

Remuneration report

1. Introduction

Gentian Diagnostics ASA ("the Company") and its subsidiaries (together "the Group") 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. This 2023 Remuneration Report ("Remuneration Report") has been prepared in accordance with the requirements of the Norwegian Code of Practice for Corporate Governance 2023 and the Public Companies Act §6-16aog 6-16b.

The main principle of Gentian Diagnostics' remuneration policy for the executive management group is that the company should not be a wage leader, but the executive management shall be offered a competitive salary. The compensation arrangements shall be easy to manage and understand, long-term and possess flexibility. The total compensation arrangement should be linked to the company's earnings and performance, and to the individual elements of the personal terms.

The board determines remuneration for the CEO, while the CEO determines remuneration for the management group. Compensation of the executive management is based on market terms and evaluated on a yearly basis.

The executive management remuneration consists of a fixed salary and a variable part linked to the company's achievement. The criteria are reviewed annually and are linked to internal goals and budgets. In addition, the executive management is included in the Group's share option programme. Total remuneration in 2023 was in line with the criteria set for total compensation in 2023.

The executive management is included in the same pension plan as other employees to the extent applicable. Other benefits are of minor financial importance such as free access to communication tools for the management team to be available and compensation for the use of private car for business related travel. The CEO has the right to six month's salary in case the contract is terminated by the company. No other executives have any rights to receive additional compensation when leaving the company.

The board believes that the remuneration policy has been applied as presented and approved by the annual general meeting in 2023 and that it has contributed to retain, motivate and preserve the relevant experience of the executive management. The board also believes that the application of the remuneration policy has stimulated to a culture for remuneration that promotes the Company's business strategy and long-term interests and sustainability.

The remuneration to the executive management has promoted the achievement of results and leadership in accordance with the Company's values and reflect the performance of the individual executive. Considerations have also been given to increase and growth over time in the remuneration and the considerations have formed a part of the board's assessment whether the remuneration to the executive management has been reasonable.

2. Total compensation

In the below table 1 and 2 for total compensation, bonus is achieved bonus for 2022 paid in 2023 and bonus achieved in 2021 paid in 2022. Table 3 shows the achieved bonus for 2023 to be paid in 2024.

Table 4 and 5 shows the total compensation to the Board and the Nomination Committee.

		Wages and salaries	Bonus	Pension costs	Share based payments	Other remuneration	Proportion of remuneration	
							Fixed	Variable
Hilja Ibert	Chief Executive Officer	3 141	449	-	624	158	75 %	25 %
Njaal Kind	Group Chief Financial Officer	2 161	220	67	584	9	74 %	26 %
Aleksandra Havelka	Chief Scientific Officer	1 270	93	344	191	3	85 %	15 %
Markus Jaquemar	Chief Commercial Officer	2 360	247	-	226	-	83 %	17 %
Total compensation to management		8 932	1 008	411	1 625	170		

Table 2 - Salary and other remunerations to management in 2022 (NOK 1 000):

		Wages and salaries	Bonus	Pension costs	Share based payments	Other remuneration	Proportion of remuneration	
							Fixed	Variable
Hilja Ibert	Chief Executive Officer	2 906	404	-	741	153	73 %	27 %
Njaal Kind	Group Chief Financial Officer	2 054	248	60	992	9	63 %	37 %
Erling Sundrehagen	Chief Scientific Officer	1 653	186	52	805	4	63 %	37 %
Markus Jaquemar	Chief Commercial Officer	1 882	221	-	188	-	82 %	18 %
Total compensation to management		8 494	1 058	112	2 726	166		

Hilja Ibert and Markus Jaquemar receives their compensation in Euro. Aleksandra Havelka receives her compensation in SEK. Share based payments are in NOK.

Table 3 - Accrued bonus to management based upon 2023 results to be paid in 2024 (NOK 1 000):

		Bonus
Hilja Ibert	Chief Executive Officer	608
Njaal Kind	Group Chief Financial Officer	380
Aleksandra Havelka	Chief Scientific Officer	230
Markus Jaquemar	Chief Commercial Officer	402
Total		1 620

Table 4 - Remuneration to the Board and Nomination Committee in 2023 (NOK 1 000):

		Board	Nomination Committee
Thomas Settevik	Chairperson	300	-
Espen T. Jørgensen	Board member	150	-
Kari E. Krogstad	Board member	150	-
Fredrik Thoresen	Board member	150	-
Monika Neuman	Board member	150	-
Frank Frantzen ³⁾	Board member	150	-
Kjersti Grimsrud ¹⁾	Board member	100	-
Susanne Stuffers ²⁾	Board member	50	-
Thomas Kramar ²⁾	Board member	50	-
Andreas Berdal	Chairperson Nomination Committee	-	30
Haakon Sæter	Board member Nomination Committee	-	15
Runar Vatne	Board member Nomination Committee	-	15
Erling Sundrehagen	Board member Nomination Committee	-	15
Total compensation to the Board and Nomination Committee		1 250	75

1) Was appointed Board member in May 2023

2) Left the Board in May 2023

3) Left the Board in December 2023

Table 5 - Remuneration to the Board and Nomination Committee in 2022 (NOK 1 000):

		Board	Nomination Committee
Thomas Settevik	Chairperson	279	-
Espen T. Jørgensen	Board member	140	-
Kari E. Krogstad	Board member	140	-
Susanne Stuffers	Board member	140	-
Thomas Kramar	Board member	140	-
Monika Neuman ¹⁾	Board member	88	-
Frank Frantzen ¹⁾	Board member	88	-
Fredrik Thoresen ¹⁾	Board member	88	-
Runar Vatne ²⁾	Board member/ Board member Nomination Committee	52	15
Ingrid T. Akay ²⁾	Board member	52	-
Andreas Berdal	Chairperson Nomination Committee	-	30
Haakon Sæter	Board member Nomination Committee	-	15
Erling Sundrehagen	Board member Nomination Committee	-	15
Total compensation to the Board and Nomination Committee		1 204	75

1) Was appointed Board member in May 2022

2) Left the Board in May 2022

3. Short-term incentive programme – bonus arrangements

The short-term incentive programme is defined to incentivise the individual executive for their performance. The executive management are members of the company's bonus program where performance is evaluated, and bonus potentially awarded once per year. Bonus payment is only triggered if the group achieves approved targets pertaining to sales growth. In addition to the aforementioned financial target which defines the maximum pay-out (if any) each individual member of the bonus programme is measured against a set of individual performance criteria. Annual bonuses shall amount to maximum 30% of base salary. The tables below specify the performance achievement for the executive management in 2023 and the maximum bonus for each member of the executive management in 2023 and 2024.

Per 2023	Performance Criteria	Weight	Performance	
			Achieved	% of target
Company objectives	Financial goals	30 %	18 %	60 %
	Non-financial goals	70 %	42 %	60 %

	Target bonus in per cent of base salary	
	2023	2024
Hilja Ibert	30 %	30 %
Njaal Kind	30 %	30 %
Aleksandra Havelka	20 %	30 %
Markus Jaquemar	30 %	30 %

4. Share based compensation - option programme to management

In 2018, the company launched a share option programme for the executive management and key personnel. Under the share option programme, options may be allocated to the executive management and 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 autorisation from the general meeting for a share issue. The board determines the detailed criteria of the share option programme and related agreements.

Annual allocation of options is to be resolved by the board of the company in order to maximise the effect of the allocation(s). Currently, the total number of outstanding options cannot exceed 10.0% of the outstanding shares of the company. The options shall have a pre-defined strike price which can be adjusted for dividends and other relevant share capital ratios.

The following option allocations have been awarded to the executive management:

Table – 8

Hilja Ibert	2023	2022
Outstanding options 01.01	359 925	279 925
Options granted	139 962	80 000
Options forfeited	-	-
Options exercised	-139 963	-
Options expired	-	-
Outstanding options 31.12	359 924	359 925

Njaal Kind	2023	2022
Outstanding options 01.01	175 661	155 665
Options granted	40 000	19 996
Options forfeited	-	-
Options exercised	-34 991	-
Options expired	-	-
Outstanding options 31.12	180 670	175 661

Aleksandra Havelka	2023	2022
Outstanding options 01.01	40 000	30 000
Options granted	30 000	10 000
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
Outstanding options 31.12	70 000	40 000

Markus Jaquemar	2023	2022
Outstanding options 01.01	47 500	22 500
Options granted	40 000	25 000
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
Outstanding options 31.12	87 500	47 500

For options issued in 2018 - 2021, the vesting period is over three years as follows:

- 1/3 of the options granted no earlier than 2 years after allocation
- 1/3 of the options granted no earlier than 3 years after allocation
- 1/3 of the options granted no earlier than 4 years after allocation

For options issued in 2022-2023, the vesting period is over two years as follows:

- 1/2 of the options granted no earlier than 3 years after allocation
- 1/2 of the options granted no earlier than 4 years after allocation

The options expire five years after issuance.

Table - 9

2023						
Expiry date	Average strike price	Number of share options	Hilja Ibert	Njaal Kind	Aleksandra Havelka	Markus Jaquemar
2024-11	47.51	259 962	139 962	40 000	10 000	-
2025-11	62.88	150 000	-	40 000	-	20 000
2026-11	72.60	155 674	-	40 674	20 000	2 500
2027-12	46.67	209 996	80 000	19 996	10 000	25 000
2028-11	40.17	339 962	139 962	40 000	30 000	40 000
		1 115 564	359 924	180 670	70 000	87 500

2022						
Expiry date	Average strike price	Number of share options	Hilja Ibert	Njaal Kind	Erling Sundrehagen	Markus Jaquemar
2023-08	65.24	174 954	139 963	34 991	-	-
2024-11	47.51	259 962	139 962	40 000	50 000	-
2025-11	62.88	150 000	-	40 000	50 000	20 000
2026-11	72.60	155 674	-	40 674	20 000	2 500
2027-12	46.67	219 996	80 000	19 996	-	25 000
		960 586	359 925	175 661	120 000	47 500

5. Use of right to reclaim

Not applicable in Gentian Diagnostics ASA.

6. Deviation from the remuneration policy.

Nothing to report.

7. Comparative information on change on remuneration.

Table - 10

Comparative information on change in remuneration						
Yearly Change	Δ 2023	Δ 2022	Δ 2021	Δ 2020	Δ 2019	Comment
Salary compensation						
CEO	4.0 %	-12.6 %	-4.4 %	26.2 %	43.6 %	
Group CFO	-9.6 %	15.5 %	20.6 %	7.7 %	36.0 %	
CSO	-	-	-	-	-	New CSO from 01.01.2023
Former CSO	-	-1.0 %	25.9 %	28.4 %	14.0 %	
CCO	23.6 %	-	-	-	-	New position in 2022
<hr/>						
MCAP - end year (1000 NOK)	640 028	632 316	1 110 409	839 948	961 130	
Company EBIT (1000 NOK)	- 12 762	- 23 235	- 22 847	- 17 824	- 41 241	
Change in average compensation employees	8 %	5 %	-2 %	20 %	9 %	
Total number of employees	58	55	52	47	46	

8. Information on shareholder vote

At the General meeting in 2023 the following items were voted on in relation to remuneration:

Item 5 – Advisory vote on remuneration report.

The presented guidelines were approved with the following votes:

For	Against	Abstain	Total
7 489 738 (92.7 %)	589 171 (7.3%)	0 (0%)	8 078 909 (100%)

To the General Meeting of Gentian Diagnostics ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Gentian Diagnostics ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 - "Assurance engagements other than audits or reviews of historical financial information".



We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Moss, 20 March 2024
BDO AS

Per Harald Eskedal
State Authorised Public Accountant
(This document is signed electronically)

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Per Harald Eskedal

Partner

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