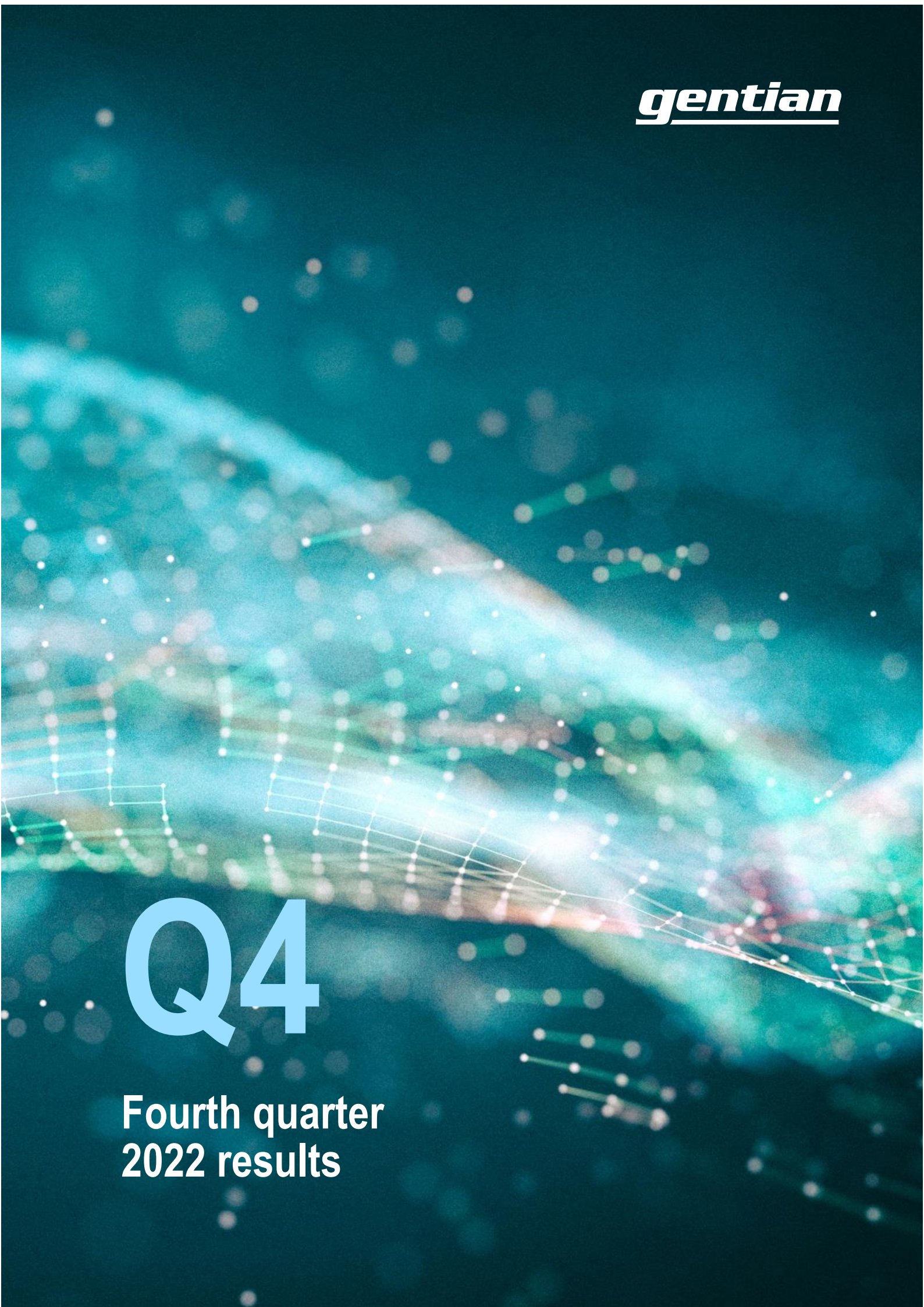

gentian
Q4
Fourth quarter
2022 results

Efficient diagnostics for better treatment decisions

www.gentian.com

Gentian Diagnostics

Fourth quarter 2022 highlights

- Sales revenue of MNOK 27.9, up 28% from 4Q21 (23% organic growth), mainly driven by a general increase in demand for inflammation diagnostics in Europe.
- Full year sales revenue increased 22% to MNOK 101.6 (21% organic growth) in line with the company's long term growth target.
- EBITDA was MNOK -1.5 in 4Q22. EBITDA for the full year was MNOK -13.0.
- Patent related to NT-proBNP granted in the US and progress on assay development continued.
- Four strategic distribution agreements with major global IVD companies achieved in 2022, including one for GCAL announced in 4Q.

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.

Gentian's strategy for long-term growth and value creation

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 utilize 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 – that contributed to 28% annual sales revenue growth in 2019-2022. In addition, SARS-COV-2 Ab and GCAL® 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 biomarkers in exploration and 'proof of concept' phases.

In 2021, Gentian announced a long-term ambition to generate an estimated annual revenue of BNOK 1.0 in 5-7 years, dependent on the timing of NT-proBNP launch yet to be concluded. In comparison, total revenue was MNOK 111 in 2022. 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.

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%+ through economies of scale

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

Illustration of product categories

Operational summary

Sales

Sales revenue grew 23% organically in 4Q22 versus 4Q21, ending the quarter at MNOK 27.9. Reported growth was 28% for the quarter. Sales revenue for the full year 2022 was MNOK 101.6, representing an organic growth of 21% from 2021. Reported growth was 22% for the full year. Quarterly variations were significant in 2022 as in previous years, and are expected to continue as sales will be affected by the timing of large orders.

Sales of Cystatin C were MNOK 9.4 for the quarter, a decrease of 10% compared to 4Q21. The decline in sales is in its entirety due to weaker demand in Asia which was caused by continued lockdowns as a result of the continued COVID-19 pandemic. For the full year, sales of Cystatin C were MNOK 40.0, a growth of 10% compared to 2021.

Cystatin C demand increased as a result of new guideline adoption recommending Cystatin C testing in the US. Gentian established additional sales channels with two new additional partners in the US during 2022. The established presence in the US provides support to existing and new partners as well as direct end-user customers with scientific, technical expertise and logistics infrastructure.

Sales of fCAL® turbo reached MNOK 11.7 in 4Q22, an increase of 102% vs 4Q21. Growth for the full year 2022 was 30% to MNOK 36.3. The underlying commercial development for fCAL® turbo remains positive, with a general trend in the market to implement selected stool tests on automated core lab instrumentation.

The company's Swedish distribution subsidiary, Gentian Diagnostics AB (GAB), continues to demonstrate a positive sales trend for third-party products with revenue totalling MNOK 10.2 in 2022. This represents an increase of 25% compared to 2021. Continued growth is expected as GAB has demonstrated its success in several tenders in both Sweden and Norway where product deliveries will commence during 2023.

Market development

GCAL®

GCAL® market development continues positively both commercially as well as from a scientific and clinical aspect.

In 2022 Siemens Healthineers launched the GCAL assay in selected countries in Europe as part of its test menu offering, complementing their own test menu for rheumatoid inflammation testing. Regional expansion continues with additional regions within Central and Eastern Europe, but also Asia Pacific, with regulatory approvals on track.

During 4Q 2022 Gentian announced the new supply agreement for GCAL® with a major global IVD company. Under the agreement, products are planned to be commercialised in the second half of 2023.

The company continues to add direct end user customers both in hospitals and in the private lab segment in Europe with the routine implementation of the GCAL® test.

In parallel, new commercial partners were added, with expansion into Germany and France.

Results from clinical studies continue to support the value of GCAL® in the early diagnosis of bacterial infections and prediction of clinical deterioration.

A health economic model to quantify the clinical value of early detection of infection in intensive care patients has been developed. The results are promising and will be presented in March at the International symposium on intensive care and emergency medicine (ISICEM) congress in Brussels.

A prospective study, performed in collaboration with reputable hospital in Europe is finalized. Preliminary results are encouraging and will be presented in April at the European Congress of Clinical Microbiology & Infectious Diseases in Copenhagen.

Product development

NT-proBNP

Gentian’s NT-proBNP assay is currently in the optimization phase of development and aims to be the first turbidimetric in vitro diagnostic test for the quantitative measurement of NT-proBNP. The goal is to make NT-proBNP testing more accessible on high-volume clinical chemistry analyzers, which should increase laboratory productivity and reduce overall costs. The growing cost burden in healthcare systems due to an aging population and lifestyle choices is driving the demand for NT-proBNP testing.

In the fourth quarter, we tested additional clinical samples using the working prototype, and our results confirmed the hypothesis that the glycosylation of the NT-proBNP molecule can lead to an underestimation of true NT-proBNP concentrations in clinical samples, as seen with commercially available assays. Gentian's NT-proBNP assay targets a non-glycosylated area of the molecule and does not suffer from this underestimation issue.

Gentian's calibration strategy aims to achieve cut-off levels that are equivalent to established market standards, which is crucial for the commercial launch. However, the company's assay will stand out from established assays by addressing the underestimation issue caused by glycosylation. The company believes that this differentiation will be clinically advantageous, given the growing awareness around the problem of underestimation. Nonetheless, this could require more clinical documentation.

During the quarter, our team did not identify any new technical challenges, and we found a simpler and more efficient calibration method that could potentially replace the independent calibration method described in previous reports. Going forward, we need to quantify the degree of underestimation by established assays to complete the calibration strategy, and we also need to improve the stability of the working prototype.

We are pleased to report that we have received positive and continuous interest from IVD companies regarding the Gentian NT-proBNP assay, and we have conducted initial technical reviews with selected potential commercial partners.At this point, we cannot provide a timeline for the remaining part of the optimization phase. However, if the product successfully completes the optimization phase, subsequent phases are typically characterized by lower risk. We estimate that the remaining development period for NT-proBNP, after completion of optimization, will be 6-9 months. Additionally, the product will now fall under the new IVDR regulatory regime, which will add another 6-9 months before commercial launch. As per established practice, if the current optimization efforts do not prove successful, we will consider returning the project to the exploration phase.

As announced on 5 December 2022, the company has been granted a patent in the US related to NT-proBNP.

Pipeline

The company has currently two projects in the proof-of-concept phase.

Market research has been conducted for one of these projects, which is addressing an alternative IVD market segment. Considering the requirement for additional technical features, the research confirmed a significant commercial potential for this project.

The company continues to make investments into exploration projects to ensure additions to the project pipeline.

Long-term outlook

Gentian targets disease groups that represent a total addressable market of around BUSD 6.1 globally and an estimated growth rate of 4-5-% annually over the next 4-6 years, according to leading market data provider Kalorama (2022). 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 BUSD 1.8 (2022), with an estimated annual growth rate of 5-10% 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.

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 and makes 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, and the long-term EBITDA margin target of 40%, are set to be de-risked through several key milestones for the company's product portfolio over the coming twelve months.

The revenue ambition is dependent on the timing of NT-proBNP launch, which was estimated to contribute with MNOK 200-400 five to seven years after the product has been launched. The key milestones are:

Established products

- Targeting additional large and medium size commercial partners globally
- Additional regulatory approvals, including IVDR, MDSAP and FDA to allow for commercial expansion

GCAL (in market development)

- Clinical studies confirming patient outcomes and relevance for the early detection of infections, which supports the avoidance of sepsis as well as diagnosis of inflammatory diseases.
- Securing endorsements from key opinion leaders and inclusion in clinical guidelines
- Securing global commercial partnerships with phased regional rollout

New products

SARS-CoV-2 AB

- Offering the assay as a tool to address post pandemic immune status monitoring needs.
- Offering the product as platform independent test to commercial partners.

NT-proBNP

- Successful optimisation of the assay
- Securing endorsements from key opinion leaders
- Obtain progress on global commercial partnerships

Pipeline

- Finalize proof-of-concept of two new pipeline project

Financial performance

Comparative numbers for Gentian in 2021 in ().

Revenue, geographic split and product split

Total operating revenue amounted to MNOK 30.8 (MNOK 24.9) for 4Q22 and to MNOK 111.9 for the full year 2022 (MNOK 100). This represented year-on-year growth of 24% for the quarter and 12% for the full year.

Sales revenue increased 28% to MNOK 27.9 in 4Q22 (MNOK 21.7), with organic revenue growth of 23%. Sales revenue for the full year increased by 22% to MNOK 101.6 (MNOK 83.1), with organic revenue growth of 21%.

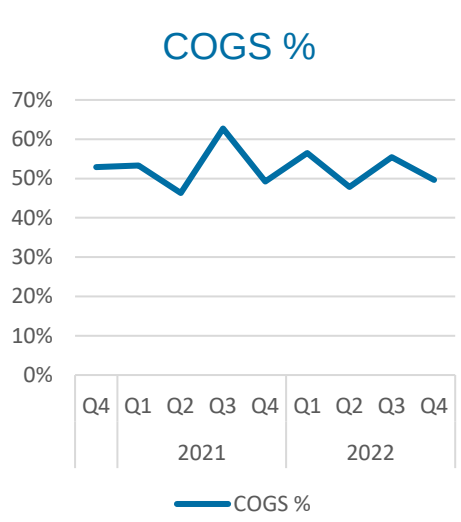
Geographic split

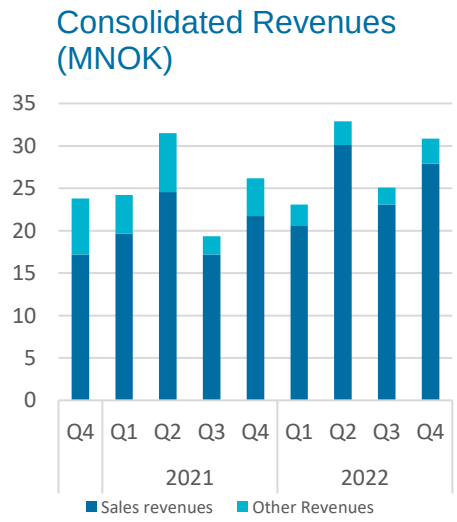
MNOK	**4Q22**	**4Q21**	**2022**	**2021**
US	1.1	0.5	6.5	2.5
Europe	19.5	13.6	71.5	55.6
Asia	7.3	7.6	23.6	25.0
Total	27.9	21.7	101.6	83.1

Product split

MNOK	**4Q22**	**4Q21**	**2022**	**2021**
Cystatin C	9.4	10.5	40.0	36.2
fCAL®turbo	11.7	5.8	36.3	28.0
Other*	6.8	5.4	25.3	18.9
Total	27.9	21.7	101.6	83.1

Other operating revenue ended at MNOK 3.0 (MNOK 3.2) for 4Q22, and MNOK 10.3 (MNOK 16.9) for 2022. The decrease in other operating revenue for the full year is a result of a decrease in spending on Research and Development (R&D) projects which triggers research grants and tax incentives. In 2021, a significant part of the funding received in 2021 was related to the development of the SARS-COV2 Antibody assay which was completed in early 2022.





Cost of goods sold

Cost of goods sold (COGS) was 50% (49%) of sales revenue in 4Q22, and 52% (52%) in 2022. With continued sales growth and further optimisation of our production processes, Gentian expects COGS to decline as a percentage of sales over time.

Total other operating expenses

Total other operating expenses before capitalisation of R&D expenses ended at MNOK 20.2 (MNOK 26.7) in 4Q22.

R&D expenses amounted to 40% (35%) of total other operating expenses before capitalization for 4Q22. Capitalisation of R&D expenses was MNOK 1.7 (MNOK 4.0) in 4Q22.

Total other operating expenses after capitalisation of R&D expenses ended at MNOK 18.5 (MNOK 22.7) in 4Q22.

For the full year 2022 total other operating expenses amounted to MNOK 78.3 (MNOK 84) before capitalization of R&D expenses, and MNOK 72.3 (MNOK 72.3) after capitalization.

Earnings

Operating profit before depreciation and amortization (EBITDA) ended at MNOK -1.5 (MNOK -8.5) for 4Q22 and MNOK -13.0 (MNOK -15.5) for the full year 2022. Net profit ended at MNOK -4.6 (MNOK -9.6) for 4Q22 and MNOK -23.6 (MNOK -24.8) for 2022.

Balance sheet

Cash and cash equivalents as of 31.12.2022 were MNOK 81.6 (MNOK 114.9). The cash is placed in both savings accounts and current accounts.

Accounts receivables as of 31.12.2022 were MNOK 10.1 (MNOK 6.5), and inventory MNOK 38.5 (MNOK 29.8).

The equity ratio was 82.1% as of 31.12.2022.

Events after the balance sheet date

There are no events after the balance sheet date.

Statement of Profit and Loss Gentian Diagnostics Group

	Note	2022	2021	2022	2021
(NOK 1000)		**Q4**	**Q4**	**01.01-31.12**	**01.01-31.12**
Revenue					
Revenue from contracts with customers	3	27 911	21 734	101 636	83 122
Other operating revenue	4	2 959	3 208	10 287	16 887
Total revenue		**30 870**	**24 942**	**111 922**	**100 009**
Operating expenses					
Cost of goods sold	5, 6	-13 849	-10 558	-52 635	-43 176
Employee benefit expenses	5,7,13	-10 324	-12 281	-40 910	-39 539
Depreciation and amortisation	5	-2 767	-1 022	-10 243	-7 351
Other operating expenses	5	-8 201	-10 606	-31 369	-32 790
Total operating expenses		**-35 141**	**-34 466**	**-135 158**	**-122 856**
Operating result		-4 271	-9 524	-23 235	-22 847
Finance income		-911	1 239	3 831	2 084
Finance cost		557	-1 291	-4 213	-4 031
Net financial items		**-354**	**-52**	**-382**	**-1 947**
Profit before tax		**-4 625**	**-9 576**	**-23 618**	**-24 794**
Income tax expense		-	-	-	-
Profit for the period		**-4 625**	**-9 576**	**-23 618**	**-24 794**
Other comprehensive income					
Exchange differences		114	-92	-331	-222
Total other comprehensive income		**114**	**-92**	**-331**	**-222**
Total comprehensive income for the period		**-4 512**	**-9 668**	**-23 949**	**-25 016**

4th quarter Statement of Profit and Loss is not audited

Statement of Financial Position –Gentian Diagnostics Group

	Note	2022	2021
(figures in NOK thousands)		31.12	31.12
Assets			
Non-Current Assets			
Intangible assets	9	26 820	25 006
Property, plants and equipment		9 724	3 363
Right-of-use assets		11 913	16 125
Total Non-Current Assets		**48 458**	**44 495**
Current Assets			
Inventory		38 544	29 779
Accounts receivables and other receivables		19 188	22 580
Cash and cash equivalents		81 599	114 936
Total Currents Assets		**139 332**	**167 295**
Total Assets		**187 790**	**211 790**
Equity and liabilities			
Paid-in equity			
Share capital	11	1 542	1 542
Share premium		293 810	293 810
Other paid-in equity		15 294	11 941
Total paid-in equity		**310 646**	**307 293**
Retained earning			
Retained earning		-156 477	-132 528
Total retained equity		**-156 477**	**-132 528**
Total equity		**154 170**	**174 766**
Liabilities			
Lease liabilities	10	11 624	14 470
Total non-current liabilities		**11 624**	**14 470**
Current liabilities			
Accounts payable and other current liabilities		21 996	22 554
Total current liabilities		**21 996**	**22 554**
Total liabilities		**33 620**	**37 024**
Total equity and liabilities		**187 790**	**211 790**

4th quarter Statement of Financial Position is not audited

Statement of changes in equity

(figures in NOK thousands)

	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 01.01.2021	**1 541**	**293 241**	**7 309**	**-107 512**	**194 579**
Net result for the year				-24 794	-24 794
Other comprehensive income					
Proceeds from share issue	1	569			570
Cost of share issue					
Share based payments			4 633		4 633
Other changes in equity				-222	-222
Equity at 31.12.2021	**1 542**	**293 810**	**11 941**	**-132 528**	**174 766**
Equity at 01.01.2022	**1 542**	**293 810**	**11 941**	**-132 528**	**174 766**
Net result for the year				-23 618	-23 618
Other comprehensive income					
Proceeds from share issue					
Cost of share issue					
Share based payments			3 353		3 353
Other changes in equity				-331	-331
Equity at 31.12.2022	**1 542**	**293 810**	**15 294**	**-156 477**	**154 170**

4th quarter Statement of changes in equity is not audited

Cash Flow Statement

	2022	2021	2022	2021
(NOK 1000)	Q4	Q4	01.01-31.12	01.01 - 31.12
Operating activities				
Net profit (loss)	-4 625	-9 576	-23 618	-24 794
Depreciation and amortisation	2 767	1 021	10 243	7 351
Change Inventory	-3 208	-3 741	-8 765	-8 904
Change Accounts Receivables	-5 567	-459	-3 550	1 120
Change Accounts Payables	-887	92	-532	-833
Accrued cost of options	894	1 773	3 353	4 633
Change in other assets and liabilities	168	-2 248	7 329	-5 626
Net cash flow from operating activities	**-10 458**	**-13 138**	**-15 539**	**-27 053**
Investing activities				
Payments of property, plant and equipment	-670	1 534	-8 632	-1 024
Investment in intangible assets	-453	-4 097	-6 155	-11 791
Net cash flow from investing activities	**-1 123**	**-2 562**	**-14 787**	**-12 815**
Financing activities	-	-	-	-
New debt	-	-	454	-
Loan instalments	-812	-1 380	-3 134	-3 691
Proceeds from issue of share capital		570	-	570
Net cash flow from financing activities	**-812**	**-809**	**-2 680**	**-3 121**
Net change in cash and cash equivalent	-12 394	-16 510	-33 006	-42 989
Cash and cash equivalents at beginning of period	93 880	131 315	114 936	157 985
Effect of currency translation of cash and cash equivalents	114	131	-331	-60
Net Cash and cash equivalents at period end	**81 599**	**114 936**	**81 599**	**114 936**

4th quarter Cash Flow Statement is not audited

Notes

1. General information

Gentian Diagnostics ASA is registered in Norway and listed on the 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.

2. Accounting principles

The interim condensed consolidated financial statements for the Group are prepared using the same accounting principles and calculation methods as used for the annual financial statements 2021 for Gentian Diagnostics ASA.

The accounting principles used have been consistently applied in all periods presented, unless otherwise stated.

Amounts are in thousand Norwegian kroner unless stated otherwise. The Groups presentation currency is NOK (Norwegian kroner). This is also the parent company's functional currency. The company uses currency rates given by DNB ASA.

2.1. Basis of preparation

The quarterly financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting Standards and interpretations in issue but not yet adopted.

No new accounting standards and interpretations have been published that have been assessed to be of material impact for the Group in 2022.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries. As at 31 December 2022, Gentian AS, located in Moss, Norway is a 100% owned and controlled subsidiary.

3. Sales and revenue

Revenue by classification	4Q22	4Q21	2022	2021
Sales revenue	27 911	21 734	101 636	83 122
Public grants	2 959	3 208	10 287	16 887
Other revenue	-	-	-	-
Total	**30 870**	**24 942**	**111 922**	**100 009**

Geographical split	4Q22	4Q21	2022	2021
Europe	19 555	13 632	71 571	55 676
Asia	7 271	7 619	23 609	25 008
USA	1 085	483	6 456	2 438
Total	**27 911**	**21 734**	**101 636**	**83 122**

Sales by product	4Q22	4Q21	2022	2021
Renal diagnostic products	9 417	10 482	39 966	36 227
Inflammation diagnostic products	13 563	7 590	42 886	32 331
Other diagnostic products	4 932	3 661	18 784	14 563
Total	**27 911**	**21 734**	**101 636**	**83 122**

4. Public Grants

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

	4Q22	4Q21	2022	2021
Norwegian Research Council and Eurostars	1 652	2 677	6 298	10 943
Innovation Norway	-	173	-	1 194
SkatteFUNN	1 307	357	3 989	4 750
Total	**2 959**	**3 208**	**10 287**	**16 887**

5. Operating expenses by function

	4Q22	4Q21	2022	2021
Cost of goods sold	13 849	10 558	52 635	43 176
Sales and marketing expenses	6 324	4 065	21 490	15 145
Administration expenses	5 788	13 304	27 973	32 769
Research and development expenses	6 412	5 518	22 817	24 416
Depreciation	2 767	1 022	10 243	7 351
Total	**35 141**	**34 466**	**135 158**	**122 856**

6. Cost of goods sold

	4Q22	4Q21	2022	2021
Change in inventory of goods under manufacture and finished goods	969	8 890	1 368	3 727
Purchase of goods	6 081	-4 984	24 412	16 086
Production salary	5 577	5 231	20 978	18 662
Other production expense	1 222	1 422	5 877	4 702
Total	**13 849**	**10 558**	**52 635**	**43 176**

7. Employee benefit expenses

	4Q22	4Q21	2022	2021
Wages and salaries	12 319	11 348	48 456	43 733
Payroll tax	1 777	3 075	5 876	6 888
Pension costs (mandatory occupational pension)	839	713	3 171	1 733
Share based payments	894	1 894	3 353	4 633
Other expenses	71	482	1 032	1 214
Transfer to COGS	-5 577	-5 231	-20 978	-18 662
Total	**10 324**	**12 281**	**40 910**	**39 539**

8. Research and Development expenses

The Gentian Group has per 31 December 2022 four ongoing R & D projects. Costs related to the projects consist of salary, external procurement of services, and other operating expenses. One project went over in the development phase in 2016 and one additional in 2021, and consequently the capitalisation of the costs in these projects was started.

Recognised research and development expenses	4Q22	4Q21	2022	2021
Purchase of external services	2 664	4 330	7 972	9 023
Salary and other operating expenses	5 403	5 151	20 873	27 050
Capitalised research and development expenses	-1 654	-3 964	-6 029	-11 658
Total	**6 412**	**5 518**	**22 817**	**24 416**

9. Intangible assets

As of 31 December 2022, the recognised intangible assets in the Group amounts to MNOK 26 806. The intangible assets are derived from capitalisation of R&D expenses.

Intangible assets are tested for impairment at least annually, or when there are indications of impairment.

The impairment test is based on an approach of discounted cash flows. The valuation is sensitive to several assumptions and uncertainties, and the result from the valuation is thus limited to ensure sufficient certainty for the recognised amount in the financial statement.

10. Interest bearing debt

Loan and loan expenses is recorded in the balance sheet and expensed in the Statement of Profit and Loss at amortised cost. If a loan and loan expenses is related to an asset, and the real value of the asset is lower, the asset is written down to its real value. There was no value adjustment of assets in 4Q22.

Interest bearing debt for Gentian is relating to instrument leases and calculated leases based on contracts according to IFRS 16.

11. Share capital and number of shares

20 largest shareholders in Gentian Diagnostics ASA as of 31 December 2022 according to VPS and disclosures from investors:

Shareholder	**No of shares**	**%**
Vatne Equity AS	2 110 224	13.68 %
Kvantia AS	1 623 368	10.53 %
Holta Life Sciences AS	1 214 702	7.88 %
Verdipapirfondet Delphi Nordic	973 999	6.32 %
Safrino AS	800 000	5.19 %
Skandinaviska Enskilda Banken AB	492 150	3.19 %
Salix AS	363 235	2.36 %
Verdipapirfondet DNB SMB	361 291	2.34 %
Verdipapirfondet Storebrand Vekst	341 484	2.21 %
J.P. Morgan SE	325 000	2.11 %
Portia AS	300 000	1.95 %
Equinor Pensjon	245 047	1.59 %
Krefting, Johan Henrik	236 500	1.53 %
Cressida AS	235 000	1.52 %
Verdipapirfondet Equinor Aksjer NO	227 880	1.48 %
Carpe Diem Afseth AS	221 797	1.44 %
Lioness AS	220 000	1.43 %
Marstal AS	212 407	1.38 %
Mutus AS	210 465	1.36 %
Vingulmork Predictor AS	184 083	1.19 %
Other Shareholders	4 523 718	29.33 %
Total Shares	**15 422 350**	**100.00%**

12. Earnings per share

	4Q22	4Q21	2021
Loss for the period	-4 625 422	-9 576 000	-24 794 000
Average number of outstanding shares during the period	15 422 350	15 422 350	15 422 350
Earnings/ loss (-) per share - basic and diluted	-0.300	-0.621	-1.608

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.

13. Share-based compensation

The company has a share option program covering certain key employees. Per 31 December 2022, fifteen 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.

	4Q22	4Q21	2021
Outstanding options at beginning of period	740 590	594 916	594 916
Options granted	219 996	155 674	155 674
Options forfeited	-	-10 000	-10 000
Options exercised	-	-	-
Options expired	-	-	-
Outstanding options at end of period	960 586	740 590	740 590

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
2027-12	46.67	219 996
		960 586

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 (42.74 %), expected dividend yield (0 %), expected term of 5 years, annual risk-free interest rate (2.87 %). The volatility is based on other comparable companies' stock price volatility. 219 996 new options have been granted in 4Q22.

14. Transactions with related parties

The Group 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 was MNOK 7.7 per 31 December 2022 (MNOK 11.7 per 31 December 2021).

15. Tax

The Group has carried forward losses which are not capitalised as it is uncertain when the Group will be in a tax position. The loss carried forward per 31 December 2022 is estimated to NOK 194 million. The Group will continuously assess the probability of when it will be in a tax position and when to consider a capitalisation of the loss carried forward.

Alternative performance measures

Non-IFRS financial measures / alternative performance measures

In this quarterly 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	**4Q22**	**4Q21**	**2022**	**2021**
(NOK 1000)				
Revenue from contracts with customers	27 911	21 734	101 636	83 122
Revenue growth	6 194	4 538	18 538	19 795
Impact using exchange rates from last period	-1 254	1136	-1 750	4 399
Impact M&A	-	-	-	1 954
Organic revenue growth	4 940	5 674	16 788	26 148
Organic revenue growth %	23 %	33 %	21 %	43 %

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	**4Q22**	**4Q21**	**2022**	**2021**
(NOK 1000)				
Employee benefit expenses	10 324	12 281	40 910	39 539
Other operating expenses	8 201	10 606	31 369	32 790
Total other operating expenses **after** capitalisation of R&D expenses	18 525	22 887	72 279	72 330
Capitalisation	1 654	3 965	6 029	11 659
Total other operating expenses **before** capitalisation of R&D expenses	20 179	26 851	78 308	83 988

Reconciliation	**4Q22**	**4Q21**	**2022**	**2021**
(NOK 1000)				
Other non-salary related operating expenses **after** capitalisation of R&D expenses	8 201	10 605	31 369	32 790
Capitalisation	414	2 998	2 336	8 579
Other non-salary related operating expenses **before** capitalisation of R&D expenses	8 614	13 604	33 705	41 370

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	**4Q22**	**4Q21**	**2022**	**2021**
(NOK 1000)				
Total Revenue	30 870	24 942	111 922	100 009
Total Operating Expenses	-35 141	-34 466	-135 158	-122 856
EBIT	-4 271	-9 524	-23 235	-22 847
Depreciation and Amortisation	2 767	1 022	10 243	7 351
EBITDA	-1 504	-8 503	-12 992	-15 496

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.

	4Q22	4Q21	2022	2021
(NOK 1000)				
Revenue from contracts with customers	27 911	21 734	101 636	83 122
COGS	13 849	10 558	52 635	43 176
COGS % of Revenue from contracts with customers	50 %	49 %	52 %	52 %

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.

	4Q22	4Q21	2022	2021
(NOK 1000)				
Non-cash shared-based compensation	894	1 894	3 353	4 633