to the Oslo Stock Exchange list Euronext Growth



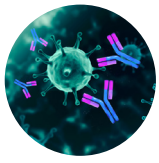
2019

Launch / first sale of GCAL® Gentian's plasma and serum Calprotectin Immunoassay



2020

The pancreatic elastase immunoassay (faecal) fPELA® turbo launched in part-nership with BÜHLMANN Laboratories



2021

Planned launch Gentian SARS-CoV-2 Total Antibody Immunoassay

2022

Planned launch of Gentian NT-proBNP Immunoassay

PRODUCTS

INFLAMMATION & INFECTION

GCAL®

Plasma and serum calprotectin: Sensitive and early biomarker in detection and risk stratification of inflammation and severe infection

The Gentian Calprotectin Immunoassay GCAL® is a biomarker for the detection of inflammation in plasma and serum. Indications for its use have been reported in different disease areas, including bacterial infection and sepsis, autoimmune conditions like rheumatoid arthritis, and recently in COVID-19 management.

Gentian, together with national and international research institutes and hospitals, continues to publish and perform clinical studies to prove clinical utility of calprotectin. Focus areas for GCAL® clinical studies are sepsis as well as COVID-19. The studies demonstrates promising results reporting calprotectin as a sensitive and early detection marker in sepsis diagnosis, and also in the prediction and differentiation between bacterial and viral infections. Furthermore, in viral sepsis caused by COVID-19, calprotectin has been reported as valuable risk marker for prediction of severe events, like need for invasive ventilation, organ failure, ICU admission and mortality.

The focus on COVID-19 management is based on the increased attention to the elevated risk of sepsis as major health threat as well as the need for accelerated market entry of novel biomarkers for COVID-19 and other severe infections.

The reported infectious diseases market value in 2020 was BUSD 9.0[1]. Sepsis is reported to be one of the major health problems with around 1.7 million patients to develop sepsis in the US alone. Established biomarkers like Procalcitonin (PCT) and lactate havecertain limitations. The global sepsis market was valued at MUSD 930 in 2020, with PCT's market value at MUSD 285 in 2020, expected to grow to MUSD 585 in 2025[1].

fCAL® turbo

Automated analysis of faecal calprotectin, reducing the need of colonoscopy

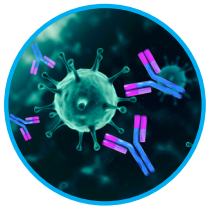
The faecal calprotectin immunoassay fCAL® turbo provides clinicians with fast results of calprotectin in stool supporting diagnosis of inflammatory bowel disease (IBD), while also reducing the need of costly and invasive colon endoscopic examinations.

fCAL® turbo is produced by Gentian and sold exclusively through the partner

BÜHLMANN Laboratories to end users, distributors and as bulk to global diagnostics companies.

The assay was launched in 2015 and has since reached several milestones such as completed registrations in key markets, including the US with the FDA-510(k) clearance, validations on all major clinical chemistry analysers, and a supply agreement with Roche Diagnostics through BÜHLMANN Laboratories.

The market of faecal calprotectin testing is continuously growing due to both increased demand and competitive conversions. The estimated global market value is more than MUSD 80.0.



SARS-CoV-2 TOTAL ANTIBODY IMMUNOASSAY

Planned launch 2021

Long-term monitoring and community management of COVID-19

The Gentian SARS-CoV-2 Total Antibody Immunoassay will provide a powerful high-throughput tool for the long-term monitoring and community management of COVID-19. Gentian will take SARS-CoV-2 serology testing to clinical chemistry platforms increasing the testing capacity and improving laboratory efficiency. The assay will detect total antibodies ensuring high sensitivity and target the spike protein of the virus providing high specificity and correlation to neutralising antibodies, as well as targets of vaccine programs.

The Gentian SARS-CoV-2 Total Antibody Immunoassay aims to join the effort for future effective and reliable monitoring of the virus behaviour in the community and possible assessment of population immunity as well as determining the immune response to vaccination efforts.

The COVID-19 testing market is estimated to reach BUSD 38.0 in 2021, of which BUSD 2.0 are forecasted to be antibody tests with 226 million tests run[2].

Canine CRP

Sensitive inflammation biomarker for systemic inflammation

The Gentian Canine CRP Immunoassay is an IVD test for the quantitative determination of Canine C-reactive Protein (CRP) in dog serum and plasma. Gentian's Canine CRP has canine-specific antibodies to ensure consistent specificity to the canine CRP antigen. The Gentian Canine CRP Immunoassay is an easy, reproducible and cost-efficient test, which is essential for an efficient and uncomplicated inclusion of this inflammation marker into the veterinary routine test panel.

The companion animal diagnostic market reached BUSD 1.3 in 2018, with the USA as the biggest market[3]. The main market is currently Europe, but in 2020 the Gentian Canine CRP Immunoassay has seen promising growth and potential in the USA and globally.

RENAL

Cystatin C

Preventing severe kidney failure

The Gentian Cystatin C Immunoassay (CE marked and FDA-510(k) cleared) is an in-vitro diagnostic (IVD) test for quantitative determination of cystatin C in human serum and plasma, supporting an early detection of reduced kidney function.

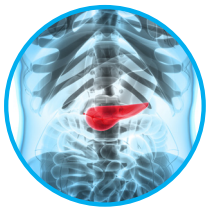
The Gentian Cystatin C Immunoassay saw growth across all sales channels in 2020, with an overall growth of 37 % in 2020 vs 2019. The increased focus on cystatin C is driven by cystatin C's ability to provide a significant clinical relevant alternative to creatinine. In the US for example, the uncertainty of estimated glomerular filtration rate (eGFR) based on creatine measurements in context of racial components of the patients have been recognised[4,5]. The eGFR is the main measure for kidney function.

The untapped potential of cystatin C can be illustrated by considering that in China where the cystatin C market is fully developed, Gentian provided 5 million tests in 2020 which is a segment share of ~3%. Gentian together with its partner BeckmanCoulter is well positioned to gain segment share in this market.

Cystatin C is also gaining momentum in Europe and the US. Here Gentian has a segment share closer to 20 %. When comparing the EU/USA ~20 % segment share which is 0.5 million tests with the Chinese numbers, the potential for market growth is apparent. Going forward Gentian will continue with increased focus on cystatin C in the US and Europe to expand the cystatin C market and further increase Gentian's segment share.

The Gentian Cystatin C Immunoassay is sold both directly to healthcare providers and via distributors. The estimated global market value is BUSD 0.5.

PANCREATIC



fPELA® turbo

Aid in determination of pancreatic exocrine insufficiency (PEI)

The faecal pancreatic elastase immunoassay fPELA® turbo allows fast analysis of pancreatic elastase in stool to aid in diagnosis of pancreatic exocrine insufficiency (PEI), often presented with the same symptoms as inflammatory bowel disease (IBD). fPELA® turbo can be analysed in the same sample as faecal calprotectin, thus expanding the portfolio of faecal testing, reducing both cost and time for clinicians and the clinical laboratories.

fPELA® turbo is exclusively sold through Gentian's sales- and development-partner BÜHLMANN Laboratories.

fPELA® turbo was launched mid 2020, with all sales so far in Europe. The assay was also launched in the US (FDA exempt), registrations are ongoing in several key markets, and all validations for use on relevant clinical chemistry analysers are completed.

The current global market size has an estimated value of MUSD 20.0.

CARDIAC - PLANNED LAUNCH 2022

NT-proBNP

First NT-proBNP on clinical chemistry analysers

The Gentian NT-proBNP Immunoassay is the first turbidimetric in vitro diagnostic test for the quantitative measurement of N-terminal pro-brain natriuretic peptide (NT-proBNP). Gentian's proprietary antibody and nanoparticle-based technology allows for comparable, consistent and biotin interference-free measurement of clinically relevant concentrations of NT-proBNP on high volume and easily accessible clinical chemistry analysers.

An aging population and diverse lifestyle choices increase demand and the cost burden in healthcare systems. Gentian's NT-proBNP assay will fulfill the need for accurate and rapid diagnosis of congestive heart failure (CHF), allows for easier standardisation of test results for improved patient outcomes and increased laboratory productivity. This is confirmed by the preliminary results from an ongoing market sensing project.

The lead acute care cardiac markers are troponin, BNP/NT-proBNP and myoglobin. Together these tests share about 75 % of the segment, which in total is worth BUSD 1.62 in 2020. The market is expected to increase to BUSD 1.96 in 2025, representing 4 % average growth rate[1].

References: 1. Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition **2.** Kalorama 2021, COVID-19 Testing Update **3.** Kalorama 2018, The World Market for Veterinary Diagnostics **4. 1.**El-Khoury JM et al. Is It Time to Move On? Reexamining Race in Glomerular Filtration Rate Equations. Clinical Chemistry. 2021;67(4):585-591 **5.** Ebert N, Shlipak MG. Cystatin C is ready for clinical use. Curr Opin Nephrol Hypertens. Nov 2020;29(6):591-598.

CORPORATE GOVERNANCE REPORT

Gentian Diagnostics (the "**company**" or "**Gentian**") and its subsidiaries seeks to comply with the principles on corporate governance set out in the Norwegian Code of Practice for Corporate Governance (the "**Code**" or the "**Code of Practice**"). This report sets out Gentian'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 Gentian, and Gentian continuously work on its corporate governance principles and documents in order to ensure alignment of its practices with the Code. Like most companies Gentian 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 an open and honest communication. Equal treatment of shareholders is also important to increase share value and achieve investor confidence. Gentian is also aware of its responsibility in society towards anticorruption, working environment, discrimination, environment and human rights.

Business

The purpose of the company is, as defined in its articles of association, development and marketing of analysis systems for in vitro medical diagnostics and in this connection the sale of consulting services as well as by subscription for shares or otherwise participating in other companies or other entities with financial purposes. The articles are available at www.gentian.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 articles of association such 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 risks aspects are disclosed to the market in the context of the company's annual report, its quarterly reporting, market presentations and on the company's website.

Gentian has prepared the Gentian Code of Conduct which include the company's commitments and principles for ethical behavior, trade and anti-corruption.

Independency and neutrality

Gentian strives for independency and neutrality in the relations between the Board of Directors, management, owners and others. The principle of independence and neutrality and arm’s length principle applies towards all contacts and business associates like customers, suppliers, banks and other connections.

Equal treatment of shareholders and free trade of shares

Gentian 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 restriction. Shareholders are treated equally in relation to dividend. There is no restriction related to the ownership of shares and there are no shareholder agreements that the company is aware of. Sales and purchases of own shares are done at the Oslo Stock exchange.

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. Where the Board of Directors has authorisations to increase the company's share capital and waive the pre-emption rights of existing shareholders, a stock exchange notice will be issued containing the reasoning for the deviation.

Any transactions in the company's own shares are to be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the company's shares, the company will consider other ways to ensure equal treatment of all shareholders.

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 and 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 arrangement of independent assessments 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 are included in the notes to the financial statements.

General assembly

The General Assembly is open to all shareholders and the Board of Directors strive 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 in accordance with the 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 are able to vote in each individual matter, and shareholders who are unable to attend in 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 Board of Directors and the chairperson of the nomination committee will attend the meeting.

Equity and Dividends

Gentian will strive to have a solid balance sheet. The Board of Directors and the executive management regularly monitor that the company's capital structure including the level of equity are appropriate for the company's objective, strategy and risk profile.

Authorisations to the Board of Directors to increase the company's share capital are granted with a defined purpose and limited to no later than the date of the next annual general meeting the following year.

Gentian 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 3 and 7 shareholder 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, 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 reflecting 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 and no options have been issued to the 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 will 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 shareholdings and remuneration of the Board of Directors are set out in the notes to the financial statements of the company.

The Work of the Board of Directors

The Board of Directors has overall responsibility for the administration of the company and for safeguarding the proper organization of the business. The Board of Directors shall supervise the day-to-day management and the company's business in general. The Board establishes an annual plan for its work with emphasis on goals, strategy and implementation. Furthermore, the Board evaluate its performance and expertise annually against the annual plan. Procedures are made in order for members of the Board and executive personnel to make the company aware of any material potential conflict of interests they might have in items to be treated by the Board of Directors. Matters of a material character in which the chairperson of the Board is, or has been personally involved, the Board's consideration of such matters will be chaired by some other member of the board.

Board Committees

Audit Committee

The Audit Committee has the responsibility to provide oversight with all financial aspects of the Group. The objectives of the committee are to ensure the integrity of the Group's financial reporting, oversee the independence of the external auditors, ensure that controls are established and maintained to safeguard the Group's financial and physical resources, and to ensure that systems and procedures are in place so that the Group complies with relevant statutory, regulatory and reporting requirements.

Remuneration Committee

A remuneration committee is established to ensure that remuneration 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 regulation. The remuneration committee is responsible for, amongst other, to prepare the Board's proposal to the guidelines for remuneration for key personnel and yearly remuneration report.

Science and Strategy Committee

The role of the Committee shall be to provide input and advise the Board in matters relating to the company's research & development ("R&D") strategy, including reviewing the company's pre-clinical and clinical product pipeline and the ranking thereof in view of the company's overall strategy and vision.

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 analysed and compared against budget, 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.

Nomination committee

The articles of association stipulate that the company shall have a nomination committee appointed by the General Assembly. The Nomination committee proposes candidates to the Board of Directors, the Nomination committee, as well as yearly compensation to the members of the Board or committee. The majority of the Nomination committee shall be independent from the Board of Directors and management. The Nomination committee consists of 2-4 members who will normally serve for a term of one year. The Chairperson of the committee is Andreas Berdal Lorentzen. Other members are Haakon Sæter, Fredrik Thoresen and Erling Sundrehagen. Erling Sundrehagen is a member of the executive management and this represents a deviation from the principles in the Code.

Compensation to management

It is important for Gentian to be an attractive employer. The company strives to attract competent employees with relevant experience and give 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 are presented to the General Assembly. The principles presented in these guidelines provide the framework for the remuneration of key personnel in Gentian, 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 bonus arrangement and the long-term incentive includes a performance-based share option program which both are based on defined measurable goals. Key personnel is included in the same pension and insurance plan as other employees.

The Board of Directors set 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 are evaluated on a yearly basis. It is company policy to reflect the average level in the market.

Information and communication

The company wishes to maintain an open dialog with shareholders and other participants in the securities market. The company has established principles for investor relations which includes guidelines for the company's contact with shareholders and the financial community. The company will give correct, accurate and adequate financial information every quarter and publish the information once approved by the Board of Directors.

Gentian is listed on Euronext Growth Oslo at the Oslo stock exchange and is obliged to follow applicable rules for handling information. All relevant information is published through Oslo stock exchange and the company web site www.gentian.com.

The responsibility for investor relations and sensitive information regarding Gentian shares is assigned to the Chief Executive Officer (CEO) and the Group Chief Financial Officer (CFO).

Auditor

The group uses the same auditor for all companies within the group. The auditor is used as a consultant in accounting issues, tax calculation and tax issues. The auditor is not used when making 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 auditors 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 takeover 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 is published. 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 a 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 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 interests 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 seven members:

Chairman Tomas Settevik (born 1960) has experience in both life sciences and consumer goods, and is currently an independent investor and non-exec director in several companies. He was the CEO of Stokke AS (2010-15), and CEO of Pronova BioPharma ASA after serving as Vice President Pharmaceuticals and Manufacturing (2004-2009). Mr. Settevik has also held several senior positions – VP Northern Europe, VP Marketing and R&D, and Managing Director UK/Nordic – at Tyco Healthcare EMEA (acquired by Medtronic) (1992-2003). Mr. Settevik holds a BS degree from Copenhagen Business School.

Espen Tidemann Jørgensen (born 1975) is currently Portfolio Manager of Holta Invest AS and Managing Director of Holta Life Sciences AS, the largest shareholder in Gentian Diagnostics. He has 18 years of experience from financial markets as equity analyst at DNB Markets and portfolio manager at Holta Invest. Mr. Jørgensen has previously been a member of the Board of Directors at Weifa ASA and Cortendo (now Strongbridge BioPharma). He is currently a board member at Decisions AS in addition to Gentian Diagnostics. Mr. Jørgensen holds a Master's degree in Economics and has completed 3 years of medical studies at the University of Oslo.

Ingrid Teigland Akay (born 1978) is a life science investor and medical doctor. Over the last decade she has invested into and worked with portfolio companies in the healthcare sector across Europe, US and Asia. She has previously served as a Senior Investment Manager at Inventages in London. Ms. Akay also has broad clinical experience in internal medicine and surgery at Scandinavian and UK hospitals. Today she is Managing Partner of Hadean Ventures, a life science investment firm with a focus on the Nordics. Ms. Akay holds a medical degree from Medizinische Hochschule Hannover and an MBA in Finance from London Business School.

Kari E. Krogstad (born 1964) has more than 25 years of experience from the biomedical industry, from commercial leadership roles within the pharma, biotech and medtech sectors. She has worked for Dynal Biotech, where she has led Invitrogen Dynal in the role as General Manager after the acquisition from Invitrogen in 2005. Ms. Krogstad has held her current role as President and CEO at Medistim ASA since 2009. Ms. Krogstad holds a Cand. Scient. degree in Molecular Biology from the University of Oslo as well as a Business degree from IHM Business School.

Susanne Stuffers (born 1981) is currently managing partner of P53 Invest AS. Previously she has worked with Arctic Securities as an equity analyst covering the healthcare sector (2015-2018). Ms. Stuffers has experience from management consultancy in health care and life sciences (EY, 2014 – 2015) and from both medical and commercial roles in the pharmaceutical industry (Novartis, 2011 – 2014). In addition, she also has clinical practice as a resident in oncology (OUS Ullevål, 2010-2011). Ms. Stuffers holds an M.D. degree from the Erasmus University Rotterdam and a Ph.D. degree in cancer biomedicine from the Norwegian Radium Hospital.

Runar Vatne (born 1974) is the principal and owner of Vatne Capital, a family office investing in financial assets and real estate. He has extensive experience from the real estate sector, primarily from Søylen Eiendom, a leading Oslo based real estate company which he co-founded in 2004. Prior to Søylen Eiendom, Mr. Vatne was a Partner and stockbroker in Pareto Securities. Mr. Vatne also serves as board member of the listed companies Solon Eiendom ASA and Atlantic Saphire ASA. Vatne Equity, a subsidiary of Vatne Capital AS and associated companies currently own 14.49% of the outstanding shares in Gentian Diagnostics AS.

Tomas Kramar (born 1954) has more than 40 years of experience from the diagnostic industry including Siemens, Abbott and Roche Diagnostics. Mr. Kramar has held several senior positions like Global Business Manager, Business Director and CEO, as well as being a founding partner in the Kramar Group. In addition, Mr. Kramar has held several board positions over the years. Mr. Kramar holds an MSc degree in Chemistry from the Faculty of Engineering at Lund University in Sweden.

Corporate Social Responsibility in Gentian (CSR)

In general

Gentian Diagnostics AS and its subsidiaries provide a positive contribution to society through their activities. Gentian Diagnostics AS develops and manufactures high quality, in vitro diagnostic (IVD) reagents for a wide range of clinical chemistry analysers. Our product lines of laboratory tests, for various diagnostic targets, provide high accuracy and fast results for both human and veterinary healthcare.

We believe that our innovative and accurate diagnostic products lead to improved laboratory efficiency, better decision making in the clinical setting and therefore can improve patients' outcomes.

Gentian performs production, R&D, marketing and distribution from our headquarters in Moss, Norway and our representative offices. We serve the global market for human and veterinary medical diagnostic tests via our OEM partners and key distributors as well as directly through Gentian Diagnostics AB, our Swedish based distribution subsidiary. Our approach is collaborative and adaptable, without compromising quality, in order to meet our customers' needs.

Our reagents are developed primarily using avian antibodies and our proprietary nanosense technology. Importantly, our reagents can be adapted for use on all major clinical chemistry analysers. The current portfolio and pipeline of efficient and accurate reagents span areas of inflammations, severe infections, kidney failures and congestive heart failures and veterinary healthcare. The value propositions of the new products are scientifically proven and promoted by investments into clinical studies, state-of-the art marketing, and selective commercial representation in key countries.

Ethical guidance in Gentian group

Employees of Gentian 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 is based on values that provide credibility, trust and respect among customers, employees and others that employees associate with through his/her work.

All employees are introduced to the Gentian Code of Conduct within the Gentian quality system as part of their initial training.

Scope and responsibility

The Code of Conduct apply to all Gentian's employees at all levels including temporary employees and contractors

It is incumbent upon all who are covered by the Code of Conduct to familiarise themselves with the guidelines and help to ensure that they are followed. Managers have a particular responsibility to follow the guidelines and be perceived as good role models.

The guidelines are an expression of Gentian's basic views on responsible and ethical behavior. They are not exhaustive and does not cover all ethical issues that may arise. It takes good judgment to determine whether a particular action or decision is ethically justifiable. If in doubt, its encouraged to seek guidance from superiors.

Basic expectations for employees are:

- They are familiar with Gentian's values and use them as the basis for their work.
- Act professionally and with care, integrity and objectivity.
- Abstain from actions that could undermine confidence in Gentian.
- 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 line with Gentian's Anticorruption Policy.
- In his/her work seeks to influence Gentian's employees and partners to maintain high ethical standards in their way of conducting businesses.

Gentian's anti-corruption policy

Corruption stand in the way of economic development, is anti-competitive and undermine both the rule of law and the democratic process. Gentian's worldwide operations are subject to national and international law prohibiting Gentian and Gentian's 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.

Gentian has, in accordance with established principles as described in Gentian's Code of Conduct and Personnel Handbook, a strong commitment to operate according to sound, ethical and sound business principles and comply with all laws and regulations. Gentian will not allow or tolerate involvement in any form of corruption.

There is a requirement for all Gentian's employees that they at all times fully comply with Gentian's anti-corruption policy, and no Gentian employee can give another Gentian 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 Gentian and will most likely result in termination of employment or other appropriate sanctions.

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

GENTIAN DIAGNOSTICS AS
DIRECTORS REPORT
2020

Overview

Gentian Diagnostics AS is a medical diagnostics company listed on the Oslo Stock Exchange, Euronext Growth. The company is involved in the production, R&D, marketing and distribution of immunoassays. Its headquarters and production facilities are located in Moss, Norway, with distribution subsidiaries in Sweden and the USA, a representative office in China as well as globally by a strong commercial partner and distributor network.

Gentian serves the immunochemistry segment of the in vitro diagnostics (IVD) market by making assays available on fully automated, high-throughput platforms, utilising the Particle-Enhanced-Turbidimetric Immunoassay (PETIA) technology. Through in-depth research into PETIA, and its development of proprietary antibody and nano-particle technology, Gentian can offer immunoassays that enable clinical laboratories to move from low volume immunology platforms to fully automated, high throughput instruments with shorter turnaround times, better workflow and improved cost efficiency.

The current portfolio and pipeline of efficient and accurate reagents span areas of inflammations, severe infections, kidney failures and congestive heart failures and veterinary healthcare. The value propositions of the new products are scientifically proven and promoted by investments into clinical studies, state-of-the art marketing, and selective commercial representation in key countries.

Group Results

The Group accounts are made up in accordance with IFRS.

Total revenues in 2020 was MNOK 78.9 versus MNOK 55.4 in 2019. Net loss for 2020 was MNOK 17.5, versus a net loss of MNOK 39.9 in 2019.

Total research and development spending in 2020 were MNOK 27.3 of which MNOK 3.4 is activated and the remaining MNOK 23.9 treated as operating expenses in the profit and loss statement.

Cash flow from operations for the group was MNOK – 7.3, while the operating loss for the group totaled MNOK -17.5. The difference between operating cashflow and the operating loss is primarily due to depreciation, capitalisation and timing differences.

Liquidity totaled MNOK 158.0 per 31.12.2020, which is satisfactory.

The Group has made one share issue in the mother company in 2020, through a share purchase program for the group's employees (ESPP). Total equity was increased by MNOK 0.5, and the use of proceeds are for general corporate purposes. No other share issues were conducted in 2020.

Total assets per 31.12.2020 was MNOK 235.3.

Company Results

Net loss was MNOK 2.3. Total assets per 31.12.2020 was MNOK 280.8 compared to MNOK 282.4 per 31.12.2019. Equity ratio (equity over total assets) per 31.12.2020 was 99.9 %. The liquidity situation is satisfactory.

The board believes the annual accounts give a true and fair view of the assets, liabilities, financial position and result.

Going Concern

The Board confirms, in accordance with the accounting act § 3-3a that the financial statements are prepared on the basis of a going concern.

Events after the balance sheet date

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

Outlook

Assuming no unpredictable effects of the COVID-19 outbreak, Gentian targets double digit sales growth on its established product line in 2021 versus 2020, with the expected quarterly variations. In addition, the company will continue its efforts to provide for a continued optimal commercialisation effect of GCAL® by actively pursuing sales opportunities in Europe.

For Cystatin C, the company expects continued growth in 2021 versus 2020, with the majority of the growth arriving from the Asian and US markets.

The underlying demand for fCAL® turbo remains strong. The marker has proven to be a great success at clinical laboratories all over Europe, and growth will continue to be driven by active competitive conversions in addition to a market growth of 10 % - 15 % per annum. The company expects to experience growth for both kit and bulk sales, but we may experience disturbances or variations in sales depending on the capacity of the respective health systems in Europe to process outpatient services under COVID-19 conditions and the severity of measures taken by said countries to contain the spread of COVID-19.

For GCAL®, several collaborations have been initiated with both clinicians and researchers in France, Germany, UK, Sweden and Spain with the objective to further investigate the role of calprotectin in COVID-19 and sepsis or bacterial infections. Once completed, the results from these studies will be communicated via scientific publications and conferences and will support further acceleration of the routine testing of GCAL® in laboratories and hospitals in Europe.

COVID-19

At Gentian, the health and safety of our employees, as well as our customers and partners, is our primary concern. That continues to be our focus as we manage our response to the COVID-19 outbreak that has proliferated globally. Gentian has robust business-continuity plans in place and expects to maintain production even if the situation deteriorates. Gentian abides by policies of the health authorities in all countries of operation whilst continuing to seamlessly support our customers. Gentian may be affected by the COVID-19 outbreak by reduced demand for diagnostic services, especially for outpatient markers, and we expect some delays with our R&D programs. The length of the delays will depend on the duration of the outbreak.

Corporate

The board of directors intends to transform the company to an "ASA" (Public limited liability company) as this is a requirement for listing of the company's shares on a regulated market. The required resolutions will be proposed to the shareholders in connection with the Annual General Meeting planned to be held on May 4th 2021.

Working environment and equal opportunities

The Group is an equal opportunity employer. The Group has 47 employees, of which 30 are women. The working environment is good. As of 31.12.2020, The Board of Directors has 7 members of which 4 are men and 3 are women.

The Group has not experienced any significant absence during the year.

Gentian Diagnostics AS has no employees, and purchases services when needed.

External environment

The Group's operations do not result in emissions or damage to the environment.

Moss, 15. April 2021

for Gentian Diagnostics AS

Kari E. Krogstad	Tomas Settevik	Espen Tidemann Jørgensen
Board member	Chairperson	Board member

Susanne Stuffers	Ingrid Teigland Akay	Runar Vatne
Board member	Board member	Board member

Tomas Kramar	Hilja Ibert
Board member	CEO

The Financial Statements 2020

Statement of Profit and Loss - Group

(NOK 1000)

	Note	2020	2019
Revenue from contracts with customers	6	63 327	47 952
Other operating revenue	7	15 554	7 433
Total revenue		**78 881**	**55 384**
Cost of goods sold	9	-32 586	-25 449
Employee benefit expenses	10	-37 231	-29 691
Depreciation and amortisation	15	-6 630	-6 132
Impairment	-	-	-14 086
Other operating expenses	11	-20 258	-21 267
Total operating expenses		**-96 705**	**-96 625**
Operating result		**-17 824**	**-41 241**
Finance income	13	1 840	2 083
Finance costs	13	-1 484	-636
Net financial items		**356**	**1 447**
Profit before tax		-17 469	-39 794
Income tax expense	14	-	-63
Profit for the year		**-17 469**	**-39 857**
Other comprehensive income			
Exchange differences		-	-
Total other comprehensive income		**-**	**-**
Total comprehensive income for the year		**-17 469**	**-39 857**
Earnings per share			
Basic EPS from net profit/loss		-1,13	-2,59
Diluted EPS from net profit/loss		-1,13	-2,59

Statement of Financial Position - Group as of 31.12

	Note	2020	2019
Assets			
Non-current assets			
Goodwill	**17**	-	-
Intangible assets	**17**	15 610	14 111
Property, plant and equipment	**15**	3 865	3 644
Right-of-use assets	**15**	21 689	4 133
Other financial assets	**21**	337	329
Total non-current assets		**41 501**	**22 216**
Current assets			
Inventory	**19**	20 876	18 224
Accounts receivables and other receivables	**20**	15 241	15 505
Cash and cash equivalents	**21**	157 648	171 238
Total current assets		**193 764**	**204 967**
Total assets		**235 265**	**227 183**

Statement of Financial Position - Group as of 31.12

	Note	2020	2019
Equity and Liabilities			
Paid-in equity			
Share capital	**22**	1 541	1 540
Share premium	**22**	293 241	292 780
Other paid-in equity		7 309	4 031
Total paid-in equity		**302 091**	**298 351**
Retained earnings			
Retained earnings		-107 512	-90 111
Total retained equity		**-107 512**	**-90 111**
Total equity		**194 579**	**208 240**
Liabilities			
Financial leasing	**23**	928	812
Operational leasing (Right-of-Use)	**23**	17 173	1 168
Total non-current liabilities		**18 101**	**1 980**
Current liabilities			
Accounts payables and other current liabilities	**24**	22 585	16 962
Total current liabilities		**22 585**	**16 962**
Total liabilities		**40 686**	**18 943**
Total equity and liabilities		**235 265**	**227 183**

Moss, 15. April 2021
For Gentian Diagnostics AS

Tomas Settevik Chairperson Sign.	Kari E. Krogstad Board member Sign.	Espen Tidemann Jørgensen Board member Sign.
Susanne Stuffers Board member Sign.	Ingrid Teigland Akay Board member Sign.	Runar Vatne Board member Sign.
	Tomas Kramar Board member Sign.	Hilja Ibert CEO Sign.

Statement of changes in equity

	Note	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 01.01.2019		1 540	292 522	2 162	-50 350	245 873
Net result for the year					-39 857	-39 857
Other comprehensive income						
Proceeds from share issue	**22**	1	258			259
Cost of share issue	**22**					
Share based payments				1 869		1 869
Other changes in equity					96	96
Equity at 31.12.2019		**1 540**	**292 780**	**4 031**	**-90 111**	**208 240**

Equity at 01.01.2020		**1 540**	**292 522**	**2 162**	**-50 350**	**245 873**
Net result for the year					-17 469	-17 469
Other comprehensive income						
Proceeds from share issue	22	1	461			462
Cost of share issue	22					
Share based payments				3 278		3 278
Other changes in equity					68	68
Equity at 31.12.2020		**1 541**	**293 241**	**7 309**	**-107 512**	**194 579**

Cash Flow Statement

	Note	2020	2019
Operating activities			
Net profit (loss)		-17 469	-39 857
Depreciation and amortisation	**16/17**	6 630	6 132
Impairment	**17**	-	14 086
Change in inventory	**19**	-2 652	-5 126
Change in accounts receivables	**20**	860	792
Change in accounts payables	**24**	1 202	1 310
Accrued cost of options		3 278	1 869
Change in other assets and liabilities		489	-690
Net cash flow from operating activities		**-7 661**	**-21 483**
Investing activities			
Payments of property, plant and equipment	**16**	-2 734	-967
Investment in intangible assets	**17**	-3 733	-3 071
Other changes financial assets		-	-
Investment in other companies		1 893	-
Net cash flow from investing activities		**-4 574**	**-4 038**
Financing activities			
New debt	**23**	497	-
Loan instalments	**16**	-2 469	-1 837
Proceeds from issue of share capital	**22**	462	259
Net cash flow from financing activities		**-1 510**	**-1 577**
Net change in cash and cash equivalents		**-13 745**	**-27 098**
Cash and cash equivalents at beginning of period		171 567	198 634
Effect of currency translation of cash and cash equivalents		163	31
Net cash and cash equivalents at period end		**157 985**	**171 567**

GENTIAN DIAGNOSTIC AS - GROUP

Notes to the consolidated financial statements 2020

Note 1 - General Information

Gentian Diagnostics AS is registered in Norway and listed at Euronext Growth on Oslo stock exchange. The company's headquarters are in Bjørnåsveien 5, 1596 Moss, Norway. The company is a research and development-based company that develops and manufactures biochemical reagents for use in medical diagnostics and research. The customers are medical laboratories and universities worldwide. The Group consists of the parent company Gentian Diagnostics AS and the subsidiary Gentian AS.

In addition, Gentian AS has a wholly owned subsidiary, registered in Florida, USA, named Gentian USA Inc, and a wholly owned subsidiary in Sweden, Gentian Diagnostics AB.

The annual accounts were approved for publication by the Board on 15.04.2021.

Note 2 - Summary of the most important accounting principles

2.1 Basis for the preparation of the annual accounts

The company issues the consolidated financial statements in accordance with international standards for financial reporting (IFRS) as determined by the EU, and additional disclosure requirement in the Norwegian Accounting Act.

The consolidated financial statements are based on the historical cost principle.

The preparation of accounts in accordance with IFRS requires the use of estimates. Furthermore, the use of the company's accounting principles requires that management must exercise judgment. Areas with a high degree of discretionary judgment, high complexity, or areas where assumptions and estimates are essential for the accounts are described in note 3.

The consolidated accounts have been prepared on the basis of going concern.

2.2 Changes in accounting principles

There has been no changes to accounting principles in 2020.

2.3 Principles for consolidation

The consolidated accounts include Gentian Diagnostics AS and companies where Gentian Diagnostics AS has obtained control. Obtained control is defined by more than 50 % of the shares in the company and where Gentian Diagnostics AS is able to enforce control of the company.

Inter-company transactions and intra-group balances including inter-company profits and unrealised profits are eliminated. Unrealised losses are also eliminated unless there are indications of a permanent value reduction of an item sold within the Group.

2.4 Currency

The accounts of the individual entities in the Group are measured in the currency used in which the entity mainly operates (functional currency). The consolidated financial statements are presented in Norwegian kroner (NOK) which is both the functional currency of the parent company and the presentation currency of the Group. Transactions in foreign currency are entered in the functional currency at the exchange rate at the transaction date. Monetary items in foreign currency are translated at the exchange rate on the balance sheet date. All effects of currency conversions are recognised in the income statement if they are not included as part of net investment in foreign units.

Assets and liabilities in foreign entities / units are translated into the presentation currency using the current exchange rate at the balance sheet date. Profit and loss account related to these units is translated at the average exchange rate per quarter. Translation differences arising from the translation are recognised in other income and expenses. Upon disposal of foreign operations, the accumulated amount recognised in equity is attributable to the specific business.

2.5 Segments

For management reporting purposes and due to the lack of complexity of the business, the Group comprises only one segment.

2.6 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

The Group recognises revenue from the sale of goods at the point in time when control of the goods is transferred to the customer. Control of an asset refers to the ability to direct the use of and obtain substantially all the remaining benefits from the asset, and the ability to prevent others from directing the use of and receiving the benefits from the asset. Revenue is generally recognised on delivery of the goods. The normal credit term is 30 to 60 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

License revenue

Revenue from licenses is limited and is recognised as revenue upon the time the customer is granted access to use the IP.

2.7 Public grants

Public grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the company will fulfill the conditions attached to the grant. The grants are recognised in the balance sheet and recognised as income in the period that best match the costs they are intended to compensate. Public grants in connection with the purchase of tangible fixed assets are recognised as a reduction in the capitalised acquisition cost and are reflected in the result through lower annual depreciation over the expected useful life of the asset.

2.8 Leases

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

The lease liability is recognised at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognises these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

2.9 Pension costs and bonuses for employees

The Group has a defined contribution plan for all employees in Norway. The scheme is based on a percentage of the members' salary. The Group has no further payment obligations after the deposits have been paid. Prepaid deposits are recorded as an asset to the extent that the deposit can be refunded or reduce future payments.

The Group accounts for an obligation and a cost of bonuses based on an assessment of key stakeholders' goal achievement. The Group accounts for a provision in which there are contractual and probable obligations or where there is an earlier practice that creates a self-imposed obligation.

Share based payments

The Group has a share-based program for key personnel. Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date.

The long-term incentives of Gentian («LTI») consist of a share price-related option program for key personnel. Under the share option program, options may be allocated to the key personnel. The options entitle the option holder to purchase a defined number of shares to a pre-defined value after

a specific period. The company may decide settlement in cash. Settlement in shares is conditional upon an authorisation from the general meeting for a share issue.

2.10 Tangible fixed assets

The Group's long-term assets consist mainly of production equipment and fixtures. The operating assets are recognised at acquisition cost less depreciation. Acquisition costs include costs directly related to the acquisition of the asset. Subsequent expenses are added to the carrying amount of the assets or are capitalised separately when it is probable that future economic benefits associated with the expense will flow to the Group and the expense can be measured reliably. Other repair and maintenance costs are charged to the profit and loss account during the period incurred. The operating assets are depreciated using the straight-line method, so that the acquisition cost of the assets is depreciated at residual value over the expected useful life that is:

- Machinery/ equipment 10-15 years
- Fixtures 3-8 years

The useful life of the assets, as well as residual value, are reviewed on each balance sheet date and changed if necessary. When the carrying amount of an asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount.

Gains and losses on disposal are recognised in the profit and loss account and make up the difference between the selling price and the book value.

2.11 Intangible assets

Research and development, patents and licenses

Development costs on products are classified as intangible assets when it is likely that the product will provide future economic benefits. Prerequisite for capitalisation is that the product can be commercialised, it is possible to use or sell the product and that the cost can be measured reliably. Other development costs are recognised in the income statement when accrued. Development costs previously expensed are not capitalised in subsequent periods. Capitalised development costs are amortised on a straight-line basis from the date of commercialisation over the period expected to give economic benefits. Capitalised development costs are tested annually by indication of impairment in accordance with IAS 36.

2.12 Goodwill

The difference between cost and fair value of the identifiable assets at the point of acquisition is classified as goodwill.

Goodwill is recorded in the balance sheet at cost with deduction of write-downs if any. Goodwill is not depreciated, but it is tested annually for impairment.

2.13 Impairment of non-financial assets

Intangible assets with indefinite useful lives and goodwill are not amortised but tested annually for impairment.

Tangible fixed assets and intangible assets depreciated are assessed for impairment when there are indicators that future earnings can’t defend the asset's capitalised amount. The difference between the carrying amount and the recoverable amount is recognised as an impairment loss. The recoverable amount is the highest of fair value less sales costs and value in use. When assessing impairment, assets

are grouped at the lowest level where it is possible to distinguish independent cash flows (cash-generating units). At each reporting date, the possibilities for reversal of previous write-downs on non-financial assets (except goodwill) are considered.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

The Group´s financial assets are trade receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The Group classified its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Equity instruments designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition

In 2020 the Group only have financial assets at amortised cost.

Financial assets at amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

The Group's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Loans, borrowings and payables

Payables are measured at their nominal amount when the effect of discounting is not material.

2.15 Classification of assets and liabilities

Current assets and short-term liabilities with maturity within 12 months and other items included in the company's regular circulation of goods or services. Strategic investments are classified as fixed assets. Short-term portion of long-term debt is presented as short-term.

2.16 Inventory

Inventory is valued at the lower of cost and net realisable value. Acquisition cost is calculated using first-in, first-out method (FIFO). For finished goods and goods under construction, cost of production consists of product design, material consumption, direct labor costs, other direct costs and indirect production costs (based on normal capacity). Borrowing costs are not included. Net realisable value is estimated sales price less variable costs for completion and sale. Acquisition cost of goods includes gains or losses on hedging of cash flow in commodity purchases reclassified from equity.

2.17 Accounts receivable

Accounts receivable arise from the sale of goods or services that are within the normal operating cycle. Accounts receivable arising as a normal part of the operating cycle are classified as current assets. Receivables not included in the ordinary operating cycle and maturing later than 12 months are classified as fixed assets.

2.18 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits, other short-term, easy-to-sell investments with a maximum of three months original maturity.

2.19 Share capital and share premium

Ordinary shares are classified as equity. Costs directly related to the issue of new shares or options are shown as deductions in equity, net of tax, from proceeds. Own equity instruments that are repurchased (own shares) are recognised at cost and are presented as a reduction of equity. Gains or losses are not recognised in profit or loss as a consequence of the purchase, sale, issue or deletion of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if issued again, is recognised in other equity. Voting rights related to own shares are canceled and no dividends are distributed to own shares.

2.20 Interest bearing loans and borrowings

Loan and loan expenses is recorded in the balance sheet and expensed in the P & L at amortised cost. If a loan and loan expenses is related to an asset, and the real value of the asset is lower, the asset is written down to its real value. There was no value adjustment of assets in 2020.

2.21 Taxes

The tax expense in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated based on temporary differences between tax values of assets and accounting value of assets.

A tax asset is accounted for when it is objective proof that the company will have sufficient taxable profit in the future to offset the tax asset. Tax assets that are not accounted for will be reevaluated at the next balance sheet date and included to the degree that it is probable that future tax profits will allow the recovery of assets in connection to deferred tax. Tax assets will in the same manner be reversed if it is probable that the company cannot utilise the asset.

Deferred tax and deferred tax assets are measured using the expected future tax percentage for the companies within the Group that have temporarily differences between tax values and accounting values of assets or losses carry forward. Deferred tax and tax assets are recorded at nominal value and is classified as long-term financial asset in the balance sheet. Tax payable and deferred tax is recorded against equity if the transaction is an equity transaction.

2.22 Provisions

Provisions are recorded when the Group has an obligation associated with an event, when it is probable that the obligation can be measured or estimated. When all or part of a provision can be charged on to another party, it will be recorded in accounts receivable, if there is reasonable certainty that the other party will pay. The cost associated with a provision will be recorded net in the income statement after deduction for recharge and before tax. All risks, market value and all relevant issues related to the case will be reflected in the provision.

A provision for warranty is included based upon the level of product and services sold. The provision is based upon historic information related to warranties and the possible outcome.

2.23 Payables and other current liabilities

Payables are obligations to pay for goods or services that are delivered from the suppliers to ordinary operations. Payables are classified as short-term if it expires within one year or less. If this is not the case, it is classified as long term.

Payables are measured at fair value at initial recognition. In subsequent measurement, supplier debt is assessed at amortised cost using the effective interest rate.

2.24 Distribution of dividends

Dividend payments to the parent company's shareholders are classified as liabilities from the date the dividend is fixed by the general meeting.

2.25 Contingent liabilities and assets

Contingent liabilities are not recognised in the financial statements. Important contingent liabilities are disclosed with the exception of contingent liabilities where the likelihood of the liability is highly unlikely.

A conditional asset has not been recognised in the financial statements, but disclosed if there is a certain likelihood that an advantage will flow to the Group.

2.26 Events after the balance sheet date

New information after the balance sheet date regarding the company's financial position at the balance sheet date is taken into account in the annual accounts. Events after the balance sheet date that do not affect the company's financial position at the balance sheet date, but which will affect the company's financial position in the future are disclosed if this is material.

Note 3 - Significant estimates and uncertainties

Estimates and discretionary assessments are evaluated continuously and are based on historical experience and other factors including expectations of future events that are considered likely under current circumstances.

The Group prepares estimates and makes assumptions related to the future. The accounting estimates resulting from this will by definition rarely be fully consistent with the final outcome. Estimates and assumptions are not considered to cause material adjustments to the carrying amount of assets and liabilities during the next financial year.

Balance sheet of development costs assumes that future cash flows exceed the capitalised expenses. Capitalised costs are depreciated over the expected useful lives. The implementation of impairment tests, if there are indications of impairment, and corresponding assessments related to milestones in the development projects, shall counteract the risk that the Group capitalises development costs that do not defend the value in the balance sheet. However, future expected cash flows are associated with uncertainty and, if reduced, could lead to impairment of capitalised development costs. Reduction in expected cash flows must exceed 90 % before it affects the capitalised development cost.

Deferred tax assets based on tax loss carryforwards are capitalised to the extent that there are clear indications and objective proof that future tax revenue will be available to use the deficit.

Changes in accounting estimates / provisions are recognised in the period during which changes occur. If the changes also apply to future periods, the effect is distributed over current and future periods. A provision is recognised when the Group has a liability (legal or self-imposed) as a result of an earlier event, it is likely (more likely than not) that an economic settlement will be due to this obligation and the amount of the amount can be measured reliably.

Note 4 - Financial risk management

Credit risk

Credit risk is the risk that the counterparty will incur a loss on the Group by failing to settle the Group's receivables. Credit exposure is primarily related to accounts receivable and other receivables. There are also credit risks related to financial derivatives and cash and cash equivalents.

The maximum credit exposure as of 31.12.2020 amounts to:	
Accounts receivables and other receivables	15 505
Cash and cash equivalents	171 567
Total	187 072

For further information on accounts receivable and credit risk, see Note 20.

Liquidity risk

Liquidity risks are the risk that the Group is unable to meet its maturity obligations and the risk that the Group will not be able to meet its liquidity obligations without increasing the cost dramatically. From a broader perspective, liquidity risk also poses a risk that the Group will not be able to finance increases in assets as refinancing needs increase.

Currency risk

Turnover and foreign operations mean that the Group is exposed to currency risk. Parts of the Group's revenues are in foreign currency (USD and EURO). A significant proportion of the costs, as well as the funding are in Norwegian kroner. This entails a significant exposure to currency risk.

As at 31.12.2020; the Group has limited exposure to currency risks on assets and liabilities.

Interest rate risk

The Group has outstanding interest-bearing debt, including liabilities associated with operational leases (right-of-use), of MNOK 22.3 as of 31 December 2020.

The Group's goal of asset management is to ensure continued operations for the Group to ensure returns for the owners and other stakeholders and to maintain an optimal capital structure to reduce capital costs.

In order to improve the capital structure, the Group can issue new shares or sell assets. No dividends are paid to the shareholders as the Group is in the development phase.

Note 5 - Group companies and changes in the Group

Company	Office	Ownership	
Gentian Diagnostics AS	Moss		Parent company
Gentian AS	Moss	100 %	Subsidiary
Gentian USA Inc	Orlando, FL USA	100 %	Subsidiary of Gentian AS
Gentian Diagnostics AB	Stockholm, Sweden	100 %	Subsidiary of Gentian AS

Gentian Diagnostics AS divested its subsidiary Pretect AS on 30 September 2020. Ref Stock exchange announcement 5 November 2020.

Note 6 - Operating revenue

Revenue by classification	2020	2019
Sales revenue	63 327	47 952
Royalties / License revenue	-	-
Public grants	10 512	7 433
Revenue from divestiture	4 384	-
Other revenue	657	-
Total	**78 881**	**55 384**

Geographical split	2020	2019
Europe	45 416	34 133
Asia	14 909	11 840
USA	3 002	1 979
Total	**63 327**	**47 952**

Sales by product	2020	2019
Renal diagnostic products	25 237	19 669
Inflammation diagnostic products	29 889	20 856
Other diagnostic products	8 201	7 426
Total	**63 327**	**47 952**

Timing of revenue recognition	2020	2019
Goods transferred at a point in time	63 327	47 952
Goods and services transferred over time	-	-
Total	**63 327**	**47 952**

Note 7 - Public grants

The companies Gentian AS and PreTect AS receives public grants from the Norwegian Research Council, Innovation Norway, Eurostars and SkatteFUNN.

	2020	2019
Norwegian Research Council and Eurostars	7 510	3 330
Innovation Norway	1 222	470
SkatteFUNN	1 780	3 633
Total	**10 512**	**7 433**

Note 8 - Operating expenses by function

	2020	2019
Sales and marketing expenses	14 193	12 648
Administration expenses	19 408	19 098
Research and development expenses	23 887	19 212
Total	**57 488**	**50 958**

Note 9 - Costs of goods sold

	2020	2019
Change in inventory of goods under manufacture and finished goods	-2 014	-4 471
Other costs of goods sold	16 309	14 671
Production salary	14 909	12 536
Other production expense	3 382	2 712
Total	**32 586**	**25 449**

Note 10 - Employee benefit expenses

	2020	2019
Wages and salaries	40 551	33 402
Payroll tax	5 907	5 243
Pension costs (mandatory occupational pension)	1 416	787
Share based payments	3 278	1 869
Other expenses	988	927
Transfer to COGS	-14 909	-12 536
Total	**37 231**	**29 691**

The company has a share option program covering certain key employees. As at 31.12.2020, eleven employees were included in the option program.

The share option program for key personnel is settled in shares, however, the company may resolve settlement in cash. The fair value of the issued options is expensed over the vesting period:

1/3 of the options will vest 24 months after the day of grant, 1/3 will vest 36 months after the day of grant and 1/3 will vest 48 months (as long as the option holder is still employed). The cost of the employee share-based transaction is expensed over the average vesting period. The value of the issued options of the transactions that are settled with equity instruments (settled with the company's own shares) is recognised as salary and personnel cost in profit and loss and in other paid-in capital.

The value of the issued options of the programs that are settles in cash (cash-based programs) is recognised as salary and personnel cost in profit and loss and as a liability in the balance sheet. The liability is measured at fair value at each balance sheet date until settlement, and changes in the fair value are recognised in profit and loss.

Social security tax on options is recorded as a liability and is recognised over the estimated vesting period.

	2020	2019
Outstanding options 01.01	454 916	174 954
Options granted	150 000	279 962
Options forfeited	-10 000	-
Options exercised	-	-
Options expired	-	-
Outstanding options 31.12	594 916	454 916

The outstanding options are subject to the following conditions:

Expiry date	Average strike price	Number of share options
2023-8	65,24	174 954
2024-11	47,51	269 962
2025-11	62,88	150 000
		594 916

The fair value of the options has been calculated using Black - Scholes - Merton Option Pricing Model. The most important parameters are share price at grant date, exercise prices shown above, volatility (50 %), expected dividend yield (0 %), expected term of 4 years, annual risk-free interest rate (1,4 %). The volatility is based on other comparable companies' stock price volatility. Options granted in 2020 had a stock exchange value of NOK 63.84 pr share.

In November 2020, Gentian Diagnostics AS launched a share purchase program for the Group's employees (ESPP). Under the terms of the ESPP, all employees have been given the opportunity to subscribe for shares up to a maximum amount of NOK 25,000. The company decided to award a 20 % discount to the volume weighted average price between 9 November and 20 November, resulting in a subscription price of NOK 50.38 per share. A total of 9171 shares were subscribed for under the program.

Salary Management*

		2019			
		Wages and salaries	Pension costs**	Other remuneration	No of Share Options
Hilja Ibert	**Chief Executive Officer**	2 443		108	279 925
Njaal Kind	**Group Chief Financial Officer**	1 840	29	10	74 991
Erling Sundrehagen	**Chief Scientific Officer**	1 637	22	2	50 000

		2020			
		Wages and salaries	Pension costs**	Other remuneration	No of Share Options
Hilja Ibert	**Chief Executive Officer**	2 859		149	279 925
Njaal Kind	**Group Chief Financial Officer**	1 787	42	10	114 991
Erling Sundrehagen	**Chief Scientific Officer**	1 769	34	4	100 000

* The Management is employed in the subsidiary Gentian AS and salary / remuneration are expensed in the subsidiary. The CEO has an agreement which provides the right to a compensation equivalent to 6 months' basic salary (exclusive of any additional benefits) after termination of employment before retirement.

** Mandatory occupational pension (Norway)

Board remuneration	2020	2019
Remuneration to the Board	763	692

Pension costs
The company is obliged to have an occupational pension scheme in accordance with the Act on Compulsory Occupational Pensions.

The company has a defined contribution scheme that complies with this Act.

Note 11 - Other operating expenses

	2020	2019
Marketing	2 091	2 009
Purchase of external services	12 790	9 436
Patent, certification and license costs	1 649	2 352
Costs premises and office costs	1 386	2 182
Laboratory costs	4 015	3 275
Travel expenses	589	2 753
Meetings, courses and updates	309	297
Other	267	434
Capitalised other expenses	-2 838	-1 471
Total	**20 258**	**21 267**

Auditor

The remuneration to the auditor is distributed as follows:	**2020**	**2019**
Audit fee	289	360
Other attestation services	82	90
Tax advisory services	14	27
Other services non-audit related	21	15
Total (ex. VAT)	**406**	**492**

Note 12 - Research and development expenses

The Gentian Group had in 2020 eight ongoing R & D projects. Costs related to the projects consist of salary, external procurement of services, and other operating expenses. One of the projects went over in the development phase in 2016 and one in 2018, and consequently the capitalisation of the costs in these projects was started.

Recognised research and development expenses	2020	2019
Purchase of external services	8 470	4 812
Salary and other operating expenses	18 839	17 471
Capitalised research and development expenses	-3 421	-3 071
Total	**23 887**	**19 212**

Note 13 -Finance income and finance cost

Finance income

	2020	2019
Interest income	599	1 995
Foreign exchange gains	1 225	49
Other finance income	16	39
Total finance income	**1 840**	**2 083**

Finance cost

	2020	2019
Interest expenses from loans measured at amortised cost		
Foreign exchange loss	-934	-273
Other financial costs	-550	-362
Total finance cost	**-1 484**	**-636**
Net financial items	**356**	**1 447**

Note 14 – Taxes

Reconciliation of effective tax rate	**2020**	**2019**
Net result before taxes	-17 469	-39 794
Calculated tax expense/(income)	-3 843	-8 755
Permanent differences	-2 601	-3 621
Tax depreciation on intangible assets	-	-
Change in temporary differences	-	-
Change in non-recognised deferred tax asset	6 444	12 376
Calculated tax expense	-	-
Tax payable (USA)	-	63

Calculation of deferred tax/deferred tax benefit	**2020**	**2019**
Tangible assets	-3 071	-3 410
Receivables	-	42
Tax losses carried forward	-143 223	-136 470
Basis for deferred tax/deferred tax benefit (gross)	-146 294	-139 838
Unrecognised temporary differences	146 294	139 838
Basis for deferred tax/deferred tax benefit (net)	-	-
Deferred tax benefit	-	-

The Group excluded from the financial position deferred tax asset of MNOK 32,2 related to temporary differences and tax loss carryforwards, as the Group did not meet the criteria for capitalisation under IAS 12. The group is in a growth phase and there is uncertainty when the group will be profitable.

Note 15 - Property, plant and equipment

		2019	
Acquisition costs	**Laboratory equipment**	**Right-of-use assets**	**Total**
Carrying value at 01.01	8 609	5 982	14 590
Additions during the year	967	621	1 588
Grants received	-	-	
Disposals during the year	-	-	-
Accumulated cost as at 31.12	**9 575**	**6 603**	**16 178**
Depreciation and amortisation			
Carrying value at 01.01	4 567	150	4 717
Depreciation during the year	1 364	2 320	3 684
Amortisation during the year	-	-	-
Accumulated depreciation as at 31.12	**5 932**	**2 470**	**8 402**
Value in balance sheet as at 31.12	**3 644**	**4 133**	**7 776**

		2020	
Acquisition costs	**Laboratory equipment**	**Right-of-use assets**	**Total**
Carrying value at 01.01	9 575	6 603	16 178
Additions during the year	1 937	20 237	22 173
Grants received	-	-	
Disposals during the year		-	-
Accumulated cost as at 31.12	**11 512**	**26 839**	**38 351**
Depreciation and amortisation			
Carrying value at 01.01	5 932	2 470	8 402
Depreciation during the year	1 715	2 681	4 396
Amortisation during the year	-	-	-
Accumulated depreciation as at 31.12	**7 647**	**5 151**	**12 797**
Value in balance sheet as at 31.12	**3 865**	**21 689**	**25 554**

The Group has applied an interest rate of 6.28 % for Right-of-use assets.

Note 16 - Leases/right-of-use assets

Right-of-use assets

The Group leases offices and IT equipment and are presented in line with other equipment.

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	4 174
1-2 years	4 167
3-5 years	13 263
Total undiscounted lease liabilities at 31.12.2020	**21 604**

Summary of lease liabilities	
At initial application 01.01.2020	4 295
New lease liabilities recognised in the year	20 228
Cash payments for the principal portion of the lease liability	-1 751
Cash payments for the interest portion of the lease liability	-497
Interest expense on lease liabilities	-
Total lease liabilities at 31.12.2020	**22 275**
Current lease liabilities	4 174
Non-current lease liabilities	18 101

Note 17 - Intangible assets

	2019		
Acquisition costs	**Research and development**	**Goodwill**	**Total**
Carrying value at 01.01	27 574	-	27 574
Additions during the year	3 071	-	3 071
Grants received	-	-	-
Impairment	-14 086	-	-14 086
Accumulated cost as at 31.12	**16 559**	**-**	**16 559**
Depreciation and amortisation			
Carrying value at 01.01			
Depreciation during the year	2 448	-	2 448
Amortisation during the year	-	-	-
Accumulated depreciation as at 31.12	**2 448**	**-**	**2 448**
Value in balance sheet as at 31.12	**14 111**	**-**	**14 111**

After careful review and optimization of the product and R&D portfolios, Gentian decided in 2019 to discontinue specific activities in order to be in alignment of current strategy of allocating resources and capacity to more high impact tests. As a result of this review, the company decided in 2019 to write down the intangible assets with MNOK 14.1

These impairments did not have any cash effect.

	2020		
Acquisition costs	**Research and development**	**Goodwill**	**Total**
Carrying value at 01.01	14 111	-	14 111
Additions during the year	3 733	-	3 733
Grants received	-	-	-
Impairment	-	-	-
Accumulated cost as at 31.12	**17 845**	**-**	**17 845**
Depreciation and amortisation			
Carrying value at 01.01			
Depreciation during the year	2 235	-	2 235
Amortisation during the year	-	-	-
Accumulated depreciation as at 31.12	**2 235**	**-**	**2 235**
Value in balance sheet as at 31.12	**15 610**	**-**	**15 610**

Note 18 - The valuation hierarchy of financial instruments accounted for at fair value

The Group has no financial instruments as at 31.12.2020.

Fair value of financial instruments accounted for at amortised cost

	Accounted value	Fair value
Receivables	15 241	15 241
Cash and cash equivalents	157 985	157 985
Total	173 226	173 226

	Accounted value	Fair value
Other debt and liabilities	22 275	22 275
Total	22 275	22 275

Receivables and liabilities have current interest rates, which are adjusted according to market changes, management considers accounted value as a good expression of fair value.

Note 19 – Inventory

Inventory as at 31.12. consists of the following:

	2020	2019
Raw materials	4 079	3 441
Goods in process	13 759	11 919
Finished goods	3 037	2 863
Total	**20 876**	**18 224**

Note 20 - Accounts receivables and other receivables

	2020	2019
Accounts receivables	7 633	8 493
Claims on government grants	5 081	5 769
Public receivables (VAT, etc.)	1 486	818
Other receivables / Prepayments	1 041	425
Total	**15 241**	**15 505**

	2020	2019
Provision for loss of claims at the beginning of the year		
Provision for loss for the year	-	-
This year's recorded loss	18	226
Reversed deposition	-18	-226
Provision for loss at the end of the year	**-**	**-**

Due accounts receivables	2020	2019
Not due and within <30 days	5 373	4 910
30-60d	1 207	1 295
60-90d	78	1 786
>90d	976	503
Total	**7 633**	**8 493**

Note 21 - Cash and cash equivalents

	2020	2019
Cash and bank deposits	156 131	169 805
Withhold tax account	1 516	1 433
Deposit account	337	329
Total	**157 985**	**171 567**

Note 22 - Share capital, shareholders and equity

	Number of shares	Nominal value	Share capital
Ordinary shares	15 411 889	0,10	1 541

Changes in share capital and share premium:

Change in share capital	**2020**	**2019**
Share capital at period start	1 540	1 540
Share capital increase	1	1
Share capital at period end	**1 541**	**1 540**

Change in share premium	**2020**	**2019**
Share premium at period start	292 780	292 522
Share premium increase	461	258
Cost of share issue	-	-
Share premium at period end	**293 241**	**292 780**

All shares in the company have equal voting rights and equal rights to dividends.

Overview of the parent company's shareholders as at 31.12.20:	Number of shares	Ownership share
Vatne Equity AS	2 010 224	13,04 %
Holta Life Sciences AS	1 214 702	7,88 %
Norda ASA	1 190 068	7,72 %
Safrino AS	1 050 000	6,81 %
Salix AS	994 098	6,45 %
Verdipapirfondet Delphi Nordic	736 989	4,78 %
Norron Sicav - Target	723 753	4,70 %
Storebrand Vekst	425 016	2,76 %
Verdipapirfondet DNB SMB	419 253	2,72 %
Equinor Pensjon	381 320	2,47 %
Portia AS	300 000	1,95 %
Cressida AS	235 000	1,52 %
Lioness AS	220 000	1,43 %
Marstal AS	212 407	1,38 %
Silvercoin Industries AS	211 817	1,37 %
Mutus AS	210 465	1,37 %
Bård Sundrehagen	185 646	1,20 %
Vingulmork Predictor AS	184 083	1,19 %
OM Holding AS	179 000	1,16 %
Borgano AS	173 877	1,13 %
Top 20 shareholders	**11 257 718**	**73,05 %**
Total other shareholders	4 154 171	26,95 %
Total number of shares	**15 411 889**	**100,00 %**

Shares controlled by board members and the CEO		
Tomas Settevik (Mutus AS)	210 465	1,37 %
Espen Tidemann Jørgensen	17 000	0,11 %
Ingrid Teigland Akay (Teakay Invest AS)	60 779	0,39 %
Kari E. Krogstad	2 325	0,02 %
Runar Vatne (Vatne Capital and Lioness)	2 230 224	14,47 %
Susanne Stuffers (Ubiquity AS)	3 500	0,02 %
Hilja Ibert	6 525	0,04 %

Dividend
The company has not paid dividends over the last three years.

Earnings per share
Earnings per share are calculated by dividing net income by the weighted average of shares during the year.

	2020	2019
Profit from continued operations	-17 469	-39 857
Weighted average number of shares issued	15 412	15 403
Earnings per share	**-1,13**	**-2,59**

Since the company's net profit is negative, the earnings per share and diluted earnings per share coincide.

Note 23 - Interest-bearing debt

Interest-bearing debt	**2020**	**2019**
Financial leases	1 303	1 093
Operational leases (Right-of-Use)	20 972	3 202
Total interest-bearing debt	**22 275**	**4 295**

Interest expense	**2020**	**2019**
Financial leases	57	53
Operational leases (Right-of-Use)	440	271
Total	**497**	**324**

Average interest cost	**2020**	**2019**
Leases	6.28 %	6.28 %

Book value of assets, pledged for debt as at 31.12	**2020**	**2019**
Fixed assets	1 271	1 071
Total pledged assets	**1 271**	**1 071**

Note 24 - Account payables and other current liabilities

	2020	2019
Current financial leasing liability	375	281
Current operational leasing liability	3 799	2 034
Account payables	5 808	4 606
Public taxes, duties etc.	3 127	2 501
Other short-term liabilities	9 476	7 541
Total	**22 585**	**16 962**

Notes to the consolidated financial statements 2020

Note 25 - Provisions, contingent assets and contingent liabilities

The company has no significant provisions, or contingent liabilities or contingent assets.

Note 26 - Transactions with related parties

The company uses Getica AB as a supplier for one of it's production steps and has outsourced some R&D project elements to the same supplier. The supplier is owned by Erling Sundrehagen, who also is the sole owner of Vingulmork Predictor AS. The amount invoiced to Getica AB amounted to MNOK 6.1 in 2020 (MNOK 5.6 in 2019).

The company has no other significant transactions with related parties in 2020.

Note 27 - Events after the balance sheet date

The Board of Directors has no knowledge about other events after 2020 that will affect the annual report and financial statement for 2020. See the Director's report under "COVID 19" regarding the COVID-19 situation.

GENTIAN DIAGNOSTIC AS - COMPANY

(NOK 1000)

Operating income and operating expenses	Note	2020	2019
Personnel expenses	1, 3	4 144	2 664
Depreciation of operating and intangible assets	2	-	240
Write-downs of tangible and intangible assets	2	-	7 835
Other operating expenses	1	1 042	891
Total operating expenses		**5 186**	**11 630**
Operating profit		**-5 186**	**-11 630**
Financial income and expenses			
Interest income from group companies		164	701
Other financial income		2 765	1 953
Write-downs of long-term investments	7	-	10 096
Interest expense to group companies		-	86
Other interest expenses		0	-
Net financial items		**2 929**	**-7 527**
Operating result before tax		**-2 257**	**-19 157**
Annual net profit	**3**	**-2 257**	**-19 157**
Brought forward			
Transferred from other equity		2 257	19 157
Net brought forward		**-2 257**	**-19 157**

GENTIAN DIAGNOSTIC AS - COMPANY

Assets			
Fixed assets			
Intangible assets			
Tangible assets			
Financial fixed assets			
Investments in subsidiaries	7	109 665	114 865
Loan to group companies	6	19 104	3 497
Total financial fixed assets		**128 770**	**118 362**
Total fixed assets		**128 770**	**118 362**
Current assets			
Debtors			
Other short-term receivables		702	70
Total receivables		**702**	**70**
Cash and bank deposits			
Cash and bank deposits	8	151 286	163 991
Total cash and bank deposits		**151 286**	**163 991**
Total current assets		**151 988**	**164 060**
Total assets		**280 758**	**282 422**

Equity and			
liabilities Equity			
Paid-up equity			
Share capital	4	1 541	1 540
Share premium reserve		301 675	301 214
Other paid-up equity		119	119
Total paid-up equity		**303 335**	**302 873**
Retained earnings			
Other equity		-22 660	-23 680
Total retained earnings		**-22 660**	**-23 680**
Total equity	**3**	**280 676**	**279 193**
Liabilities			
Other long-term liabilities			
Other long term liabilities	6	-	3 161
Total of other long term liabilities		**-**	**3 161**
Current debt			
Trade creditors		6	7
Public duties payable		76	62
Total current liabilities		**82**	**69**
Total liabilities		**82**	**3 229**
Total equity and liabilities		**280 756**	**282 422**

Moss, 15. April 2021
For Gentian Diagnostics AS

Tomas Settevik Chairperson Sign.	Kari E. Krogstad Board member Sign.	Espen Tidemann Jørgensen Board member Sign.
Susanne Stuffers Board member Sign.	Ingrid Teigland Akay Board member Sign.	Runar Vatne Board member Sign.
	Tomas Kramar Board member Sign.	Hilja Ibert CEO Sign.

GENTIAN DIAGNOSTIC AS – COMPANY

Notes to the financial statement 2020

Accounting principles
The financial statements have been prepared in compliance with the Accounting Act and good accounting practice for small companies.

Use of estimates
The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

Revenue
Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Income from sale of goods is recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Classification and assessment of balance sheet items
Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year of the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Intangible assets
Expenditure on own Research and Development are expensed as and when they incur.
Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortised linearly over the asset's expected useful life.

Fixed assets
Tangible fixed assets are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Costs related to leases of fixed assets are expensed over the lease period. Prepayments are reflected in the balance sheet as a prepaid expense, and are distributed over the rental period.

Impairment of intangible and fixed assets
Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.
Previous impairment charges, except write-down of goodwill, are reversed in later periods if the

conditions causing the write-down are no longer present.

Investments in other companies
The cost method is applied to investments in other companies. The carrying amount is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are generally recognised as income. Dividends/group contribution from subsidiaries are booked in the same year as the subsidiary makes the provision for the amount. Dividends from other companies are reflected as financial income when the dividends are approved. Investments are written down to fair value if the fair value is lower than the carrying amount.

Receivables
Accounts receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.
Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

Pensions
With a defined contribution plan the company pays contributions to an insurance company. The contribution is recognised as payroll expenses in the period to which the contribution relates to. Pension obligations relating to the AFP scheme for the company's employees are not capitalised. Liabilities or assets related to collective pension plans are not capitalised.

Tax
The tax charge in the income statement consists of tax payable and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

Net deferred tax assets are not capitalised, in accordance with the exception rules for small companies.

GENTIAN DIAGNOSTIC AS – COMPANY

Notes to the financial statement 2020

Note 1 Personnel expenses, number of employees, remuneration, loan to employees

Payroll expenses	2020	2019
Salaries/wages	4 041	2 567
Social security fees	103	98
Pension expenses	-	-
Other remuneration	-	-
Total	**4 144**	**2 664**

Average number of employees during the accounting year	0	0
Remuneration to the Board of Directors	763	692
Remuneration to the Chief executive officer	-	-

Expensed salaries relate to the employee option program in Gentian AS and board of director's fee. The CEO is employed in the subsidiary Gentian AS and salary / remuneration are expensed in the subsidiary. The company has a share option programme covering certain key employees. As at 31.12.2020, eleven employees were included in the option programme.

Expensed audit fee
Expenses paid to the auditor for 2020 amounts to NOK 217 686 of which NOK 47 676 relates to other services.

Note 2 Intangible Assets

	Total
Purchase cost from 2019	9 594
+ Inflow purchased fixed assets	-
- Outflow this year	-
= Acquisition cost 31.12.20	9 594
Accumulated depreciation from 2019	1 759
+ Accumulated write-down from 2019	7 835
Accumulated depreciations and write-down 31.12.20	9 594
= Book value 31.12.20	**-**
This year's ordinary depreciations	-
This year's write-downs	-
Economic life	-

The write-down of NOK 7 834 890 in 2019 was due to the company's decision to terminate project CD- card.

GENTIAN DIAGNOSTIC AS – COMPANY

Notes to the financial statement 2020

Note 3 Equity capital	Share capital	Share premium	Other paid-in equity capital	Other equity capital	Total equity capital
As at 31.12.2019	**1 540**	**301 214**	**119**	**-23 680**	**279 193**
Result for the year				-2 257	-2 257
Procees from share issue	1	461			462
Cost of share issue				-	-
Employee option program				3 278	3 278
As at 31.12.2020	**1 541**	**301 675**	**119**	**-22 660**	**280 676**

GENTIAN DIAGNOSTIC AS – COMPANY

Notes to the financial statement 2020

Note 4 Shareholders

	Number of shares	Nominal value	Share capital
Ordinary shares	15 411 889	0,10	1 541 189

All shares in the company have equal voting rights and equal rights to dividends.

Overview of the parent company's shareholders as at 31.12.20:	Number of shares	Ownership share
Vatne Equity AS	2 010 224	13,04 %
Holta Life Sciences AS	1 214 702	7,88 %
Norda ASA	1 190 068	7,72 %
Safrino AS	1 050 000	6,81 %
Salix AS	994 098	6,45 %
Verdipapirfondet Delphi Nordic	736 989	4,78 %
Norron Sicav - Target	723 753	4,70 %
Storebrand Vekst	425 016	2,76 %
Verdipapirfondet DNB SMB	419 253	2,72 %
Equinor Pensjon	381 320	2,47 %
Portia AS	300 000	1,95 %
Cressida AS	235 000	1,52 %
Lioness AS	220 000	1,43 %
Marstal AS	212 407	1,38 %
Silvercoin Industries AS	211 817	1,37 %
Mutus AS	210 465	1,37 %
Bård Sundrehagen	185 646	1,20 %
Vingulmork Predictor AS	184 083	1,19 %
OM Holding AS	179 000	1,16 %
Borgano AS	173 877	1,13 %
Top 20 shareholders	11 257 718	73,05 %
Total other shareholders	4 154 171	26,95 %
Total number of shares	15 411 889	100,00 %
Shares controlled by board members and the CEO		
Tomas Settevik (Mutus AS)	210 465	1,37 %
Espen Tidemann Jørgensen	17 000	0,11 %
Ingrid Teigland Akay (Teakay Invest AS)	60 779	0,39 %
Kari E. Krogstad	2 325	0,02 %
Runar Vatne (Vatne Capital and Lioness)	2 230 224	14,47 %
Susanne Stuffers (Ubiquity AS)	3 500	0,02 %
Hilja Ibert	6 525	0,04 %

Dividend

The company has not paid dividends over the last three years.

Notes to the financial statement 2020

Note 5 Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	**0**	**0**
Taxable income:		
Ordinary result before tax	-2 257	-19 157
Permanent differences	-2 199	10 096
Changes in temporary differences	-20	2 300
Taxable income	**-4 476**	**-6 761**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**0**
Calculation of effective tax rate Profit before tax	-2 257	-19 157
Calculated tax on profit before tax	-497	-4 215
Tax effect of permanent differences	-484	2 221
Total	**-980**	**-1 994**
Effective tax rate	43,4 %	10,4 %

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences.

	2020	2019	Difference
Tangible assets	-79	-99	-20
Total	**-79**	**-99**	**-20**
Accumulated loss to be brought forward	-37 841	-33 365	4 476
Not included in the deferred tax calculation	37 920	33 464	-4 456
Deferred tax assets (22 %)	**0**	**0**	**0**

Deferred tax not included in the balance sheet.

Note 6 Inter-company items between companies in the same group

	2020	2019
Receivables		
Loans to companies in the same group	19 104	3 497
Liabilities		
Loans from companies in the same group	-	3 161

Notes to the financial statement 2020

Note 7 Shares in subsidiaries

	Ownership/ voting interest	Office location	Result 2020	Equity capital 31.12.2020
Gentian AS	100 %	Moss	-14 698	30 289

Gentian Diagnostics AS divested its subsidiary Pretect AS on 30 September 2020. Ref Stock exchange announcement 5 November 2020.

NOK -2 198 899 is booked as other financial income in connection with the sale.

Note 8 Bank deposits

Pledge account	-
Deposit for office rent	265
Tax withheld	57

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1534 Moss
www.bdo.no

Independent Auditor's Report

To the General Meeting in Gentian Diagnostics AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gentian Diagnostics AS.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2020, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of Gentian Diagnostics AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group Gentian Diagnostics AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 and the Group as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other 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 other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements for the parent company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the group in accordance with International Financial Reporting 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the parent company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the group use the going concern basis of accounting unless management either intends to liquidate the Group 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 the 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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Moss, 14 April 2021
BDO AS

Per Harald Eskedal
State Authorised Public Accountant