
gentian
2021
Annual report

Efficient diagnostics for better treatment decisions

www.gentian.com

Contents

Contents 2

Gentian Diagnostics in 2021 3

Letter from the CEO 5

Gentian Diagnostics in brief 7

Market outlook and product pipeline 10

Target markets 10

Board of Directors report 16

Corporate governance report 23

ESG report 31

Financial statements 2021 36

Gentian Diagnostics in 2021

Main achievements

- Achieved 31% sales growth and 43% organic sales growth
- Expansion of commercial footprint including third party sales in Norway, Finland and Iceland
- Completed development of the SARS-CoV-2 Antibody assay
- Increased momentum for GCAL® with several new routine users - secured interest from several global distribution partners
- Achieved development of an independent reference method for NT-proBNP
- Successfully transferred the Gentian share to Oslo Børs from Euronext Growth

Key figures

NOKm, if not otherwise specified	**2021**	**2020**
Revenue from contracts with customers	83.1	63.3
Sales growth	*31%*	*32%*
Total revenue	100.0	78.9
Total revenue growth	*27%*	*42%*
Gross profit	56.8	46.3
Gross margin	*57%*	*59%*
EBITDA	-15.5	-11.2
EBITDA margin	*-15%*	*-14%*
Profit for the year	-24.8	-17.5
Profit margin	*-25%*	*-22%*
Investments	-13.6	-6.5
Cash and cash equivalents	114.9	158.0
Equity ratio	83%	83%

About Gentian Diagnostics

Gentian Diagnostics (OSE: GENT), founded in 2001, develops and manufactures high-quality, in vitro diagnostic reagents. Gentian's expertise and focus lies within immunochemistry, specifically infections, inflammations, kidney failures and congestive heart failures. By converting existing and clinically relevant biomarkers to the most efficient automated, high-throughput analysers, the company contributes to saving costs and protecting life. Gentian is based in Moss, Norway, serving the global human and veterinary diagnostics markets through sales and representative offices in Sweden, USA and China. For more information, please visit www.gentian.com.

Letter from the CEO

"In 2021, Gentian delivered a sales growth of 31%, continuing the growth pace set over the past couple of years. This brought total revenue for the year above NOK 100 million. Delivering such high growth levels over time is a result of our clear strategic direction, our ability to bring new and relevant products to the market and commercial progress with both existing and new partners."

Hilja Ibert

CEO, Gentian Diagnostics ASA

Dear shareholder,

During the COVID-19 pandemic, the Gentian team has found innovative new ways to drive our business forward with undiminished force. New challenges has arisen this year, however, I am pleased to see the society and workplaces are now opening up and we are again back to "normal".

With the ongoing war in Ukraine as the epicentre of the current geopolitical crisis, and although Gentian is not directly affected, we need to closely monitor business and market risks and the increased uncertainties created by the unrest.

While managing the risks involved for our company, our response to these external challenges is to maintain a sharp focus on the problem we aim to solve. An ageing global population is driving increased demand for diagnostic tests that can detect diseases earlier, and there is continued pressure on clinical laboratories to deliver more with scarce resources.

Based on our expertise within particle-enhanced turbidimetric immunoassays (PETIA) and proprietary nanoparticle technology and knowhow, our purpose is to deliver efficient diagnostics for better treatment decisions. The high value of the benefits of our products – contributing to protecting life and saving cost – is why our company is faced with a continued great opportunity.

Our total addressable market is more than USD 7 billion, with an annual growth rate of 5-6% per year. With the diseases we address, market share ambitions of 15-20% and a 30-50% revenue take we are looking at a total serviceable market of USD 1.3 billion – growing by 8-9% annually.

In 2021, Gentian delivered a sales growth of 31%, continuing the growth pace set over the past couple of years. This brought total revenue for the year above NOK 100 million. Delivering such high growth levels over time is a result of our clear strategic direction, our ability to bring new and relevant products to the market and commercial progress with both existing and new partners.

Evaluating key recent milestones for our company, by the end of 2021 we concluded the development of SARS-CoV-2 Ab which assists in measuring COVID-19 immunity. While the commercial potential for this product is at the lower end of our portfolio, we have developed valuable capabilities in addressing new opportunities and bringing novel solutions to the market with speed.

Progress for our two potential blockbuster products, GCAL® and NT-proBNP, was mixed. NT-proBNP holds great potential in diagnosis and monitoring of congestive heart failure, but the product optimisation proved to be more complex than initially assumed and we have had to delay the planned launch. If optimisation proves successful, we estimate the remaining phases towards completion to take some 6-9 months, although the new IVDR regulatory regime must be expected to add another 6-9 months before launch. The GCAL® value proposition of early detection of severe infections was supported by several new studies in 2021 and is already in market development. We reported that we were in the final stages of negotiations with our first potential global partner for this product in Q4 and in January this year we could announce a commercial partnership with the market leader Siemens Healthineers. This is a significant first step towards our ambition of a global roll-out of this product.

On the corporate side, we completed the move to Oslo Børs' main list from Euronext Growth in June last year while also becoming even more transparent on our long-term strategic plans.

We announced an ambition to generate an estimated annual revenue of NOK 1 billion in 5-7 years, dependent on the timing of NT-proBNP launch. Going forward, our four established products will continue to drive growth and we expect growth to be further accelerated by our high-impact diagnostic tests in market development and product development. In addition, there is more to come from our pipeline of promising yet-to-be disclosed R&D projects.

We expect volume production to increase our gross margin from ~50% to 60%+ and we expect a long-term EBITDA margin of ~40% compared to a negative EBITDA in 2021.

The ongoing geopolitical crisis has not changed our positive outlook and we find ourselves in an attractive position to create stakeholder value. Realising our strategy, however, cannot happen without our talented and experienced people in Norway, Sweden, Germany, Austria, US and China.

Therefore, it makes me truly proud to be part of a team that is fully aligned in our relentless drive to innovate diagnostic efficiency and enable better treatment decisions at scale.

Hilja Ibert

Gentian Diagnostics in brief

Gentian Diagnostics ASA is a medical diagnostics company listed on Euronext Oslo Børs involved in R&D and the development, production, 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 Gentian's products are scientifically proven and promoted by investments into clinical studies, state-of-the art marketing, and selective commercial representation in key countries.

Innovating diagnostics for more than two decades

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 further 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 AB extended its commercial activities to Norway, Finland and Iceland, including the distribution of the BÜHLMANN product portfolio, by the end of 2021.

Gentian Diagnostics ASA was admitted to the Oslo Stock Exchange list 'Euronext Growth' December 2016. In June 2021 the listing of the shares was successfully transferred to Euronext Oslo Børs. The company currently has more than 900 shareholders.

During the last two years Gentian has extended its focus on market development for GCAL®, the plasma and serum calprotectin immunoassay launched in 2019. More and more clinical studies are showing the clinical value of calprotectin in risk assessment and evaluation of the disease severity in severe infections and COVID-19.

Employees

52 employees globally convert knowledge and research into immunoassays that improve diagnostic efficiency. Gentian's international team continuously pursue scientific knowledge combined with business and product development skills that will contribute to improved solutions and diagnostic efficiency. Gentian's management team consists of members with leading expertise in production technology, regulatory affairs, quality assurance and commercial affairs with experience from industry leading companies including Becton Dickinson, GE Healthcare, Fresenius Kabi and Thermo Fisher Scientific.

Customers

Clinical diagnostics laboratories are the end-users of all Gentian's products. Laboratories can be part of hospitals and/or private-driven institutions which serve the outpatient segment and hospitals which outsource the laboratory work for efficiency/cost reasons. The Gentian products are tested mainly within the clinical chemistry laboratories, which are departments of the overall clinical diagnostics laboratories.

In order to reach the end-user customer, Gentian serves the following three customer segments:

- Global diagnostics companies: OEM and distribution partnerships to secure broad roll-out and product acceptance.
- Distributors: In selected markets the Group does not serve directly.
- Healthcare providers: Larger institutions in selected markets.

Customer testimonials

"Gentian and Siemens Healthineers have jointly brought the new and innovative GCAL® NEPH test to market. The test thereby nicely complements the extensive Siemens Healthineers menu on our nephelometer systems. I find our continuing cooperation extremely professional, forward leaning and result oriented and thank Gentian for their partnership."

Claus Prümper, VP Plasma Proteins
Siemens Healthcare Diagnostics Products GmbH, Germany

"At LaborBerlin, being one of Europe's major university hospital laboratories, we are very pleased about the collaboration with Gentian. Before, while and after application of their GCAL® assay they were a very reliable, helpful partner and we would be pleased about future projects. Implementing their assay has helped us to minimise manual processing of samples, clinicians are very pleased now to get results within hours that can be helpful for the decision on therapies. Collaboration with Gentian has optimized processes within our lab and improved our patients care notably."

Nadine Unterwalder, Medical Doctor in Laboratory Medicine
LaborBerlin - Charité Vivantes GmbH, Germany

"Since we started performing GCAL® Calprotectin measurement on our fully automated analysers, the biomarker has become a new routine inflammation marker with strong informative value for all practitioners, in addition to other inflammatory biomarkers. Gentian's GCAL® Calprotectin is a robust assay in adequation with our laboratory quality requirements. Collaborating with Gentian in implementing the biomarker in our catalogue was easy and efficient. News fields of applications for calprotectin have raised in addition to the interest in ICU patients, such as for patients with vascularity, scleroderma and rheumatoid arthritis (RA)."

Dr. Camille Chenevier-Gobeaux
APHP.Centre – Université de Paris, France

Market outlook and product pipeline

Gentian designs, develops, manufactures and commercialises highly sensitive in vitro diagnostic (IVD) reagents and materials for the global human and veterinary clinical laboratory market. Gentian's goal is to offer more efficient and accurate test solutions in the areas of kidney disease, cardiovascular diseases, inflammation, severe infections, and pancreatic elastase insufficiency.

Gentian´s products have gained market acceptance due to their high quality from utilising proprietary technology for nanoparticle enhanced diagnostic tests called Nanosense.

Gentian's portfolio of current products and products 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 as well as veterinary healthcare.

The current portfolio includes Gentian Cystatin C Immunoassay (CE marked and FDA-510(k) cleared), plasma and serum calprotectin immunoassay GCAL® (CE marked), Gentian Canine CRP, and Gentian SARS-CoV-2 AB (CE marked). 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 pancreatic elastase immunoassay fPELA® turbo (CE marked, FDA Exempt). These immunoassays are sold through Gentian's partner BÜHLMANN Laboratories.

Gentian also coordinates several well-funded international R&D projects partnered by large clinical and commercial organisations using nanoparticle-based technologies invented and owned by Gentian. A number of new diagnostic products are in the pipeline, expanding the product portfolio further in the coming years. Selection of products in development is based upon a diligent process to identify tests which have been identified as market requirement with significant business potential. This process includes market research, input from key opinion leaders as well as Gentian business partners. Some products are co-developed with partners.

Target markets

The in vitro diagnostics (IVD) industry involves testing of human tissue or fluid samples outside of the body to screen and detect diseases, infections and medical conditions. IVD testing is a core component of routine health care check-ups for those who are presenting with symptoms or require procedures. It influences up to 70% of critical healthcare clinical decision-making.

The major factors that are expected to be driving the in vitro diagnostics market are the aging population and demographic development as well as the subsequent growth in the prevalence of chronic and infectious diseases. This drives the need for productivity and cost effectiveness gains such as fully automated instruments and automation in diagnostic laboratories.

The global IVD market represented approximately USD 74.3 billion in global end-user revenue in 2020[1]. The IVD market is divided among multiple testing disciplines, including Immunoassay, Clinical Chemistry, Molecular Diagnostics, Anatomical Pathology, Microbiology, Haematology and Coagulation, among others. Gentian competes in the largest market (excluding the impact of COVID-19), the Immunoassay segment, which represented a USD 16.9 billion market in 2020[1].

The COVID-19 pandemic has added considerable testing volumes and revenues to the IVD market with an estimated market size of USD 19.9 billion in 2020[2]. Gentian's SARS-CoV-2 Total Antibody

Immunoassay targets the Antibody testing segment, representing a USD 2.0 billion market[2]. As a result of the pandemic evolution, the COVID testing market is expected to evolve after 2021, the Antibody testing market is less affected by the direct testing needs, but rather the long-term immune response monitoring and pandemic management, thus being less affected by the testing need changes.

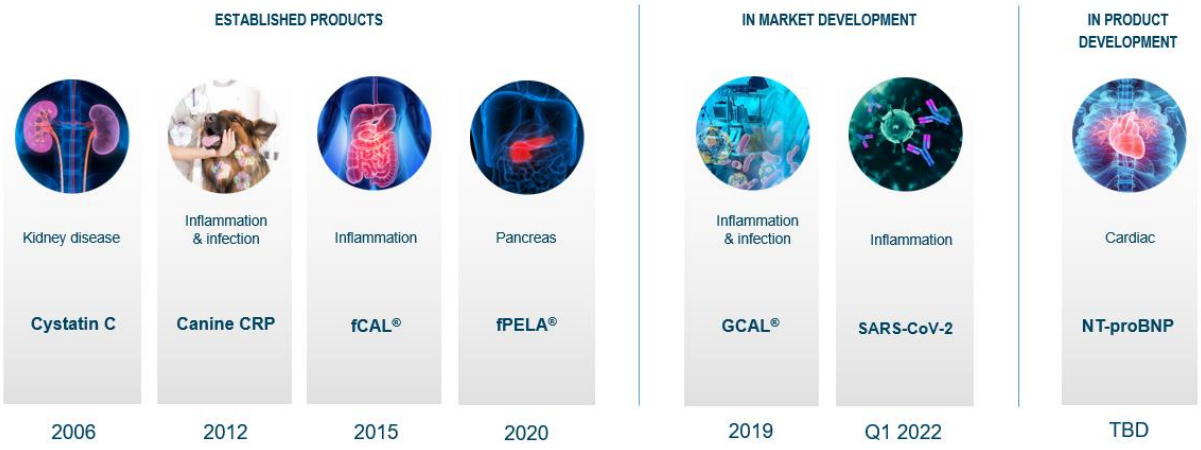
Based on the diseases addressed by Gentian's established products, products in market development and products in technical development, the Group's total addressable market is USD 7.1 billion with a corresponding serviceable market of USD 1.3 billion, growing at an estimated 8-9% annually.

	Total Addressable Market, USDbn	Total Serviceable Market, USDm	Target market share, unrisked	Gentian's revenue take	Serviceable Market annual growth rate, next 5-7 years
Established products	1.5	180	~25%	30-50%	5-10%
GCAL	2.0	300	~15%	30-50%	15%
NT-proBNP	1.6	800	~15%	30-50%	5-8%
SARS-CoV-2 Ab	2.0	20	~25%	50%	n.m.
Total	**7.1**	**1,300**	**15-20%**	**30-50%**	**8-9%**

Based on the high-growth serviceable market, Gentian's ambition is a 15-20% market share with revenue take typically in the range of 30-50%.

Products

Overview



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 perform and publish clinical studies to prove clinical utility of calprotectin. Focus areas for GCAL® clinical studies are sepsis as well as COVID-19. The studies demonstrate promising results reporting calprotectin as a sensitive and early detection marker in sepsis diagnosis, and 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.

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 have certain

limitations. The global total addressable market for GCAL® is USD 2 billion with USD 1 billion for diagnostics of infections and USD 1 billion being related to diagnostics of inflammatory conditions.

GCAL® is available as CE marked product in Europe and plans to introduce the product in other markets are being evaluated.

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.

SARS-COV-2 TOTAL ANTIBODY IMMUNOASSAY

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 detects total antibodies ensuring high sensitivity and target the S1-subunit of 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.

Gentian is focusing its commercial activities on Sweden and Norway through its own direct commercial operation with subsequent roll-out into additional European countries through distribution partners. The product is available as a CE marked product to selected markets as of March 2022.

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.

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 had an overall growth of 41% in 2021 vs 2020 and was the number one growth driver for Gentian. The increased focus on Cystatin C is driven by Cystatin C's ability to provide a significant clinically relevant alternative to creatinine. In the US, the uncertainty of estimated glomerular filtration rate (eGFR) based on creatine measurements in context of racial components of the patients have been recognised[3,4], with a recommendation to include Cystatin C in establishing the eGFR. The eGFR is a main measure for kidney function. Cystatin C is also gaining momentum in Europe and especially the US, based upon these new recommendations. Gentian together with its partner Beckman Coulter is well positioned to gain share in all target markets.

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.

Cardiac – under development

NT-proBNP

First NT-proBNP assay 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 lifestyle choices increase demand and the cost burden in healthcare systems. Gentian's NT-proBNP assay will fulfil 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.

As communicated on 5 October 2021, the optimisation of the NT-proBNP assay has proven to be more complex than first assumed. The remaining challenges related to particle aggregation, differences in measurement of NT-proBNP in plasma and serum samples and reaching an even lower level of quantification to ensure a competitive product. Gentian continued the technical development of the NT-proBNP assay in the optimisation phase during the fourth quarter. The particle coating procedure was improved, resulting in an increased particle stability without particle aggregation. Stability investigations continued into the first quarter to confirm the long-term stability of particles manufactured by the improved coating procedure. The first measurements have shown reproducible results in a controlled environment. Investigations were continued to confirm the consistency of turbidimetric measurements at low sample concentrations. Further testing of clinical plasma material revealed that in a fraction of clinical samples the NT-proBNP molecule is likely influenced by particles in the plasma. This affects the turbidimetric signal and investigations are ongoing to reveal and remove the interference sources so that a stable assay signal is obtained. The application of the independent reference method has progressed over the past months, and additional trial sites have been recruited to test the reference method and confirm the results from the first site.

Despite all the progress made in optimisation of the assay during the fourth quarter, Gentian views the range of probable outcomes to be too wide for it to be able to provide an updated timeline for the remaining optimisation phase. If a product in development makes it through optimisation, the following phases are typically characterised by lower risk. Gentian estimates the remaining development period for NT-proBNP after completion of the optimisation to be 6-9 months. In addition, the product will now fall under the new IVDR regulatory regime which will add another 6-9 months before commercial launch. Prior to the delays in optimisation Gentian planned to launch NT-proBNP under the previous regulatory regime where the estimated time was around 1 month.

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

Board of Directors report

Company overview

Gentian Diagnostic's purpose is to deliver efficient diagnostics for better treatment decisions. The growing diagnostics market puts increasing pressure on clinical laboratory efficiency. However, many of the existing, clinically relevant biomarkers are available only on slow and inefficient platforms. Gentian's solution is to utilise PETIA (particle-enhanced turbidimetric immunoassays), based on proprietary nanoparticle technology and knowhow, to convert existing biomarkers to the most efficient automated, high-throughput analysers.

Gentian's portfolio of high-impact diagnostic tests targets several large and growing disease areas such as infections and inflammation, kidney failure and congestive heart failure. The company has four established products – Cystatin C, fCAL® turbo, Canine CRP and fPELA® turbo – that contributed to 27% annual revenue growth in 2018-2021. In addition, SARS-CoV-2 Ab and GCAL® have been launched and are in market development while NT-proBNP is in the product development phase – with the two latter having potential to become blockbuster products. The company also has three undisclosed projects in exploration and 'proof of concept' phases.

In 2021, Gentian announced a long-term ambition to generate an estimated annual revenue of NOK 1.0 billion in 5-7 years, dependent on the timing of NT-proBNP launch yet to be concluded. In comparison, total revenue was NOK 100 million in 2021. The company's roadmap for long-term growth and value creation is founded on six strategic pillars:

Grow annual revenue from the company's four established products by 20%+ annually – by expanding market access through additional commercial partners and regulatory approvals

Demonstrate clinical relevance of GCAL® for the early detection of severe infections, which supports the avoidance of sepsis and the severity assessment of COVID-19 patients

Bring a steady stream of new high-impact diagnostic tests to market. NT-proBNP in optimisation with launch date TBD and three projects in exploration and 'proof of concept'.

Secure one new contract with a global commercial partner every year, building on already established partnerships with Beckman Coulter for Cystatin C, BÜHLMANN / Roche for fCAL® turbo through BÜHLMANN Laboratories and Siemens Healthineers for GCAL®

Grow gross margin from ~50% to 60%+ at volume production through economies of scale

Deliver long-term EBITDA margins of 40% through operational leverage and cost discipline

Group results

The Group accounts are prepared in accordance with IFRS.

Total revenues in 2021 was NOK 100.0 million (MNOK) versus MNOK 78.9 in 2020. Net loss for 2021 was MNOK 24.8, versus a net loss of MNOK 17.5 in 2020.

Total research and development spending in 2021 were MNOK 36.1 of which MNOK 11.7 is capitalised and the remaining MNOK 24.4 treated as operating expenses in the profit and loss statement.

Cash flow from operations for the group was MNOK – 27.6, while the operating loss for the group totalled MNOK -24.8. The difference between operating cashflow and the operating loss is primarily due to depreciation, capitalisation and timing differences.

Cash and equivalents totalled MNOK 114.9 per 31.12.2021, which is satisfactory.

The Group has made one share issue in the mother company in 2021, through a share purchase program for the Group's employees (ESPP). Total equity was increased by MNOK 0.6, and the use of proceeds are for general corporate purposes. No other share issues were conducted in 2021.

Total assets per 31.12.2021 was MNOK 211.8.

Company results

Net loss was MNOK 12.8. The Board of Directors proposed that the loss is transferred to accumulated loss.

Total assets per 31.12.2021 was MNOK 273.9 compared to MNOK 280.8 per 31.12.2020. Equity ratio (equity over total assets) per 31.12.2021 was 99.3 %. The liquidity situation is satisfactory.

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

Regulatory

All new products that will be launched after May 2022 must comply with IVDR. During 2021, Gentian completed several important milestones towards the IVDR certification for its products.

As communicated previously, the new date of application is now May 2027, instead of May 2022, however, without any impact on the products on the market. Gentian continues to work towards the previous deadline, with the remaining steps towards IVDR certification being a final review and issuing the IVDR certificate by the notified body.

Long-term outlook

Gentian targets disease groups that represent a total addressable market of around USD 7.1 billion globally and an estimated growth rate of 5-6% annually over the next 4-6 years, according to leading market data provider Kalorama (2020). From a macro perspective, key growth drivers include a growing and ageing population contributing to an increase in chronic and infectious diseases globally.

The specific segments targeted by Gentian's products add up to a total serviceable market of USD 1.3 billion (2020), with an estimated annual growth rate of 8-9% over the next 4-6 years. The key driver for the higher expected growth rate in the serviceable market is Gentian's selective approach to target attractive segments – in particular early detection of severe infections, including sepsis, one of the diagnostic industry's highest growing segments.

Overall, Gentian targets a market share of 15-20% for its product portfolio which is offered through commercial partners. With a commercial strategy to serve the market through OEM and distribution agreements it is expected that the revenue take will vary across products but remain within the 30-50% range for the product portfolio as a whole.

The company's strategy for growing its market share is founded on innovative biomarkers based on PETIA technology and proprietary know-how offering high value benefits, supported by an effective go-to-market strategy. The benefits include early diagnostic results that enable improved treatment decisions and a 3-10x increase in volume throughput that saves costs, making Gentian's offering an attractive solution to the increasing pressure on laboratory productivity.

The 5–7-year revenue ambition of NOK 1 billion Gentian announced last year, which is dependent on the timing of NT-proBNP launch, as well as its long-term EBITDA margin target of 40%, are set to be de-risked through several key milestones for the company's product portfolio in 2022:

Established products

- Targeting additional large commercial partners
- Additional regulatory approvals, including IVDR

Market development

GCAL®

- Securing additional global commercial partnerships and continue EU rollout
- Continue clinical study program confirming relevance for the early detection of infections, which supports the avoidance of sepsis and the severity assessment of COVID-19 patients
- Securing additional endorsements from key opinion leaders

SARS-CoV-2 AB

- Commercial launch
- Initiating rollout in the EU with focus on the Nordics
- Entering commercial partnerships for the Nordics

Product development

NT-proBNP

- Progress on remaining challenges in optimisation phase
- Publication on the reference method for standardisation
- Securing endorsements from key opinion leaders and global commercial partnerships

Pipeline

- Finalise proof-of-concept of one new pipeline project

Corporate governance

The board of Gentian applies the principles for corporate governance as set out by NUES, and a separate section is provided in the annual report for a review of the Group's corporate governance structure and procedures.

Gentian has signed a liability insurance which covers the Board of Directors. The insurance covers NOK 10,000,000 per claim and in total during the insurance period.

Risk factors

Gentian has a structured approach to identifying and mitigating risks. The Board of Directors acknowledge that the current geopolitical situation implies increased risks and uncertainties for Gentian's industry and its business. This includes increased risks related to cost inflation, potential supply chain issues, currency volatility and access to growth capital given the recently observed impact on general investor sentiment and investors' required rate of return.

Financial risks

Being in the development phase, Gentian is accumulating financial losses. Operating losses are expected to continue during this phase, and cash generating operations are not expected until existing and new products have reached a higher level of sales. General monitoring of risks related to the financial development is ensured through control of financial reporting. This is achieved through day-to-day follow-up by management, supervised by the Board of Directors, and through periodical reporting and evaluation. Any non-conformances and improvement opportunities are being reviewed and corrective measures implemented. The group has identified the following primary financial risks:

Interest rate risk

Future interest rate fluctuations may affect the Group's business, financial condition, results of operations, cash flows, time to market and prospects. By year-end 2021, the Group had no long-term debt other than lease liabilities.

Foreign exchange risk

Fluctuations in exchange rates could affect the Group's cash flow and financial condition. The currency exposure includes both transaction risk and risk related to translation of operating expenses. Transaction risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from sale of diagnostic products. The group is mainly exposed to fluctuations in

EUR, USD and RMB. Translation risk in the Group arises when amounts denominated in foreign currencies are converted to NOK, the Group's reporting and functional currency. One of the Group's subsidiaries has SEK as its reporting and functional currency. Gentian has costs and payments in several currencies, EUR the most prominent but also USD and other.

Operational risks

Below is a condensed description of operational company specific key risks and mitigating actions. Please refer to the company's most recent prospectus available at www.gentian.com for an overview of identified risk factors.

People

Risk factor I: Losing top talent.

Mitigating actions: Continue to leverage and develop established talent retention programs.

Risk factor II: Not being able to attract top talent.

Mitigating actions: Established HQ in Norway, a market with good access to qualified candidates with biochemistry and bioengineering competence. Continuing to leverage and develop an established recruitment process which has proved successful in attracting talent historically.

Products

Risk factor I: Failing to develop and launch new products.

Mitigating actions: Employing a de-risking model which rarely results in full failure. Terminating development of products early if metrics are not met.

Risk factor II: Failing to acquire commercial partners.

Mitigating actions: Hired executives with significant network and experience with global distributors combined with a structural effort to further develop relations. Building capabilities for direct sales in parallel.

Regulatory

Risk factor I: Losing license to operate through failing to adhere to current and new regulations

Mitigating actions: Hired executives with significant experience from regulatory processes. Established state of the art quality system as confirmed by ISO 13485:2016 certification.

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 still be affected by the COVID-19 outbreak by reduced demand for diagnostic services, especially for outpatient markers.

Corporate

Gentian successfully transferred its shares to Oslo Børs from Euronext Growth during 2021, and the company was transformed into an “ASA” (Public limited liability company) as per the requirement for listing the shares on a regulated market.

Working environment and equal opportunities

Gentian Diagnostics ASA is an equal opportunity employer. The Group had 52 employees by the end of 2021, of which 33 are women. The working environment is good. As of 31.12.2021, The Board of Directors has 7 members of which 4 are men and 3 are women.

The Group has not experienced any lost-time injuries nor significant absence during the year. For further details on the working environment, refer to the ESG report of this document.

Gentian Diagnostics ASA has three employees. The Group’s operational activity is conducted through its subsidiaries.

External environment

Gentian’s business has a limited impact on the external environment.

Moreover, the Group’s initiatives to reduce its impact on the environment is described in the ESG report section of this document.

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.

Moss, 27. April 2022

For Gentian Diagnostics ASA

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

Corporate governance report

Introduction

Gentian Diagnostics ASA and its subsidiaries seek 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 imperative to Gentian, and the company 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 stakeholders 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 key stakeholders like customers, investors, suppliers, employees, partners and public authorities. This requires good control of the business with an open and honest communication. Additionally, equal treatment of shareholders is also important to achieve investor confidence and fair valuation of the company’s shares.

Gentian is aware of its responsibility in society towards anticorruption, working environment, discrimination, environment and human rights.

Business

Gentian is a developer and manufacturer of IVD as defined in its articles of association. The articles are available at www.gentian.com.

The Board of Directors sets the direction for the company by determining the strategy, goals 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. The strategy, goals and risk profile are evaluated on an annual basis by the Board of Directors through a designated strategy process. Information concerning the principal strategy and goals 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 half-yearly and interim reporting, company presentations and on the company's website.

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

Independence 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.

Composition of the Board of Directors

The Board of Directors consists of the following seven members:

Chair Tomas Settevik (born 1960) has experience in both life sciences and consumer goods and is currently an independent investor and non-executive 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. He has 18 years of experience from financial markets, including positions 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 company Atlantic Sapphire ASA. Vatne Equity, a subsidiary of Vatne Capital AS and associated companies currently owns 15.11% of the outstanding shares in Gentian Diagnostics ASA.

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.

Renumeration of the Board of Directors

The remuneration of the Board of Directors reflects the board's responsibility, expertise, time commitment and the complexity of the company's activities. The remuneration of the Board of Directors is not linked to the company's performance. The Group has not granted share options to members of its board. See note 9 to the financial statements for additional information.

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 executed through Oslo Børs.

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 authorisation 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 has established 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 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 is included in the notes to the financial statements.

General Assembly

The General Assembly is open to all shareholders and the Board of Directors strives to ensure that as many as possible of the company's shareholders participate in the General Assembly. The company will send out a notice of the General Assembly 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 can vote in each individual matter, and shareholders who are unable to attend the meeting in person may vote by proxy. A proxy form is included in the notice convening the General Assembly.

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

A shareholder may be represented through power of attorney. The 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 is appropriate for the company's overall objective, strategy, goals 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 its goals, the company will endeavour to have an optimal capital structure. Given that Gentian is in the development phase, the Board of Directors does not expect to propose any dividend in the short to medium term.

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, work load 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 organisation 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, long-term strategy and implementation. Furthermore, the Board evaluates 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, 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 goals of the 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, preparing 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.

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, long-term strategy, 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 Board members and 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 a bonus arrangement, and the long-term incentive includes a performance-based share option program which both are based on defined measurable goals. Key personnel are included in the same pension and insurance plan as other employees.

The Board of Directors 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 Oslo Børs 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's website 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. In addition to its audit assignment, the auditor is used as a consultant in accounting related matters. The auditor is not used when setting 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 has implemented 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.

ESG report

Introduction

Stakeholder value creation is at the core of Gentian's long-term strategy, and the foundation for the Group's environmental, social and governance (ESG) framework, goals and KPIs.

Gentian aims to protect life and improve health by improving diagnostic efficiency and decision making in the clinical setting enabling better treatment. The company develops and manufactures high quality, in vitro diagnostic (IVD) reagents for a wide range of clinical chemistry analysers. The product lines of laboratory tests, for various diagnostic targets, provide high accuracy and fast results for both human and veterinary healthcare.

Improving diagnostic efficiency creates value for Gentian's customers, the clinical laboratories, by reducing their costs. Through earlier detection of diseases, the company creates value for both its end users and society at large by contributing to better patient outcomes and reduced treatment costs.

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

Gentian's reagents are developed primarily using avian antibodies and proprietary nanosense technology. Using antibodies from chicken eggs instead of ear bleeds or cardiac punctures from mammals contributes to better animal welfare. Importantly, Gentian's 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 Gentian's products are scientifically proven and promoted by investments into clinical studies, state-of-the art marketing, and selective commercial representation in key countries.

ESG focus areas

The Group currently focuses its ESG efforts on the following four areas with associated KPIs to track performance and progress:

Safe and effective products

- KPI: Safety incidents

Care for our employees

- KPIs: Gender balance, sick leave, work related incidents

Conduct our business in an ethical manner

- KPIs: Code of conduct breaches, non-conformances with the anti-corruption policy, supplier audits

Minimise potential harm to the environment

- KPI: Initiatives to minimise any potential harm to the environment

Safe and effective products

Gentian designs, manufactures and distributes in vitro diagnostic devices to a global market with focus on patient safety, with the aim to positively impact patient outcomes and overall health sector efficiency. The company's products are subject to high quality and safety requirements and product certifications which require an extensive quality system and a highly competent staff.

The quality policy and the quality manual are the overarching documents in the quality management system (QMS) describing the quality goals and quality system. The QMS consists of a set of policies, procedures, forms and working instructions that shall ensure the company's products meet the required safety and quality standards. The QMS is certified according to ISO13485:2016 and complies with national and international standards, laws and regulations for design, manufacture, and distribution of in vitro diagnostic products. For the global distribution of Gentian's products, the company is part of an international program, MDSAP, Medical Device Single Audit Program, where the QMS is certified according to the Canada, Brazil and U.S. health Authorities' laws and regulations.

Regular reviews of the quality system and the product quality are executed with the management team. Employees are trained in the company's quality policy and procedures which are continuously evaluated and refined. Any reports for adverse events or product complaints are promptly investigated and assessed. Adverse events are reported to applicable health authorities and notified body according to procedures. Any complaints are investigated to identify if the root cause is linked to the manufacturing process and if there is a potential quality issue or defect with the product. This procedure applies to all of Gentian's products.

For the year 2021, Gentian had no quality or safety incidents that led to any market actions or need for reporting to health authorities or notified body e.g., product recall or healthcare information letter.

Care for our employees and equal treatment of all

Gentian shall be a safe, collaborative and stimulating place to work. The company promotes an open and productive working environment where all employees are offered equal opportunities with regards to hiring, promotion and compensation regardless of personal background, beliefs, or cultural origin. The group had 52 employees per 31 December 2021. The employee gender balance is 63% women and 37% men. Sick leave for the year totalled 2.5% in 2021 (2.5% in 2020). No work-related incidents resulting in lost time, first injury treatment or other medical follow-up were recorded in 2021.

All employees receive training to maintain and develop their skills. The Group has an extensive onboarding training program and individual training programs are agreed individually with each employee for further development.

Conducting our business in an ethical manner

Code of conduct

Employees of Gentian perform work of great importance to health care providers, laboratories and patients. To succeed with the company's long-term strategy it is essential that work and behaviour 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 onboarding.

The Group has established a whistleblower procedure in which employees can report, anonymously if preferred, on matters relating to violation of the code of conduct. No reports regarding breach of the code of conduct was registered in 2021.

Scope and responsibility

The Code of Conduct applies 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 behaviour. They are not exhaustive and do 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, employees are encouraged to seek guidance from superiors.

Basic expectations for employees are:

- Being 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, labour rights, environment and anti-corruption in line with Gentian's Anticorruption Policy.
- In his/her work seek to influence Gentian's employees and partners to maintain high ethical standards in their way of conducting businesses.

Gentian's anti-corruption policy

Corruption stands 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 its employees to take part in corruption, such as bribery of public officials or employees in the private sector. The fact that many corruption rules also apply outside the territory of each country, implies that it is not sufficient to only follow the local national law when operating abroad.

Gentian has, in accordance with established principles as described in the company's Code of Conduct and Personnel Handbook, a strong commitment to operate according to 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 the company's anti-corruption policy. No Gentian employee can give another employee authorisation 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 has also taken necessary steps to the extent possible to ensure that the company's independent business partners, including suppliers, customers and joint venture partners, do not take part in corruption or other illegal or unethical activities in connection with its business with Gentian.

The Group has not registered any non-conformances with the anti-corruption policy in 2021.

Supplier and customer qualification

As part of Gentian's quality system and ISO 13485:2016 certification, all critical suppliers are being qualified. The contracts with critical suppliers also contain a clause providing a right for Gentian to perform quality audits on these suppliers. The audit provision also extends to distributors and in some cases other customers as well. During 2021 Gentian conducted four audits.

Minimise potential harm to the environment

Gentian acknowledges its responsibility to minimise any potential harm to the environment from its business. Although the industry has a limited environmental impact there is always something that can be done to reduce the environmental footprint. In 2021, the Group undertook work related to issuing electronic documentation instead of paper-based documentation where possible, and these efforts will continue in 2022. The Group generates biological and chemical waste. The liquid waste discharged to the public sewage is subject to permits issued by the municipality. Solid waste is treated as special waste if applicable and paper and cardboard is handled as recycling material. The Group is serving customers globally and has employees based in several European countries and the United States. This results in travel activity which may contribute to environmental harm. The Group has, as a result of limitations caused by the COVID-19 pandemic, reduced its travel activity compared to the level before the pandemic. Going forward, the Group's employees will increase the travel activity but still be below levels seen prior to the outbreak. The Group has invested in videoconferencing equipment. All employees have access to video conference software on their computers, which is used frequently, reducing the need for travel to communicate with customers, suppliers and other partners.

Financial statements 2021

Statement of Profit and Loss – Group

(NOK 1000)

	Note	2021	2020
Revenue from contracts with customers	6	83 122	63 327
Other operating revenue	7	16 887	15 554
Total revenue		**100 009**	**78 881**
Cost of goods sold	8	-43 176	-32 586
Employee benefit expenses	10	-39 539	-37 231
Depreciation and amortisation	15/18	-7 351	-6 630
Other operating expenses	11	-32 790	-20 258
Total operating expenses		**-122 856**	**-96 705**
Operating result		-22 847	-17 824
Finance income	13	2 084	1 840
Finance costs	13	-4 031	-1 484
Net financial items		**-1 947**	**356**
Profit before tax		-24 794	-17 469
Income tax expense	14	-	-
Profit for the year		**-24 794**	**-17 469**
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		-222	68
Total other comprehensive income		**-222**	**68**
Total comprehensive income for the year		**-25 016**	**-17 401**
Earnings per share			
Basic EPS from net profit/loss	23	-1,61	-1,13
Diluted EPS from net profit/loss	23	-1,61	-1,13

Statement of Financial Position - Group as of 31.12

	Note	2021	2020
Assets			
Non-current assets			
Intangible assets	**18**	25 006	15 610
Property, plant and equipment	**15**	3 363	3 865
Right-of-use assets	**15**	16 125	21 689
Total non-current assets		**44 495**	**41 164**
Current assets			
Inventory	**20**	29 779	20 876
Accounts receivables and other receivables	**21**	22 580	15 241
Cash and cash equivalents	**22**	114 936	157 985
Total current assets		**167 295**	**194 102**
Total assets		**211 790**	**235 265**

Statement of Financial Position - Group as of 31.12

	Note	2021	2020
Equity and Liabilities			
Paid-in equity			
Share capital	**23**	1 542	1 541
Share premium	**23**	293 810	293 241
Other paid-in equity		11 941	7 309
Retained earnings		-132 528	-107 512
Total equity		**174 766**	**194 579**
Liabilities			
Lease liabilities	**24**	14 470	18 101
Total non-current liabilities		**14 470**	**18 101**
Current liabilities			
Current lease liabilities	**24**	4 114	4 174
Account payables	**25**	4 975	5 808
Public taxes, duties etc.	**25**	3 598	3 127
Other short-term liabilities	**25**	9 868	9 476
Total current liabilities		**22 554**	**22 585**
Total liabilities		**37 024**	**40 686**
Total equity and liabilities		**211 790**	**235 265**

GENTIAN DIAGNOSTIC ASA – GROUP

Moss, 27. April 2022

For Gentian Diagnostics ASA

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

Statement of changes in equity

	Note	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 01.01.2020		**1 540**	**292 780**	**4 031**	**-90 111**	**208 240**
Net result for the year					-17 469	-17 469
Proceeds from share issue	**23**	1	461			462
Cost of share issue	**23**				-	-
Share based payments	**10**			3 278		3 278
Translation differences					68	68
Equity at 31.12.2020		**1 541**	**293 241**	**7 309**	**-107 512**	**194 579**
Equity at 01.01.2021		**1 541**	**293 241**	**7 309**	**-107 512**	**194 579**
Net result for the year					-24 794	-24 794
Proceeds from share issue	**23**	1	569			570
Cost of share issue	**23**				-	-
Share based payments	**10**			4 633		4 633
Translation differences					-222	-222
Equity at 31.12.2021		**1 542**	**293 810**	**11 941**	**-132 528**	**174 766**

Cash Flow Statement

	Note	2021	2020
Operating activities			
Net profit (loss)		-24 794	-17 469
Depreciation and amortisation	**15/18**	7 351	6 630
Change in inventory	**20**	-8 904	-2 652
Change in accounts receivables	**21**	1 120	860
Change in accounts payables	**25**	-833	1 202
Accrued cost of options	**10**	4 633	3 278
Change in other assets and liabilities		-5 626	-4 359
Net cash flow from operating activities		**-27 053**	**-12 509**
Investing activities			
Payments of property, plant and equipment	**15**	-1 024	-2 734
Investment in intangible assets	**18**	-11 791	-3 733
Investment in other companies		-	6 741
Net cash flow from investing activities		**-12 815**	**274**
Financing activities			
New debt	**24**	-	497
Loan instalments	**16**	-3 691	-2 469
Proceeds from issue of share capital	**23**	570	462
Net cash flow from financing activities		**-3 121**	**-1 510**
Net change in cash and cash equivalents		**-42 989**	**-13 745**
Cash and cash equivalents at beginning of period		157 985	171 567
Effect of currency translation of cash and cash equivalents		-60	163
Net cash and cash equivalents at period end		**114 936**	**157 985**

Note: Gentian Diagnostics divested its subsidiary PreTect AS in fourth quarter 2020. The Company has identified an error related to classification of the transaction in the statement of cash flow in the consolidated financial statements the year ended 31 December 2020. The net cash received in the transaction was NOK 6,741 thousand and should in its entirety have been classified as cash flow from investing activities, while cash flow from investing activities in the financial statement only contains an amount of NOK 1,893 thousand. The remaining part of net cash received which amounts to the amount of NOK 4,848 thousand is classified as cash from operating activities. The following table shows the effect the correction had on the lines affected.

(In NOK 1000)	As reported	Adjusted	Restated
Net cash flow from operating activities	-7 661	- 4 848	- 12 509
Net cash flow from investing activities	-4 574	4 848	274

Note 1 - General Information

Gentian Diagnostics ASA is registered in Norway and listed on Euronext Oslo Børs. 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 ASA 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 consolidated financial statements were approved by the Board on 27 April 2022.

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 IFRS, as adopted by the European Union 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 policies and disclosures

No changes in IFRS effective for the 2021 financial statements are relevant this financial year.

2.3 Principles for consolidation

The Group’s consolidated financial statements comprise the parent company and its subsidiaries as of December 31, 2021. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect the amount of the Group’s returns.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 month. 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 payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

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 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. For employees in other countries the group follows local law regarding pension schemes.

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 tangible fixed 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 tangible fixed 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 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 Other comprehensive income (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 2021 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 normal operating cycle of goods or services. Strategic investments are classified as non-current 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.

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 liquid 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.

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 carrying amount of assets.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the

deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured using the expected future tax rate for the companies within the Group that have temporarily differences between tax values and carrying 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

A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

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 annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added 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.

Carrying amount 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 support 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.

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

The Group’s financial assets and liabilities comprise cash at bank and cash equivalents, receivables and trade creditors that originate from its operations. Alle financial assets and liabilities are carried at amortised cost. All financial assets and liabilities, other than long-term leasing liabilities, are short-term and their carrying value approximates fair value.

The Group does currently not use financial derivatives to manage financial risk such as interest rate risk and currency risk.

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 31.12.2021 amounts to:

Accounts receivables and other receivables	22 580
Cash and cash equivalents	114 936
Total	137 516

For further information on accounts receivable and credit risk, see Note 21.

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. The majority of the Group's revenues are in foreign currency (USD and EUR). 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 31.12.2021; 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 18.6 as of 31 December 2021.

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.

Additional information regarding the Company's debt

The following table sets out the Group's contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities.

	Period left				
31.12.2021	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Financial liabilities (non-derivatives)					
Trade and other payables	18 440	-	-	-	**18 440**
Lease liabilities	4 114	3 959	9 280	-	**17 353**
Interest lease liabilities	1 181	908	1 190	-	**3 279**
Derivatives					
Derivative financial liabilities	-	-	-	-	**-**
Total	**23 735**	**4 867**	**12 642**	**-**	**41 244**

	Period left				
31.12.2020	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Financial liabilities (non-derivatives)					
Trade and other payables	18 411	-	-	-	**18 411**
Lease liabilities	4 174	4 167	13 263	5 275	**26 879**
Interest lease liabilities	1 557	1 295	2 461	402	**5 714**
Derivatives					
Derivative financial liabilities	-	-	-	-	**-**
Total	**24 142**	**5 462**	**15 723**	**5 676**	**51 004**

Note 5 - Group companies and changes in the Group

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

Note 6 - Revenue

Revenue by classification	2021	2020
Revenue from contract with customers	83 122	63 327
Royalties / License revenue	-	-
Public grants	16 887	10 512
Revenue from divestiture	-	4 384
Other revenue	-	657
Total	**100 009**	**78 881**

Geographical split of revenue from contract with customers	2021	2020
Europe	55 676	45 416
Asia	25 008	14 909
USA	2 438	3 002
Total	**83 122**	**63 327**

Sales by product	2021	2020
Renal diagnostic products	36 450	25 237
Inflammation diagnostic products	40 478	29 889
Other diagnostic products	6 194	8 201
Total	**83 122**	**63 327**

Timing of revenue recognition	2021	2020
Goods transferred at a point in time	83 122	63 327
Goods and services transferred over time	-	-
Total	**83 122**	**63 327**

Note 7 - Public grants

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

	2021	2020
Norwegian Research Council	10 943	7 510
Innovation Norway	1 194	1 222
SkatteFUNN*	4 750	1 780
Total	**16 887**	**10 512**

*The SkatteFUNN R&D tax incentive scheme is a government program where the incentive is a tax credit and comes in the form of a possible deduction from a company's payable corporate tax. If the tax credit for the R&D expenses is greater than the amount the company is liable to pay in tax, the remainder will be paid out in cash to the company.

R&D programs related to Norwegian Research Council includes EU programs like Eurostars and similar. The company complies with the different requirements and conditions related to the grants.

Note 8 - Costs of goods sold

	2021	2020
Change in inventory of goods under manufacture and finished goods	3 727	-2 014
Cost of materials	16 086	16 309
Other production expense	4 702	3 382
Total cost of materials	**24 515**	**17 677**
Production salary	18 662	14 909
Total Cost of goods sold	**43 176**	**32 586**

Note 9 - Operating expenses by function

	2021	2020
Cost of goods sold	43 176	32 586
Sales and marketing expenses	15 145	14 193
Administration expenses	32 769	19 408
Research and development expenses	24 416	23 887
Depreciation	7 351	6 630
Total	**122 857**	**96 705**

Note 10 - Employee benefit expenses

	2021	2020
Wages and salaries	43 733	40 551
Payroll tax	6 888	5 907
Pension costs (mandatory occupational pension)	1 733	1 416
Share based payments	4 633	3 278
Other expenses	1 214	988
Transfer to COGS	-18 662	-14 909
Total	**39 539**	**37 231**

The group had 52 employees per 31 December 2021. The corresponding number per 31 December 2020 was 47 employees.

Part of the employee benefit expenses are directly related to production of goods sold and the group has presented these costs as part of cost of goods sold.

The company has a share option program covering certain key employees. As at 31.12.2021, 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.

	2021	2020
Outstanding options 01.01	594 916	454 916
Options granted	155 674	150 000
Options forfeited	-10 000	-10 000
Options exercised	-	-
Options expired	-	-
Outstanding options 31.12	740 590	594 916

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	259 962
2025-11	62.88	150 000
2026-11	72.60	155 674
		740 590

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 2021 had a weighted average strike price of NOK 72.60 pr share.

In November 2021, Gentian Diagnostics ASA 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 30 000. The company decided to award a 25 % discount to the volume weighted average price between 11 November and 24 November, resulting in a subscription price of NOK 54.49 per share. A total of 10 461 shares were subscribed for under the program.

Notes to the consolidated financial statements 2021

Salary Management

		2021				
		Wages and salaries	Bonus	Pension costs**	Other remuner-ation	No of Share Options
Hilja Ibert	Chief Executive Officer	2 787	388	-	158	279 925
Njaal Kind	Group Chief Financial Officer	1 846	240	50	9	155 665
Erling Sundrehagen	Chief Scientific Officer	1 644	300	41	23	120 000
Total salary management		**6 277**	**928**	**91**	**190**	**555 590**

		2020				
		Wages and salaries	Bonus	Pension costs	Other remuner-ation	No of Share Options
Hilja Ibert	Chief Executive Officer	2 548	311	-	149	279 925
Njaal Kind	Group Chief Financial Officer	1 647	139	42	10	114 991
Erling Sundrehagen	Chief Scientific Officer	1 633	136	34	4	100 000
Total salary management		**5 828**	**586**	**76**	**163**	**494 916**

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. Reference is made to the corporate governance report for guidelines regarding remuneration to management. The remuneration report is available on the company's homepage: www.gentian.com.

Board remuneration*	**2021**	**2020**
Remuneration to the Board	1 021	763

**As of the Annual General Meeting of 2021 the Board members receives NOK 125 000 each and the Chairperson NOK 250 000. No board members have any remuneration based on the performance of the company.*

Pension costs

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

Currently all eligible employees receive 3.5% of their fixed salary up to 12G as a contribution to the pension plan, which is in accordance with the Act on Compulsory Occupational Pensions.

Note 11 - Other operating expenses

	2021	2020
Marketing	1 703	2 091
Purchase of external services	24 663	12 790
Patent, certification and license costs	1 706	1 649
Costs premises and office costs	1 432	1 386
Laboratory costs	10 711	4 015
Travel expenses	775	589
Meetings, courses and updates	325	309
Other	55	267
Capitalised other expenses*	-8 579	-2 838
Total	**32 790**	**20 258**

**See Note 12.*

Auditor

The remuneration to the auditor is distributed as follows:	**2021**	**2020**
Audit fee	595	289
Other attestation services	34	82
Tax advisory services	-	14
Other services non-audit related	102	21
Total (ex. VAT)	**732**	**406**

Note 12 - Research and development expenses

The Gentian Group had six ongoing R & D projects as per 31 December 2021. 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 two others in 2021, and consequently the capitalisation of the costs in these projects was started.

Recognised research and development expenses	**2021**	**2020**
Purchase of external services	9 023	8 470
Salary and other operating expenses	27 050	18 839
Capitalised salary expenses	-3 079	-582
Capitalised other expenses	-8 579	- 2 838
Total	**24 416**	**23 887**

Note 13 - Finance income and finance cost

Finance income

	2021	**2020**
Interest income	85	599
Foreign exchange gains	1 982	1 225
Other finance income	18	16
Total finance income	**2 084**	**1 840**

Finance cost

	2021	**2020**
Interest expenses from loans measured at amortised cost	-	-
Foreign exchange loss	-2 578	-934
Other financial costs	-1 454	-550
Total finance cost	**-4 031**	**-1 484**
Net financial items	**-1 947**	**356**

Note 14 – Taxes

Reconciliation of effective tax rate	2021	2020
Net result before taxes	-24 794	-17 469
Calculated tax expense/(income)	-5 454	-3 843
Permanent differences	-4 737	-2 601
Tax depreciation on intangible assets	-	-
Change in temporary differences	-795	65
Change in non-recognised deferred tax asset	10 987	6 379
Calculated tax expense	-	-
Tax payable (USA)	-	-

Calculation of deferred tax/deferred tax benefit	2021	2020
Tangible assets	-5 762	-3 071
Receivables	2	-
Inventories	-925	-
Tax losses carried forward	-174 304	-143 223
Basis for deferred tax/deferred tax benefit (gross)	-180 989	-146 294
Unrecognised temporary differences	180 989	146 294
Basis for deferred tax/deferred tax benefit (net)	-	-
Deferred tax benefit	-	-

The Group excluded from the financial position deferred tax asset of MNOK 39,7 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. The tax losses can be carried forward indefinitely in Norway and Sweden.

Note 15 - Property, plant and equipment

2021			
	Laboratory equipment	Right-of-use assets	Total
Acquisition costs			
Carrying amount at 01.01	11 512	26 839	38 351
Additions during the year	1 024	-	1 024
Grants received	-	-	-
Disposals during the year	-	-2 133	-2 133
Accumulated cost as at 31.12	**12 536**	**24 706**	**37 242**
Depreciation and amortisation			
Carrying amount at 01.01	7 647	5 151	12 797
Depreciation during the year	1 526	3 430	4 956
Amortisation during the year	-	-	-
Accumulated depreciation as at 31.12	**9 172**	**8 581**	**17 753**
Carrying amount in balance sheet as at 31.12	**3 363**	**16 125**	**19 488**

2020			
	Laboratory equipment	Right-of-use assets	Total
Acquisition costs			
Carrying amount 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 amount 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**
Carrying amount in balance sheet as at 31.12	**3 865**	**21 689**	**25 554**

The Group has applied an interest rate of 6.76 % for Right-of-use assets.

Note 16 - Leases/right-of-use assets

Right-of-use assets

Right-of-use assets mainly consists of leased offices.

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	2021	2020
Less than 1 year	4 114	4 174
1-2 years	3 959	4 167
3-5 years	11 452	13 263
Total undiscounted lease liabilities at 31.12.	**19 525**	**21 604**

Summary of lease liabilities	2021	2020
Lease liabilities at 01.01.	22 275	4 295
New lease liabilities recognised in the year	-	20 228
Cash payments for the principal portion of the lease liability	-3 691	-2 745
Interest expense on lease liabilities	1 381	497
Total lease liabilities at 31.12.	18 584	**22 275**
Current lease liabilities	4 114	4 174
Non-current lease liabilities	14 470	18 101

The Company have rental agreements with KPI-adjustments which is included in the measurement of lease liabilities. The estimated lease liabilities related to these agreements is NOK 18 496 at 31 December 2020 and NOK 17 678 at 31 December 2021.

Note 17 – Changes in Liabilities

Reconciliation of changes in liabilities arising from financing activities is shown in the tables below:

			Non-cash changes		
	01.01.2021	**Cash flows**	**New leases**	**Reclassi-fication**	**31.12.2021**
Lease liabilities non-current	18 101		-	-3 631	**14 470**
Lease liabilities current	4 174	-3 691	-	3 631	**4 114**
Total liabilities from financing activities	**22 275**	**-3 691**	**-**	**-**	**18 584**

			Non-cash changes		
	01.01.2020	**Cash flows**	**New leases**	**Reclassi-fication**	**31.12.2020**
Lease liabilities non-current	1 980		16 121		**18 101**
Lease liabilities current	2 315	-2 248	2 476	1 631	**4 174**
Total liabilities from financing activities	**4 295**	**-2 248**	**18 597**	**1 631**	**22 275**

The table below shows the Group's Interest rate sensitivity analysis:

		2021	**2020**
Total debt		18 584	22 275
Change in interest rate			
	+0,5%	93	111
	-0,5%	- 93	- 111
Profit before tax		- 24 794	- 17 469
Adjusted Profit before tax for change in interest rate			
	+0,5%	- 24 701	- 17 357
	-0,5%	- 24 887	- 17 580

Note 18 - Intangible assets

	2021		
	Research and development	**Projects under development**	**Total**
Acquisition costs			
Carrying amount at 01.01	15 610		15 610
Additions during the year	2 407	9 384	11 791
Grants received	-		-
Impairment	-		-
Accumulated cost as at 31.12	**18 017**	**9 384**	**27 401**
Depreciation and amortisation			
Carrying amount at 01.01			
Depreciation during the year	2 395		2 395
Amortisation during the year	-		-
Accumulated depreciation as at 31.12	**2 395**		**2 395**
Carrying amount in balance sheet as at 31.12	**15 622**	**9 384**	**25 006**

	2020		
	Research and development	**Projects under development**	**Total**
Acquisition costs			
Carrying amount 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 amount 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**
Carrying amount in balance sheet as at 31.12	**15 610**	**-**	**15 610**

Projects under development refers to the development of the cardiac marker NT-proBNP and the SARS-COV2-AB assay.

Note 19 - The valuation hierarchy of financial instruments accounted for at fair value

The Group has no financial instruments as at 31 December 2021.

Fair value of financial instruments accounted for at amortised cost

	Accounted value	Fair value
Receivables	22 580	22 580
Cash and cash equivalents	114 936	114 936
Total	137 516	137 516

	Accounted value	Fair value
Current lease liabilities	4 114	4 114
Non-current lease liabilities	14 470	14 470
Total	18 584	18 584

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 20 – Inventory

Inventory as at 31.12. consists of the following:

	2021	2020
Raw materials	9 256	4 079
Goods in process	15 711	13 759
Finished goods	5 737	3 037
Provision for obsolescence	-925	-
Total	**29 779**	**20 876**

Note 21 - Accounts receivables and other receivables

	2021	2020
Accounts receivables	6 514	7 633
Claims on government grants	10 569	5 081
Public receivables (VAT, etc.)	4 463	1 486
Other receivables / Prepayments	1 034	1 041
Total	**22 580**	**15 241**

	2021	2020
Provision for loss of claims at the beginning of the year		
Provision for loss for the year	-	-
This year's recorded loss	-	18
Reversed deposition	-	- 18
Provision for loss at the end of the year	**-**	**-**

Due accounts receivables	2021	2020
Not due and within <30 days	4 190	5 373
30-60d	595	1 207
60-90d	1 040	78
>90d	688	976
Total	**6 514**	**7 633**

Note 22 - Cash and cash equivalents

	2021	2020
Cash and bank deposits	112 849	156 131
Withhold tax account	1 823	1 516
Deposit account	265	337
Total	**114 936**	**157 985**

The table below shows the Group's Interest rate sensitivity analysis on cash and cash equivalents:

		2021	2020
Total cash and cash equivalents		114 936	157 985
Change in interest rate			
	+0,5%	575	790
	-0,5%	- 575	- 790
Profit before tax		- 24 794	- 17 469
Adjusted Profit before tax for change in interest rate			
	+0,5%	- 24 219	- 16 679
	-0,5%	- 25 369	- 18 259

Note 23 - Share capital, shareholders and equity

	Number of shares	Nominal value	Share capital
Ordinary shares	15 422 350	0,10	1 542

Changes in share capital and share premium:

Change in share capital	2021	2020
Share capital at period start	1 541	1 540
Share capital increase	1	1
Share capital at period end	**1 542**	**1 541**

Change in share premium	2020	2021
Share premium at period start	293 241	292 780
Share premium increase	569	461
Cost of share issue	-	-
Share premium at period end	**293 810**	**293 241**

Notes to the consolidated financial statements 2021

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

Overview of the parent company's shareholders as at 31.12.21:	Number of shares	Ownership share
Vatne Equity AS	2 110 224	13.68 %
Norda ASA	1 343 168	8.71 %
Holta Life Sciences AS	1 214 702	7.88 %
Verdipapirfondet Delphi Nordic	868 916	5.63 %
Safrino AS	800 000	5.19 %
Skandinaviska Enskilda Banken AB	546 749	3.55 %
Salix AS	426 745	2.77 %
Kvantia AS	413 200	2.68 %
Storebrand Vekst	375 221	2.43 %
Verdipapirfondet DNB SMB	362 041	2.35 %
Equinor Pensjon	309 820	2.01 %
Portia AS	300 000	1.95 %
Silvercoin Industries AS	240 647	1.56 %
Cressida AS	235 000	1.52 %
Lioness AS	220 000	1.43 %
Marstal AS	212 407	1.38 %
Mutus AS	210 465	1.36 %
Carpe Diem Afseth AS	187 849	1.22 %
Vingulmork Predictor AS	184 083	1.19 %
Verdipapirfondet Delphi Kombinasjon	181 716	1.18 %
Top 20 shareholders	**10 742 953**	**69.66 %**
Total other shareholders	4 679 397	30.34 %
Total number of shares	**15 422 350**	**100.00 %**

Shares controlled by board members and the Management		
Tomas Settevik (Mutus AS)	210 465	1.36 %
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)	2 330 224	15.11 %
Susanne Stuffers (Ubiquity AS)	3 500	0.02 %
Hilja Ibert	6 525	0.04 %
Njaal Kind	21 125	0.14 %
Erling Sundrehagen (Vingulmork Predictor AS)	184 083	1.18 %

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.

	2021	2020
Profit from continued operations	-24 794	-17 469
Weighted average number of shares issued	15 415	15 405
Earnings per share	**-1.61**	**-1.13**
Weighted average number of shares issued incl. options	16 155	16 000
Diluted earnings pr share	**-1.61**	**-1.13**

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Group is currently loss-making, an increase in the average number of shares would have anti-dilutive effects.

Note 24 - Interest-bearing debt

Interest-bearing debt	2021	2020
Leases	18 584	22 275
Total interest-bearing debt	**18 584**	**22 275**
Current part of interest-bearing debt	4 114	4 174
Non-current part of interest-bearing debt	14 470	18 101

Interest expense	2021	2020
Leases	1 381	497
Total	**1 381**	**497**

Average interest cost	2021	2020
Leases	6.76 %	6.28 %

Book value of assets, pledged for debt as at 31.12	2021	2020
Fixed assets	872	1271
Total pledged assets	**872**	**1271**

Note 25 - Account payables and other current liabilities

	2021	2020
Current leasing liability	4 114	4 174
Account payables	4 975	5 808
Public taxes, duties etc.	3 598	3 127
Other short-term liabilities	9 868	9 476
Total	**22 554**	**22 585**

Note 26 - Provisions, contingent assets and contingent liabilities

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

Note 27 - Transactions with related parties

The company uses Getica AB as a supplier for one of its 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 from Getica AB amounted to MNOK 9.8 in 2021 (MNOK 6.1 in 2020).

The company has no other significant transactions with related parties in 2021.

Note 28 - Events after the balance sheet date

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

Alternative performance measures

Non-IFRS financial measures / alternative performance measures

In this annual report, the Group presents certain alternative performance measures ("APMs"). An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The APMs presented herein are not measurements of financial performance or liquidity under IFRS or other generally accepted accounting principles, are not audited and investors should not consider any such measures to be an alternative to (a) operating revenues or operating profit (as determined in accordance with generally accepted accounting principles), (b) as a measure of the Group's operating performance; or (c) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results.

The company uses APMs to measure operating performance and is of the view that the APMs provide investors with relevant and specific operating figures which may enhance their understanding of the Group's performance. Because companies calculate APMs differently, the APMs presented herein may not be comparable to similarly titled measures used by other companies.

Below is an overview of APMs presented, including an overview of reconciliation and calculation of the relevant APMs.

Organic revenue growth

Organic revenue growth is defined as revenue adjusted for currency effects and effects from M&A. Organic revenue growth measurement provides useful information to investors and other stakeholders on underlying growth of the business without the effect of certain factors unrelated to its operating performance.

Reconciliation	**2021**	**2020**
(NOK 1000)		
Revenue from contracts with customers	83 122	63 327
Revenue growth	19 795	15 375
Impact using exchange rates from last period	4 399	-5 025
Impact M&A	1 954	1 068
Organic revenue growth	26 148	11 418
Organic revenue growth %	43 %	25 %

Total other operating expenses

Total other operating expenses is a key financial parameter for the Group and consists of salaries and personnel costs and other operating expenses. Total other operating expenses before capitalisation of R&D expenses consists of Employee benefit expenses and other non-salary related operating expenses before capitalisation of R&D expenses. The performance indicator is provided for the purpose of monitoring the evolution of non-production related costs without the effect of capitalisation of costs.

Reconciliation	**2021**	**2020**
(NOK 1000)		
Employee benefit expenses	39 539	37 231
Other operating expenses	32 790	20 258
Total other operating expenses **after** capitalisation of R&D expenses	72 330	57 489
Capitalisation	11 659	3 421
Total other operating expenses **before** capitalisation of R&D expenses	83 988	60 910

Reconciliation	**2021**	**2020**
(NOK 1000)		
Other non-salary related operating expenses **after** capitalisation of R&D expenses	32 790	20 258
Capitalisation	8 579	2 814
Other non-salary related operating expenses **before** capitalisation of R&D expenses	41 370	23 072

EBITDA/EBIT

EBITDA is a measurement of operating earnings before depreciation and amortisation of tangible and intangible assets and impairment charges, and EBIT is the operating result. EBITDA and EBIT are used for providing information of operating performance which is relative to other companies and frequently used by other stakeholders.

Reconciliation	**2021**	**2020**
(NOK 1000)		
Total Revenue	100 009	78 881
Total Operating Expenses	-122 854	-96 705
EBIT	-22 845	-17 824
Depreciation and Amortisation	7 349	6 630
EBITDA	-15 496	-11 194

COGS

Cost of goods sold (COGS) refers to the total cost of producing goods for product sales. The key figure COGS % is calculated in relation to revenue from contracts with customers. COGS % is used for providing consistent information of performance related to the production of goods which is relative to other companies and frequently used by other stakeholders.

	2021	2020
(NOK 1000)		
Revenue from contracts with customers	83 122	63 327
COGS	43 176	32 586
COGS % of Revenue from contracts with customers	52 %	51 %

Non-cash share-based compensation

Non-cash share-based compensation expense is the share-based compensation recognised in the income statement (employee benefit expenses). Information on the non-cash share-based compensation expense is provided to give information on the no-cash components of the employee benefit expenses.

	2021	2020
(NOK 1000)		
Non-cash shared-based compensation	4 633	3 278

Declaration from the Board of Directors of Gentian Diagnostics ASA

We confirm that the financial statements for the period 1 January up to and including 31 December 2021, to be the best of our knowledge, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial positions and profit or loss of the Company and the Group as a whole. The Board of Director's report includes a fair view of the development and performance of the business and the position of the Company and the Group as a whole, together with a description of the principal risks and uncertainties that they face.

Moss, 27 April 2022

The Board of Directors of Gentian Diagnostics ASA

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

Annual Report 2021 Gentian Diagnostics ASA

Org.no.: 983 860 516

Income statement

Operating income and operating expenses	Note	2021	2020
Other income		2 456	-
Total income		**2 456**	**-**
Employee benefits expense	**1, 3**	9 947	4 144
Other expenses	**1**	5 984	1 042
Total expenses		**15 931**	**5 186**
Operating profit		**-13 475**	**-5 186**
Financial income and expenses			
Interest income from group companies		530	164
Other financial income		116	2 765
Other interest expenses		1	-
Other financial expenses		14	-
Net financial items		**632**	**2 929**
Net profit before tax		**-12 843**	**-2 257**
Net profit or loss	**3**	**-12 843**	**-2 257**
Attributable to			
Transferred from other equity		12 843	2 257
Total		**-12 843**	**-2 257**

Balance sheet

	Note	2021	2020
Assets			
Non-current assets			
Intangible assets			
Property, plant and equipment			
Non-current financial assets			
Investments in subsidiaries	**7**	109 665	109 665
Loan to group companies	**6**	60 051	19 104
Total non-current financial assets		**169 716**	**128 770**
Total non-current assets		**169 716**	**128 770**
Current assets			
Debtors			
Other short-term receivables		130	702
Total receivables		**130**	**702**
Cash and bank deposits			
Cash and cash equivalents	**8**	104 031	151 286
Total cash and bank deposits		**104 031**	**151 286**
Total current assets		**104 161**	**151 988**
Total assets		**273 877**	**280 758**

Balance sheet

	Note	2021	2020
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	**4**	1 542	1 541
Share premium reserve		302 244	301 675
Other paid-up equity		119	119
Total paid-up equity		**303 905**	**303 335**
Retained earnings			
Other equity		-31 829	-22 660
Total retained earnings		**-31 829**	**-22 660**
Total equity	**3**	**272 076**	**280 676**
Liabilities			
Other non-current liabilities			
Current liabilities			
Trade payables		60	6
Public duties payable		464	76
Other current liabilities		1 276	-
Total current liabilities		**1 800**	**82**
Total liabilities		**1 800**	**82**
Total equity and liabilities		**273 877**	**280 758**

Moss, 27.04.2022
The board of Gentian Diagnostics ASA

Tomas Settevik Chairperson	Espen Tidemann Jørgensen Member of the board	Ingrid Helene Teigland Akay Member of the board
Kari Eian Krogstad Member of the board	Susanne Stuffers Member of the board	Runar Vatne Member of the board
Hilja Ibert CEO		Tomas Kramer Member of the board

Cash Flow

	Note	2021	2020
Operating activities			
Net profit (loss)			
Depreciation and amortisation		-12 843	-2 257
Change in inventory		-	-
Change in account receivables		-	-
Change in account payables		54	-1
Change in other assets and liabilities		5 910	2 659
Net cash flow from operating activities		**-6 879**	**401**
Investing activities			
Investment in subsidiaries		-	-
Investment in other companies		-	5 200
Net cash flow from investing activities		**-**	**5 200**
Financing activities			
Proceeds from issue of share capital		570	462
Loan subsidiaries		-40 946	-18 768
Net cash flow from financing activities		**-40 376**	**-18 306**
Net cash in cash and cash equivalents		**-47 255**	**-12 705**
Cash and cash equivalents at beginning of period		151 286	163 991
Effect of currency translations of cash and cash equivalents		-	-
Net cash and cash equivalents at period end		**104 031**	**151 286**

Notes to the financial statement 2021

Accounting principles

The financial statements have been prepared in compliance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Revenue

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

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Classification and assessment of balance sheet items

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Research and development

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized linearly over its useful life. Research costs are expensed as incurred.

Impairment of non-financial assets

Intangible assets with indefinite useful lives and goodwill are not amortised but testet 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.

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 downto 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 conditionscausing the write-down are no longer present.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a lather period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Pensions

Gentian Diagnostics ASA has a defined contribution pension plan as required the the Norwegian Law. For defined contribution pension plans, contributions are paid to pension insurance plans and charged to the statement of profit or loss in the period to which the contributions relate.

Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as Skattesats percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

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

Payroll expenses	2021	2020
Salaries/wages	5 689	763
Social security fees	508	103
Option program	3 674	3 278
Other remuneration	76	0
Total	**9 947**	**4 144**
Numberof employees at 31 december 2021	3	-
Remuneration to the Board of Directors	1 021	763
Remuneration to the Chief executive officer	1 736	-

The CEO, CSO and Group CFO was employed in the subsidiary Gentian AS until 31. may and for that period salary /remuneration was in the subsidiary.

The company has a share option programme covering certain key employees. As at 31.12.2021, eleven employees were included in the option programme. Of the eleven employees, the option costs for management has been booked in the company and the rest in the subsidiary Gentian AS.

Note 2 Expensed audit fee

Expenses paid to the auditor for 2021 amounts to TNOK 412 of which TNOK 82 relates to other services.

Note 3 Equity capital

	Share capital	Share premium	Other paid-in equity capital	Other equity capital	Total equity capital
As at 31.12.2020	**1 541**	**301 675**	**119**	**-22 660**	**280 676**
Result for the year				-12 843	-12 843
Procees from share issue	1	569			570
Cost of share issue				-	-
Employee option program				3 674	3 674
As at 31.12.2021	**1 542**	**302 244**	**119**	**-31 829**	**272 076**

Note 4 Shareholders

	Number of shares	Nominal value	Share capital
Ordinary shares	15 422 350	0.10	1 542 235

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

Overview of the parent company's shareholders as at 31.12.21	Number of shares	Ownership share
Vatne Equity AS	2 110 224	13.68 %
Norda ASA	1 343 168	8.71 %
Holta Life Sciences AS	1 214 702	7.88 %
Verdipapirfondet Delphi Nordic	868 916	5.63 %
Safrino AS	800 000	5.19 %
Skandinaviska Enskilda Banken	546 749	3.55 %
Salix AS	426 745	2.77 %
Kvantia AS	413 200	2.68 %
Storebrand Vekst	375 221	2.43 %
Verdipapirfondet DNB SMB	362 041	2.35 %
Equinor Pensjon	309 820	2.01 %
Portia AS	300 000	1.95 %
Silvercoin Industries AS	240 647	1.56 %
Cressida AS	235 000	1.52 %
Lioness AS	220 000	1.43 %
Marstal AS	212 407	1.38 %
Mutus AS	210 465	1.36 %
Carpe Diem Afseth AS	187 849	1.22 %
Vingulmork Predictor AS	184 083	1.19 %
Verdipapirfondet Delphi Kombinasjon	181 716	1.18 %
Top 20 shareholders	10 742 953	69.66 %
Total other shareholders	4 679 397	30.34 %
Total number of shares	15 422 350	100.00 %

Shares controlled by board members and the Management		
Tomas Settevik (Mutus AS)	210 465	1.36 %
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 Equity and Lioness)	2 330 224	15.11 %
Susanne Stuffers (Ubiquity AS)	3 500	0.02 %
Hilja Ibert	6 525	0.04 %
Njaal Kind	21 125	0.14 %
Erling Sundrehagen (Vingulmork Predictor AS)	184 083	1.19 %

Dividend

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

Note 5 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:Payable tax	-	-
Changes in deferred tax assets	-	-
Tax expense on ordinary profit/loss	-	**-**
Taxable income:		
Ordinary result before tax	-12 843	-2 257
Permanent differences	-	-2 199
Changes in temporary differences	-16	-20
Taxable income	-12 859	**-4 476**
Payable tax in the balance: Payable tax on this year's result	-	-
Total payable tax in the balance	-	**-**
Calculation of effective tax rateProfit before tax	-12 843	-2 257
Calculated tax on profit before tax	-2 825	-497
Tax effect of permanent differences	-	-484
Total	-2 825	**-980**
Effective tax rate	22,0 %	43,4 %

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

	2021	2020	Difference
Tangible assets	-63	-79	-16
Total	**-63**	**-79**	**-16**
Accumulated loss to be brought forward	-50 700	-37 841	12 859
Not included in the deferred tax calculation	50 763	37 920	-12 843
Deferred tax assets (22 %)	**-**	**-**	**-**

Deferred tax not included in the balance sheet.

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

Receivables	**2021**	**2020**
Loans to companies in the same group	60 051	19 104
Liabilities		
Loans from companies in the same group	-	-
Revenue		
Sale of services to companies in the same group	2 456	

Note 7 Shares in subsidiaries

	Ownership/ voting interest	**Office location**	**Result 2021**	**Equity capital 31.12.2021**
Gentian AS	100%	Moss	-11 390	18 899

Note 8 Bank deposits

Pledge account	-
Deposit for office rent	265
Tax withheld	321
Other savings and checking accounts	103 445
Total bank deposits	104 031

BDO AS
Bernt Ankers gate 17
1534 Moss

Independent Auditor's Report

To the General Meeting in Gentian Diagnostics ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gentian Diagnostics ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement 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 2021, 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.	• The financial statements comply with applicable statutory requirements. • The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, 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 as at 31 December 2021, 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. Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Gentian Diagnostics ASA for 10 years from the election by the general meeting of the shareholders on 2 June 2012 for the accounting year 2012.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Impairment of intangible assets We refer to note 2.11, note 2.13 and note 18 where management explain recognition of intangible assets and impairment test. The value of the intangible assets in the Group is highly dependent on successful development of commercial biotech products. The carrying amount of intangible assets represents a significant portion of total assets of the Group. No impairment loss on intangible assets were recognized in the statement of profit and loss for 2021. The intangible assets are still under development and do not yet generate revenue. The impairment test was based on a discounted cash flow method. Several of the assumptions, including discount rate (WACC), sales price, remaining development costs and likelihood of approval with the regulatory authorities were judgmental. We considered impairment of intangible assets for the Group to be a Key Audit Matter due to the significant amount the intangible assets represent in the consolidated statement of financial position and the level of management judgments related to assumptions in the impairment test.	We obtained management's impairment test. The test includes documentation about how management assessed intangible assets and key assumptions applied by management. We satisfied ourselves that the impairment test contained the elements required by IFRS. We tested the mathematical accuracy of the impairment model. We challenged the assumptions applied by management related to calculation of revenues and compared the assumptions such as number of incidents, sales prices, and likelihood of approval with public available information. We assessed the assumptions for remaining development costs used in the calculation by comparing to internal budgets and forecasts. We evaluated the discount rate used by management by comparing its composition to empirical data for risk-free interest rate, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data.

Other information

The Board of Directors and the Managing Director (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.

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 consolidated 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.

Opinion on the Board of Director's report

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

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

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

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

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view, for in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the 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 compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name "5967007LIEEXZXHNM861-2021-12-31-en" have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Moss, 27 April 2022
BDO AS

The auditors report is signed electronically

Per Harald Eskedal
State Authorised Public Accountant