
gentian
2023
Annual report

Efficient diagnostics for better treatment decisions

www.gentian.com

Contents

Gentian Diagnostics in 2023

Main achievements

- Full year sales of NOK 135.2 million in 2023, up 33% vs 2022 (21% organic growth)
- All products and geographic areas showed positive sales development in 2023 compared to 2022
- EBITDA for the full year 2023 of NOK 3.3 million, compared to NOK -13.0 million in 2022
- Year-end cash position at NOK 87.6 million, up NOK 6.0 million compared to year-end 2022
- Cystatin C sales increased 41% in 2023 compared vs 2022
- Third party product sales conducted by Gentian Diagnostics AB increased 67% in 2023 vs 2022
- Launch of the Gentian Retinol-Binding Protein (RBP) open channel immunoassay. A new CE-marked turbidimetric instrument independent assay, with the key demand driver being the aging population and lifestyle associated diseases and deficiencies.
- Confirmed clinical value of GCAL, validated by clinical trial, for early detection of severe infections and prediction of clinical deterioration in an emergency setting
- Optimisation of the NT-proBNP prototype continues with noteworthy progress and preparations for production scalability experiments were initiated
- Acquisition of Getica AB (Gothenburg, Sweden) to secure unique R&D capabilities and to gain control of critical production competence with estimated operational gains of approximately NOK 2.0 million from 2024

Key figures

NOK million, if not otherwise specified	2023	2022	2021	2020
Revenue from contracts with customers	135.2	101.6	83.1	63.3
Sales growth	*33%*	*22%*	*31%*	*32%*
Total revenue	142.3	111.9	100.0	78.9
Total revenue growth	*27%*	*12%*	*27%*	*42%*
EBITDA	3.3	-12.9	-15.5	-11.2
*EBITDA margin**	*2%*	*-12%*	*-15%*	*-14%*
Profit for the year	-10.6	-23.6	-24.8	-17.5
Profit margin	*-7%*	*-21%*	*-25%*	*-22%*
Net cash flow from investing activities	-4.8	-14.7	-12.8	-6.5
Cash and cash equivalents	87.6	81.6	114.9	158.0
Equity ratio	81%	82%	83%	83%

*EBITDA margin: EBITDA divided by total revenue

About Gentian Diagnostics

Gentian Diagnostics (OSE: GENT), develops and manufactures high-quality, in vitro diagnostic reagents. Gentian's expertise and focus lies within homogenous immunoassays, 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 headquartered 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

"For 2023, Gentian's total revenue reached NOK 142 million. With a positive EBITDA of NOK 3.3 million, we have achieved a key milestone for the company. In addition, we have generated NOK 6 million in cash, while we have and will continue to invest in the growth of our company."

Hilja Ibert

CEO, Gentian Diagnostics ASA

Dear shareholder,

Key demographic trends, including an aging population, a rise in lifestyle-related diseases, and ongoing healthcare cost pressures, have underscored the urgent need for enhanced efficiency in laboratories and among clinicians. We take pride in addressing this critical market demand with our clinically relevant products. Our offerings empower laboratories to boost their productivity and enable clinicians to diagnose diseases at an earlier stage, leading to better clinical outcomes. This contributes to both saving costs and protecting life, which is of tremendous value on an individual level and for society at large.

With our portfolio of seven diagnostic tests, addressing key disease areas like sepsis, autoimmune diseases including rheumatoid arthritis, kidney diseases, malnutrition, and heart failure, we are targeting a total serviceable market of USD 1.8 billion expected to grow by a solid 5-10% annually during the next 4-6 years.

For more than 5 consecutive years we have achieved high double-digit sales growth. As well in 2023, we are encouraged by the continued increasing demand for our products, which resulted in a sales revenue growth of 33% (21% on an organic basis). As in earlier years, this growth rate is significantly surpassing the organic market growth, which is a confirmation of the validity of our strategy. I would like to highlight that all our achievements are based on the engagement of our exceptional team and the excellent collaboration with our commercial partners, of which many of them are market leading IVD companies.

An example of the added value, for which our biomarkers are recognised, is Cystatin C. It is a superior glomerular filtration rate (GFR) marker for the diagnosis and therapeutic control of renal dysfunction. It supports the early detection of reduced kidney function and is body mass and race independent, which has led to an increased clinical adoption of this marker, especially for selected patient groups. The sales growth of Cystatin C reached an all-time high of 41% in 2023.

Another contributor to our current and future sales revenue growth is the GCAL® assay, measuring calprotectin in plasma and serum. This assay is pivotal in identifying severe inflammations and infections that may lead to sepsis, a condition responsible for over 10 million fatalities annually. The number of publications on calprotectin has been significantly increasing over the past years, all of them confirming the value of early detection of inflammations and infections, and with this the avoidance of sepsis. Following the recent publications[1] of studies conducted in collaboration with the Charité Hospital /Labor Berlin and Karolinska Hospital, calprotectin was found to be a valuable biomarker for the detection of bacterial infections and assessment of disease severity. The results showed that GCAL is superior to established biomarkers in detecting patients with the need for direct transfer to intensive care. Even though we know through experience that it takes time to establish a new diagnostic test in the market, the studies reveal the significant long-term potential for GCAL.

For 2023, Gentian's total revenue reached NOK 142 million. With a positive EBITDA of NOK 3.3 million, we have achieved a key milestone for the company. In addition, we have generated NOK 6 million in cash, while we have and will continue to invest in the growth of our company.

Innovative diagnostic assays are essential for the prevention, early detection, and treatment monitoring of diseases. In 2023, we launched the Gentian Retinol Binding Protein (RBP) assay, offering diagnosis and monitoring of lifestyle associated diseases which complements our existing product portfolio. Looking ahead, we expect our established products to continue to deliver annual sales revenue growth of more than 20% enabled by their strong value propositions. Further upsides lie in our highly relevant diagnostic tests in market development (GCAL®) and product development (NT-proBNP). In addition, we are constantly working on our pipeline of promising yet-to-be-disclosed R&D projects to ensure that we bring a steady stream of relevant products to the market.

At Gentian, we are unified in our mission to innovate diagnostic efficiency for better treatment decisions. We are acting in the demanding life-science market, which requires unique technology and scientific expertise. I am proud to be part of such an experienced and engaged team, which represents a unique strength of our company. Together we have the ambition to continue our journey to deliver sales growth, operational efficiency, and attractive long-term shareholder returns.

Hilja Ibert

[1] Karolinska study: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9922172/
Charité Hospital /Labor Berlin study: https://www.gentian.com/news/calprotectin-acute-infections-sepsis

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. Our headquarters and production facilities are located in Moss, Norway, with distribution subsidiaries in Sweden and the US, and a representative office in China.

Gentian serves the immunochemistry segment of the in vitro diagnostics (IVD) market by making assays available on fully automated, high throughput platforms. Gentian offers immunoassays that enable clinical laboratories to move from low volume immunology platforms to fully automated, high throughput instruments with shorter turnaround times, better workflow, faster time-to-result, and improved cost efficiency. This supports clinicians in their constant objective for better treatment decision.

The current portfolio and pipeline of efficient and accurate reagents span areas of inflammations, severe infections, kidney diseases, 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, an 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. In 2023, the company launched its Retinol Binding Immunoassay.

During the last 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 inflammations.

The company also has a pipeline of potential new markers with the cardiac marker NT-proBNP being the most advanced project. The Gentian NT-proBNP assay will be the first test of its kind available on high-throughput analysers which should increase laboratory productivity and reduce overall costs. Additional benefit may include addressing the need for standardization and harmonization of results. In addition to NT-proBNP, the company also have two undisclosed markers in an exploratory, pre-proof of concept phase.

Gentian Diagnostics ASA was admitted to the Oslo Stock Exchange list 'Euronext Growth' in December 2016. In June 2021 the listing of the shares was successfully transferred to Euronext Oslo Børs. The company currently has more than 800 shareholders.

Employees

58 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 or private-driven institutions which serve the outpatient segment and hospitals which outsource the laboratory work for efficiency or cost reasons. 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 categories:

- Global diagnostics companies: Manufacturers of the clinical chemistry instrument platforms who offer Gentian reagents as part of their reagent menu.
- Distributors: In selected markets the group does not serve directly.
- Healthcare providers: Large healthcare institutions in selected markets through direct commercial efforts.

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 mission it to innovate diagnostic efficiency for better treatment decisions. 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 the Gentian Cystatin C Immunoassay (IVDR and FDA-510(k) cleared), the GCAL® circulating calprotectin immunoassay (IVDR), the Gentian Retinol Binding Protein (RBP) Immunoassay (CE-IVDD marked, FDA exempt) and the Gentian Canine CRP.

Gentian is the sole reagent manufacturer for the faecal calprotectin immunoassay fCAL® turbo (IVDR and FDA-510(k) cleared) in addition to the pancreatic elastase immunoassay fPELA® turbo (IVDR, FDA exempt). These immunoassays are sold exclusively through Gentian's partner BÜHLMANN Laboratories.

Gentian also coordinates international R&D projects and clinical study programs partnered by large clinical and commercial organisations. Gentian has several new diagnostic products in its product pipeline, for further product portfolio expansion in the coming years. Selection of products in development is based upon market requirements with significant business potential. The process includes market research, input from key opinion leaders as well as from 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 healthcare 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 95 billion in global end-user revenue in 2022[1]. The IVD market is divided among multiple testing disciplines, including immunochemistry, molecular diagnostics, anatomical pathology, microbiology, haematology, and coagulation, among others. Gentian competes in the largest market segment (excluding the impact of COVID-19), the immunochemistry segment, which represented a USD 38 billion global market in 2022[1].

The COVID-19 pandemic had temporarily added considerable testing volumes and revenues to the IVD market with an estimated market size of USD 32 billion in 2022[2].

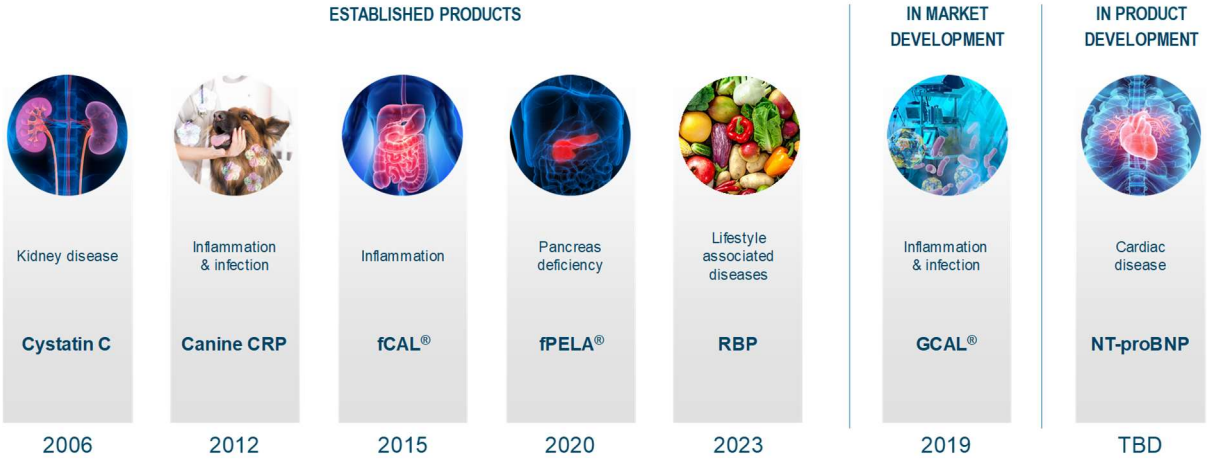
Based on the diseases addressed by Gentian's established products, products in market development and products in technical development, the group's total addressable market is USD 6.1 billion with a corresponding serviceable market of USD 1.83 billion*, growing at an estimated 5-10% annually.

	Total Addressable Market, USDm	Total Serviceable Market, USDm	Target market share, unrisked	Gentian's revenue take	Serviceable Market annual growth rate, next 4-6 years
Established products	2,220	240*	~25%	30-50%	5-10%
GCAL infection (sepsis)	1,000	440	~15%	30-50%	7%
GCAL inflammation	1,250	250	Under evaluation	30-50	Under evaluation
NT-proBNP	1,700	900	~15%	30-50%	5-10%
Total	**6,100**	**1,830**	**>15%**	**30-50%**	**5-10%**

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

Our products

Overview



Inflammation & infection

GCAL®

Circulating calprotectin: Sensitive and early biomarker in detection and risk stratification of inflammation and severe infection.

The Gentian GCAL® Calprotectin Immunoassay 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, inflammatory and autoimmune conditions like rheumatoid arthritis, and juvenile idiopathic arthritis, and in COVID-19 management.

Gentian, together with national and international research institutes and hospitals, continues to perform and publish new clinical studies to demonstrate the clinical utility of calprotectin. Focus areas for GCAL® clinical studies are severe infections including sepsis. The studies have resulted in promising results reporting calprotectin as a sensitive and early detection marker in infection diagnosis, differentiation between bacterial and viral infections and prediction of disease severity, including sepsis and mortality, serving valuable tool in patient assessment and management. Furthermore, in viral sepsis caused by COVID-19, calprotectin has been reported as valuable risk marker for prediction of severe events, like the need for invasive ventilation, organ failure, ICU admission, and mortality. Also, the awareness of diagnostic potential of calprotectin in autoimmune and inflammatory conditions is rapidly increasing. A steadily growing body of scientific evidence, including the incorporation of S100 proteins in an official guideline from EULAR, is driving the market adoption of calprotectin into daily routine. Gentian is actively engaged with KOLs in the autoimmune and inflammatory field and has engaged in a new clinical study focussing on the inflammatory skin condition hidradenitis suppurativa.

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 2.25 billion with USD 1 billion for diagnostics of infections and USD 1.25 billion being related to diagnostics of inflammatory conditions.

GCAL® is available as an IVDR cleared product in Europe and plans are being evaluated to introduce the product in other markets, including US market introduction.

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 for 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, IVDR certification in 2022, validations on all major clinical chemistry analysers, and a supply agreement with Roche Diagnostics through BÜHLMANN Laboratories.

The market for faecal calprotectin testing is continuously growing due to both increased demand as well as the adoption of faecal testing in automated routine laboratories, converting from manual or semi-automated procedures. fCAL® turbo sales grew by 19% in 2023, being one of the largest growth elements to Gentian sales.

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 assay utilises canine-specific antibodies to ensure consistent specificity to the canine CRP antigen, in contrast to other canine CRP assays in the market which are dependent on cross-reactivity of human antibodies to the CRP in canine samples. The assay is an easy, reproducible, and cost-efficient test, which is essential for an efficient and uncomplicated inclusion of this inflammation marker into the veterinary routine test panel. The Gentian Canine CRP assay is sold directly to end-users, to distributors, and as bulk to diagnostic companies. The sales grew by 17 % in 2023, reaching NOK 10 million, with a substantial sales growth of 63 % in the US market.

Renal

Cystatin C

Aid in 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 2023 vs 2022 and was the number one growth driver for Gentian in the US, while demand in Asia (China) increased after the relief of the extended COVID related lockdown measures. 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 patients' racial components has been recognised[2,3], with a recommendation to include Cystatin C in establishing the eGFR. The eGFR is a main measure for kidney function. Cystatin C is gaining momentum in Europe[4] based upon these new recommendations. Gentian, together with its partners, including the long-standing collaboration with Beckman Coulter, is well positioned to gain further 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 current sales in Europe as well as in the US, where the assay was successfully launched as an FDA-exempt product. Registrations are ongoing in several key markets, and validations continue for use on newly introduced clinical chemistry analysers. fPELA® turbo had the highest sales growth in percentage of all Gentian products in 2023, with a sales growth of 48 %.

Lifestyle associated diseases

RBP – Retinol Binding Protein

Assessment of nutritional status.

The Gentian Retinol-Binding Protein Immunoassay is a quantitative immunoassay for detection of Retinol-Binding Protein (RBP or RBP4) in human serum and plasma. It is CE-marked, UKCA-marked and FDA 510(k) exempt.

RBP is a transport protein for retinol (derivate of vitamin A) in blood. Its measurements can be used as surrogate marker for vitamin A to diagnose Vitamin A deficiency (VAD). RBP is a low molecular weight protein and therefore responds to both protein and calorie restriction and therefore be used as an aid in determining undernutrition. In addition, increased RBP levels are associated with both increased risk for diabetes and renal dysfunction.

The RBP assay was launched in 2023 and commercial rollout has been initiated.

Cardiac – under development

NT-proBNP

First NT-proBNP assay on clinical chemistry analysers.

Gentian's NT-proBNP assay is currently in the optimisation phase of development and aims to be the first turbidimetric in vitro diagnostic test for the quantitative measurement of NT-proBNP. This test is the predominant laboratory test for the diagnosis, treatment, and monitoring of patients with heart failure. NT-proBNP is already available on chemiluminescence-based diagnostic platforms. Gentian's goal is to make NT-proBNP testing more accessible on high-volume clinical chemistry analysers, which should increase laboratory productivity, reduce overall costs, and addressing the increasing demand for standardisation. The growing cost burden in healthcare systems due to an aging population and lifestyle choices is driving the increasing demand for NT-proBNP testing.

During the year a working prototype was developed. Extensive testing of this prototype 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.

Development status

The current prototype has successfully reproduced the results from earlier investigations, which is the basis for the finalization of the optimization phase.

Simultaneously, preparations for production scalability experiments were initiated during the fourth quarter of 2023. These experiments aim to evaluate the efficiency of the preferred manufacturing process at elevated volumes.

On the clinical side, the team have tested the initial clinical performance of the prototype by using blood samples from patients with confirmed heart failure. As described in earlier reports, the NT-proBNP assay is a tool to assist in the diagnosis of heart failure, including fast and accurate exclusion of congestive heart failure. While the preliminary results show promise, Gentian acknowledges the need for more extensive testing to confirm these findings. Furthermore, additional clinical data is deemed essential to meet regulatory requirements ahead of the anticipated product launch.

Notwithstanding the continuous progress, the company is still unable to provide a specific timeline for the completion of the remaining optimisation phase. However, if the product successfully completes this phase, subsequent phases are typically characterised by lower risk. We estimate that the development period for NT-proBNP after completion of optimisation will be between 6 and 9 months.

It is important to note that the product will fall under the new IVDR regulatory regime, which will add an additional 6-9 months before commercial launch.

References: *1. Kalorama 2022, The Worldwide Market for In Vitro Diagnostic Tests 14th Edition, 2. 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, 3. Ebert N, Shlipak MG. Cystatin C is ready for clinical use. Curr Opin Nephrol Hypertens. Nov 2020;29(6):591-598, 4. Pottel H et al, Cystatin C–Based Equation to Estimate GFR without the Inclusion of Race and Sex. N Engl J Med 388;4 January 26, 2023.*

Board of Directors report

Company overview

Gentian Diagnostics' 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 develop homogenous immunoassays based on internally developed technology and knowhow to convert existing biomarkers to the most efficient automated, high-throughput analysers. Gentian is headquartered in Moss, Norway, serving the global human and veterinary diagnostics markets through sales and representative offices in Sweden, USA, and China.

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 five established products – Cystatin C, fCAL® turbo, Canine CRP, fPELA® turbo, and Retinol Binding Protein (RBP) – that contributed to 30% annual sales revenue growth in 2019-2023. In addition, GCAL® is in market development while NT-proBNP is in the product development phase – with both having potential to generate significant revenue for the company. The company currently has two undisclosed projects in exploration and 'proof of concept' phases.

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 and inflammation, which as an example supports the avoidance of sepsis.

Bring a steady stream of new high-impact diagnostic tests to market with NT-proBNP in optimisation and two 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

Total revenues in 2023 was NOK 142.3 million versus NOK 111.9 million in 2022. Net loss for 2023 was NOK 10.6 million, versus a net loss of NOK 23.6 million in 2022.

Total research and development spending in 2023 was NOK 28.5 million of which NOK 3.5 million is capitalised and the remaining NOK 25.0 million is treated as operating expenses in the profit and loss statement. In 2022 the total research and development spending were NOK 28.8 million of which NOK 6.0 million were capitalised and NOK 22.8 million was treated as operating expenses.

Cash flow from operations for the group was NOK 15.4 million in 2023 compared to NOK -13.9 million in 2022, while the operating loss for the group totalled NOK 12.8 million in 2023 versus NOK 23.2 million in 2022. The difference between operating cashflow and the operating loss is primarily due to depreciation, capitalisation, and timing differences.

Cash and equivalents totalled NOK 87.6 million per 31 December 2023, which is satisfactory. Per December 2022 the cash and equivalents were NOK 81.6 million.

Total assets per 31 December 2023 was NOK 181.0 million versus NOK 187.8 million per 31 December 2022.

Company results

Net loss for 2023 was NOK 8.5 million, versus a net loss of NOK 7.5 million in 2022. The board of directors proposed that the loss is transferred to accumulated loss.

Total assets per 31 December 2023 was NOK 262.5 million compared to NOK 269.4 million per 31 December 2022. Equity ratio (equity over total assets) per 31 December 2023 was 99.2 % compared to 98.9 % per 31 December 2022. 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 2022, Gentian obtained IVDR certification by TüV SÜD as complying with the European In-Vitro Diagnostic Regulation (IVDR), EU 2017/746. This certification granted by notified bodies such as TüV SÜD is required for in-vitro diagnostics products to continue being sold in the European Union. The extensive requirements of IVDR were adopted by the European Parliament in 2017 with gradual implementation from 26 May 2022.

Long-term outlook

Gentian targets disease groups that represent a total addressable market of around USD 6.1 billion globally and an estimated growth rate of 5-10% 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 USD 1.8 billion (2022), with an estimated annual growth rate in line with the addressable market.

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 homogenous immunoassay and 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.

Established products

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

Market development

GCAL®

- 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.

Product development

NT-proBNP

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

Pipeline

- Achieve proof-of-concept for new pipeline projects.

Corporate governance

The board of Gentian Diagnostics ASA 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 million 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, supply chain issues, currency volatility, and access to growth capital.

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. The group has identified the following primary financial risks:

Credit risk

In the ordinary course of business, the group enters into contractual relationships with various parties. As the customers are invoiced after the products have been delivered, the company is exposed to credit risk.

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 2023, 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 global sale of diagnostic products. The group currently does not hedge against foreign currency risk and is mainly exposed to fluctuations in EUR, USD, and RMB. The group monitors movements in the main currencies which it is exposed to and may put in place hedges if deemed necessary. Translation risk in the group arises when amounts denominated in foreign currencies are converted to NOK, the group's reporting, and functional currency. Two of the group's

subsidiaries have SEK as their 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: Product recalls and product liability.

Mitigating actions: Established state of the art quality system as confirmed by ISO 13485:2016 certification. The group has taken out extensive product liability insurance.

Risk factor III: 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.

Risk factor IV: Interruption of raw material supply

Mitigating actions: Carry a sufficient stock of raw materials, perform incoming control, and qualify alternative suppliers.

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.

Working environment and equal opportunities

Gentian Diagnostics ASA is an equal opportunity employer. The group had 58 employees by the end of 2023 of which 37 are women. The working environment is good. As of 31 December 2023, the board of directors has 6 members of which 3 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 two 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.

The group is continuously mapping and assessing the materiality and risk of our operations which potentially could have a negative impact on fundamental human rights and decent working conditions in the supply chain. For more details, see the ESG report section and the supplier code of conduct on www.gentian.com.

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, 20 March 2024

For Gentian Diagnostics ASA

Tomas Settevik	Kari E. Krogstad	Espen Tidemann Jørgensen
Chairperson	Board member	Board member
Sign.	Sign.	Sign.
Kjersti Grimsrud	Fredrik Thoresen	Monika Neuman
Board member	Board member	Board member
Sign.	Sign.	Sign.

Hilja Ibert

CEO

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 Diagnostics, 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 Diagnostics 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 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 considers 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. The code of conduct is available on www.gentian.com

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 six members:

Chair Tomas Settevik (born 1960), independent director, 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 (2004-2008). 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), independent director, is currently Portfolio Manager of Holta Invest AS and Managing Director of Holta Life Sciences AS. He has 19 years of experience from financial markets, including positions as equity analyst at DNB Markets, and portfolio manager at Holta Invest AS. Mr. Jørgensen has previously been a member of the board of directors at Weifa ASA, and Cortendo plc (now Strongbridge BioPharma plc). He is currently a board member at Decisions AS in addition to Gentian Diagnostics ASA. Mr. Jørgensen holds a Master's degree in Economics, and has completed 3 years of medical studies at the University of Oslo.

Kari E. Krogstad (born 1964), independent director, 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 ASA, where she has led Invitrogen Dynal AS 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.

Fredrik Thoresen (born 1980) is a partner in Kvantia AS which currently holds 11.93% of the outstanding shares in Gentian Diagnostics ASA. Mr. Thoresen has previous buy and sell-side experience from Storebrand Asset Management, SEB, DNB Markets, and Sector Asset Management AS. Mr. Thoresen has an MBA in International Business from Middlebury Institute of International Studies, Monterey, California, and a bachelor's degree in computer science and economics from Augustana University, Sioux Falls, South Dakota.

Monika Neuman (born 1965), independent director, has more than 20 years of experience from the diagnostics industry, and is currently Managing Director for Sarstedt Group in the Nordics. During the past 5 years, Ms. Neuman has been working at Siemens Healthineers Laboratory Diagnostics HQ in Tarrytown, NY, to set a successful strategy for launch and implementation of a new product portfolio on

the global IVD market. Ms. Neuman holds a MSc degree in Biochemistry and a PhD degree in Clinical Bacteriology from Medical Faculty at the University of Gothenburg in Sweden.

Kjersti Grimsrud (born 1961), independent director, is currently President and COO of Infusion care at Convatec plc, where she has spent more than 5 years. She has over 30 years' experience in MedTech and IVD companies with roles in science, operations, and commercial in Axis-Shield ASA, and Alere Inc./Abbott, where she last held the position of VP Commercial EME (Europe Middle East) and International (APAC). Ms Grimsrud served as a board member of Biotec Pharmacon ASA (now ArcticZymes Technologies ASA) from 2011 to 2015. Ms. Grimsrud holds a master's degree in biotechnology from the Norwegian University of Science and Technology in Trondheim.

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 8 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, workload, 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 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, Runar Vatne and Erling Sundrehagen.

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 dialogue 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, except from Getica AB which was audited by PWC. 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. The company has established guidelines for the management's use of the external auditor for services other than auditing.

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. The choice of avian antibodies carries a range of specific benefits both for assay performance and sustainable antibody production. Avian antibodies are obtained by vaccinating hens with the target protein and produced antibodies can be conveniently extracted from the eggs. The antibodies specific to the desired antigen produced are transferred from the serum of the mother hen into the egg yolk. Importantly the antibody concentrations are even higher in the egg yolk than in serum itself. As result significantly higher quantities can be obtained from a single hen through her eggs compared to mammalian antibodies extracted by bleeding of the animal. Therefore, chicken eggs can be used as a non-invasive and cost-effective method to collect antibodies.

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 Regulation (EU) 2017/746 on in Vitro Diagnostic Medical Devices and complies with national and international standards, laws and regulations for design and development, manufacturing, and distribution of in vitro diagnostic products. The certified quality management system is subject to periodical surveillance by TÜV SÜD Product Service GmbH. 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, Australia and U.S. health Authorities' laws and regulations. To ensure clinical relevance and safety of Gentian's products clinical performance studies are designed in good study practice following requirements of the IVD EU 2017/746 Regulation (IVDR) and ISO 20916:2019.

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 2023, Gentian had no quality or safety incidents that led to any 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 age, gender, religion, socioeconomic background, political affiliation, ethnicity, nationality, disability, sexual orientation, or marital and parental status. The group had 58 employees per 31 December 2023. The employee gender balance is 64% women and 36% men. Sick leave for the year totalled 5.2% in 2023 (3.1% in 2022). The weighted employee turnover ratio in Gentian was 12% in 2023[2]. No work-related incidents resulting in lost time, first injury treatment or other medical follow-up were recorded in 2023.

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. Performance reviews are held twice a year for all permanent employees and include competence and career development such as courses, skills training or coaching. All employees have the freedom of association and the right to collective bargaining within national laws and regulations.

The systems and processes for HSE activities are supported by the HSE policy of the company. By taking appropriate measures, the company can meet requirements in terms of protection and facilitation of efforts to secure external environment and provide security for the employees. Responsibility for the HSE system at Gentian is delegated to the Safety representative and the HR manager. They are responsible for ensuring applicable processes are in place and that appropriate measures in terms of HSE are initiated, implemented, and monitored. They are also responsible for reporting reprehensible conditions to the CEO. The Fire manager is responsible for reporting and monitor any risks related to fire issues. The Technical manager and the HR manager are responsible for attaining documentation and warranties for all work done that repair on installations or make new instalments in the facilities.

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

[2] Weighted employee turnover percent last 12 months = (Number of employees who have left in the last 12 months/Average number of employees the last twelve months)*100

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 2023.

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 one's work seek to influence Gentian's employees and partners to maintain high ethical standards in their way of conducting businesses.

The code of conduct is available on www.gentian.com.

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 2023.

Supplier and customer qualification

As part of Gentian's quality management system and the ISO 13485 certification, all suppliers are initially evaluated and classified based on the material or service provided. Secondly, the suppliers are qualified according to defined criteria for the respective classification of the supplier. Supplier audits and quality management certifications are items evaluated as part of the qualification process. For critical suppliers and customers, a contract between the parties is required which contain a clause providing Gentian a right to perform quality audit of the supplier and customer. Audits are performed according to an annual audit plan covering supplier audits, customers, and distributors. During 2023 Gentian conducted five audits.

The requirements of the Transparency Act were implemented by 30 June 2023 in Gentian. These requirements include that the company shall have an overview of their suppliers and partners, and their respective activities. It requires that information regarding the value chain of the company is made public to all and requires companies to perform a due diligence assessment. This assessment consists of reviewing, preventing, correcting and explain how the business follows up and handle non-acceptable conditions in the value chain.

The group has a defined process for mapping and assessing the materiality and risk of our operations which potentially could have a negative impact on fundamental human rights and decent working conditions in the supply chain. Suppliers are selected and categorised as high, medium, or low risk based on risk criteria such as country, industry, and supply chain complexity. The group has initially prioritised the suppliers believed to have the highest inherent risk combined with business criticality and has started to follow-up these suppliers by investigating and requesting more information about their compliance with basic workers- and human rights. The supplier risk review is included as part of the annual supplier evaluation process to ensure new suppliers are evaluated and any changes to defined risk review criteria are evaluated for existing suppliers. The group has released a separate supplier code of conduct and has initiated work to have suppliers sign on to this code. The supplier code of conduct is available on www.gentian.com.

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 continuous improvement is crucial for minimizing the environmental impact of all businesses. A HSE policy, including environmental priorities, is implemented ensuring that Gentian is in compliance with current applicable national and international laws and regulations. All employees are provided training and awareness annually. Monitoring of the HSE system is performed annually as part of management review ensuring it is maintained and effectively integrated in the company's processes. A continuation of the groups effort to reduce the consumption of paper-based documentation completed a major step forward as all safety, quality and performance documents were in 2023 removed from the product documentation following the product and replaced with a QR code that enables electronic access to the same documents. Many of these documents are provided in multiple languages, as per regulatory requirements. 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. All biohazard material and poisons or hazardous chemicals and materials are disposed in designated bins. The content is declared by Gentian and further handled by the local waste company MOVAR.

An electronic system covers all the chemicals in Ecoonline. Risk-assessment is performed on all chemicals in this system, and substitution is evaluated in this process. Before substitution, the properties of the alternative, new chemical is sufficiently assessed. Emphasis is placed on hazard and risk assessment of the chemical, including its inherent properties, the operating procedures for use, the amount of chemical that will be used, storage and disposal, and so on. Performance and economic viability are also assessed.

The headquarter in Moss is powered entirely with renewable energy, as certified by our energy supplier in alignment with the international GHG Protocol scope 2 standards. 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 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 2023

Consolidated Statement of Profit or Loss and other comprehensive income

(NOK 1000)

	Note	2023	2022
Revenue from contracts with customers	6	135 153	101 636
Other operating revenue	7/22	7 193	10 287
Total revenue		**142 347**	**111 922**
Cost of goods sold	8	-66 750	-52 635
Employee benefit expenses	9/11	-47 352	-40 910
Depreciation and amortisation	14/17	-9 566	-10 243
Impairment	17	-6 469	-
Other operating expenses	10/11	-24 972	-31 369
Total operating expenses	24	**-155 109**	**-135 158**
Operating result		-12 762	-23 235
Finance income	12	5 807	3 831
Finance costs	12	-3 411	-4 213
Net financial items		**2 396**	**-382**
Profit before tax		-10 366	-23 618
Income tax expense	13	-282	-
Profit for the year		**-10 648**	**-23 618**
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		75	-331
Total other comprehensive income		**75**	**-331**
Total comprehensive income for the year		**-10 573**	**-23 949**
Earnings per share			
Basic EPS from net profit/loss	21	-0.69	-1.53
Diluted EPS from net profit/loss	21	-0.69	-1.53

Statement of Financial Position - Group as of 31 December

(NOK 1000)

	Note	2023	2022
Assets			
Non-current assets			
Intangible assets	**17**	21 158	26 820
Property, plant, and equipment	**14**	7 751	9 251
Right-of-use assets	**14/15**	10 294	12 386
Financial assets		101	-
Total non-current assets		**39 304**	**48 458**
Current assets			
Inventory	**18**	37 116	38 544
Accounts receivables and other receivables	**19**	16 976	19 188
Cash and cash equivalents	**20**	87 642	81 599
Total current assets		**141 734**	**139 332**
Total assets		**181 038**	**187 790**

Statement of Financial Position - Group as of 31 December

(NOK 1000)

	Note	2023	2022
Equity and Liabilities			
Paid-in equity			
Share capital	**21**	1 542	1 542
Share premium	**21**	293 810	293 810
Other paid-in equity		18 332	15 294
Retained earnings		-167 049	-156 477
Total equity		**146 636**	**154 170**
Non-current liabilities			
Lease liabilities	**15/16**	9 006	11 624
Deferred tax liabilities	**13**	73	-
Total non-current liabilities		**9 080**	**11 624**
Current liabilities			
Current lease liabilities	**15/16**	4 043	3 699
Account payables		3 706	4 443
Public taxes, duties etc.		4 570	4 965
Other short-term liabilities		13 003	8 889
Total current liabilities		**25 323**	**21 996**
Total liabilities		**34 402**	**33 620**
Total equity and liabilities		**181 038**	**187 790**

Moss, 20 March 2024

For Gentian Diagnostics ASA

Tomas Settevik	Kari E. Krogstad	Espen Tidemann Jørgensen
Chairperson	Board member	Board member
Sign.	Sign.	Sign.
Kjersti Grimsrud	Fredrik Thoresen	Monika Neumann
Board member	Board member	Board member
Sign.	Sign.	Sign.

Hilja Ibert

CEO

Sign.

Statement of changes in equity

(NOK 1000)	Note	Share capital	Share premium	Translation differences	Other paid-in capital	Retained earnings	Total equity
Equity at 01.01.2022		**1 542**	**293 810**	**-180**	**11 941**	**-132 348**	**174 766**
Net result for the year		-	-	-	-	-23 618	-23 618
Share based payments	**9**	-	-	-	3 353	-	3 353
Other comprehensive income		-	-	-331	-	-	-331
Equity at 31.12.2022		**1 542**	**293 810**	**-511**	**15 294**	**-155 966**	**154 170**
Equity at 01.01.2023		**1 542**	**293 810**	**-511**	**15 294**	**-155 966**	**154 170**
Net result for the year		-	-	-	-	-10 648	-10 648
Share based payments	**9**	-	-	-	3 038	-	3 038
Other comprehensive income		-	-	75	-	-	75
Equity at 31.12.2023		**1 542**	**293 810**	**-435**	**18 332**	**-166 614**	**146 636**

Cash Flow Statement

(NOK 1000)	Note	2023	2022
Operating activities			
Net profit (loss)		-10 648	-23 618
Depreciation and amortisation	**14/17**	9 566	10 243
Impairment	**17**	6 469	-
Gain on bargain purchase	**22**	-892	-
Change in inventory	**18**	2 692	-8 765
Change in accounts receivables	**19**	-1 196	-3 550
Change in accounts payables	**23**	-878	-532
Share-based payment expense	**9**	3 038	3 353
Change in other assets and liabilities		7 306	8 917
Net cash flow from operating activities		**15 458**	**-13 952**
Investing activities			
Payments of property, plant, and equipment	**14**	-955	-8 637
Investment in intangible assets	**17**	-3 532	-6 029
Purchase of shares in other companies net of cash acquired	**22**	-390	-
Net cash flow from investing activities		**-4 877**	**-14 666**
Financing activities			
Lease payments	**15/16**	-4 598	-4 325
Net cash flow from financing activities		**-4 598**	**-4 325**
Net change in cash and cash equivalents		**5 982**	**-32 943**
Cash and cash equivalents at beginning of period		81 599	114 936
Effect of currency translation of cash and cash equivalents		61	-395
Net cash and cash equivalents at period end		**87 642**	**81 599**

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 subsidiaries Gentian AS and Getica AB, located in Norway and Sweden.

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 20 March 2024.

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® Accounting Standards as adopted by the EU and additional disclosure requirement in the Norwegian Accounting Act.

The consolidated financial statements are based on the historical cost principle. The financial statements are presented in Norwegian kroner (NOK). All amounts are in NOK thousands unless otherwise specified.

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 2023 financial statements are relevant this financial year.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies

The group has in line with the amendments to IAS 1 made the information more entity-specific and reduced the disclosure of immaterial and standardised information.

2.3 Principles for consolidation

The group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2023. A subsidiary is an entity controlled by the group. 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 recorded on initial recognition in the functional currency at the spot exchange rate at the transaction date. Monetary items in foreign currency are translated at the exchange rate on the balance sheet date. Exchange differences arising on the settlement of monetary items or on translating monetary items are recognised in profit or loss, with exception of exchange differences arising on a monetary item that is part of the net investment in a foreign operation.

Assets and liabilities in foreign entities / units are translated into the presentation currency using the current exchange rate at the balance sheet date.

2.5 Segments

For management purposes, the group is organized as one business unit, and the internal reporting is structured in accordance with this. The group is currently organized in one operating 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.

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.

2.7 Employee benefit expenses

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 has put in place defined contribution plans.

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 constructive 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.

2.8 Intangible assets

Intangible assets are recognised in the balance sheet if it is probable that the future economic benefits will flow to the group, and the cost of the asset can be measured reliable. Intangible assets with finite economic life are measured at cost less accumulated amortization and write-downs.

Development costs

Capitalised development costs include materials, salary and social expenses, and other expenses that can be allocated to the development of the asset. A significant part of capitalised development cost consists of hours booked by each R&D project. In addition, capitalised development cost also includes external costs like consultancy, clinical studies, reagents, and consumables.

Cost to internal development of technology is capitalised as an intangible asset when the recognition criteria are met:

- It is technically feasible to complete the asset
- the group has the resource to complete the project
- the product will generate future economic benefits, and
- expenditure can be reliable measured

Capitalised development costs are amortized over 10 years. Amortizations starts when the asset is available for use.

2.9 Property, plant, and equipment

The group's long-term assets consist mainly of production equipment and fixtures. The property, plant and equipment 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 property, plant and equipment 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

2.10 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

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 main part of the lease liability consists of a rental agreement with yearly index adjustments. When the index adjustment of a lease contract is revised significantly from the original measurement, the lease liability and corresponding right- of-use asset are adjusted to reflect the revised index rate. The lease payments are generally discounted using the company’s incremental borrowing rate.

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.

2.11 Inventory

Inventory is valued at the lower of cost and net realisable value. Cost of inventory is assigned using first-in, first-out method (FIFO). For finished goods and goods under construction, cost of production consists of product design, material consumption, direct labour costs, other direct costs, and indirect production costs (based on normal capacity). Net realisable value is estimated sales price less variable costs for completion and sale.

2.12 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 group recognise previously unrecognised deferred tax assets to the extent it has become probable that the group can utilise the deferred tax asset. Similarly, the group 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.

2.13 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. These financial assets are measured at amortised cost.

Financial liabilities

The group’s financial liabilities are accounts payables and lease liabilities. These financial liabilities are measured at amortised cost.

Note 3 - Significant estimates and uncertainties

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that effect the recognition and measurement of certain assets, liabilities, revenue, and expense. The following area involves the most critical estimates and judgments for the group:

- Research and development cost related to internally developed technology

Development cost related to technology has been recognised as an intangible asset because Gentian can demonstrate technological feasibility for the assets to be available for sale for both existing products and new products. The revenue potential for the projects exceeds the investment. The estimates that form the basis for the intangible assets are performed by the management of the company, and there will always be a level of uncertainty in relation to the assessments that are performed on future revenues for future products. The balance sheet value as of 31.12.2023 was NOK 21.2 million**.** The estimates that form the basis for the intangible asset are performed by the management of the company, and there will always be a level of uncertainty in relation to the assessments that are performed on future revenue for future products. The assessment as of 31 December 2023 ended in an impairment of NOK 6.5 million related to the Sars-Cov 2 Assay.

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 cash and cash equivalents.

The maximum credit exposure as of 31 December 2023 amounts to:

Accounts receivables and other receivables	16 976
Cash and cash equivalents	87 642
Total	104 618

For further information on accounts receivable and credit risk, see Note 19.

Currency risk

The group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure to currency risk is mainly related to sale of diagnostic products in foreign currency (USD, EUR, and RMB). Operating expenses are mainly in Norwegian kroner, as well as the funding.

As at 31 December 2023; the group has limited exposure to currency risks on assets and liabilities.

Translation risk in the group arises when amounts denominated in foreign currencies are converted to NOK, the group’s reporting, and functional currency.

Interest rate risk

The main part of the group’s outstanding interest-bearing debt is related to liabilities associated with leases (right-of-use), NOK 13.1 million as of 31 December 2023. The interest rate risk for the group is limited.

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.

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.

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				
31.12.2023	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Financial liabilities (non-derivatives)					
Trade and other payables	21 279	-	-	-	**21 279**
Lease liabilities	4 682	4 593	4 802	-	**14 077**
Interest lease liabilities	905	547	185	-	**1 637**
Total	**26 866**	**5 140**	**4 987**	**-**	**36 994**

	Period left				
31.12.2022	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Financial liabilities (non-derivatives)					
Trade and other payables	18 297	-	-	-	**18 297**
Lease liabilities	4 423	4 337	8 418	-	**17 178**
Interest lease liabilities	1 108	784	324	-	**2 216**
Total	**23 828**	**5 121**	**8 742**	**-**	**37 690**

Note 5 - Group companies

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

Note 6 - Revenue

Revenue by classification	2023	2022
Revenue from contract with customers	135 153	101 636
Public grants	6 154	10 287
Other revenue	1 040	-
Total	**142 347**	**111 922**

Geographical split of revenue from contract with customers	2023	2022
Europe	92 757	71 571
Asia	33 673	23 609
USA	8 722	6 456
Total	**135 153**	**101 636**

Sales by product	2023	2022
Renal diagnostic products	56 321	39 966
Inflammation diagnostic products	51 770	42 886
Other diagnostic products	27 062	18 784
Total	**135 153**	**101 636**

Timing of revenue recognition	2023	2022
Goods transferred at a point in time	135 153	101 636
Goods and services transferred over time	-	-
Total	**135 153**	**101 636**

Note 7 - Public grants

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

	2023	2022
Norwegian Research Council	3 952	6 298
SkatteFUNN*	2 202	3 989
Total	**6 154**	**10 287**

*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

	2023	2022
Change in inventory of goods under manufacture and finished goods	-2 410	1 368
Cost of materials	39 971	24 412
Other production expenses	5 746	5 877
Total cost of materials	**43 307**	**31 657**
Production salary	23 443	20 978
Total Cost of goods sold	**66 750**	**52 635**

Note 9 - Employee benefit expenses

	2023	2022
Wages and salaries	54 203	48 456
Payroll tax	8 660	5 876
Pension costs (mandatory occupational pension)	3 075	3 171
Share based payments	3 038	3 353
Other expenses	1 819	1 032
Transfer to COGS	-23 443	-20 978
Total	**47 352**	**40 910**

The group had 58 employees per 31 December 2023. The corresponding number per 31 December 2022 was 55 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 of 31 December 2023, fourteen 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:

For options issued from 2018 and up to 2021,1/3 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. For options issued from 2022 and 2023, 1/2 of the options will vest after 36 months and 1/2 of the options will vest after 48 months. Unvested options will be cancelled if the holder terminates its employment with the group.

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 settled 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.

	2023	2022
Outstanding options 01.01	960 586	740 590
Options granted	339 962	219 996
Options forfeited	-	-
Options terminated	-10 000	-
Options expired	-174 954	-
Outstanding options 31.12	1 115 594	960 586

The outstanding options are subject to the following conditions:

Expiry date	Average strike price	Number of share options
2024-11	47.51	259 962
2025-11	62.88	150 000
2026-11	72.60	155 674
2027-12	46.67	209 996
2028-11	40.17	339 962
		1 115 594

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 (42.21%), expected dividend yield (0 %), expected term of 5 years, annual risk-free interest rate (3.681%). The volatility is based on other comparable companies' stock price volatility. Options granted in 2023 had a weighted average strike price of NOK 40.17 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. The discount amounted to NOK 178 131.

Management salary

		2023					
		Wages and salaries	Bonus	Pension costs**	Share based payments	Other remuner-ation	Total
Hilja Ibert	Chief Executive Officer	3 141	449	-	624	158	4 371
Njaal Kind	Group Chief Financial Officer	2 161	220	67	584	9	3 041
Aleksandra Havelka	Chief Scientific Officer	1 270	93	344	191	3	1 901
Markus Jaquemar	Chief Commercial Officer	2 360	247	-	226	-	2 833
Total management salary		**8 932**	**1 008**	**411**	**1 625**	**170**	**12 145**

		2022					
		Wages and salaries	Bonus	Pension costs	Share based payments	Other remuner-ation	Total
Hilja Ibert	Chief Executive Officer	2 906	404	-	741	153	4 203
Njaal Kind	Group Chief Financial Officer	2 054	248	60	992	9	3 362
Erling Sundrehagen	Chief Scientific Officer	1 673	186	52	805	4	2 720
Markus Jaquemar	Chief Commercial Officer	1 882	221	-	188	-	2 291
Total management salary		**8 514**	**1 058**	**112**	**2 726**	**166**	**12 576**

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.

Management share options

		2023	2022
Hilja Ibert	Chief Executive Officer	359 924	359 925
Njaal Kind	Group Chief Financial Officer	180 670	175 661
Aleksandra Havelka	Chief Scientific Officer from 1.1.23	70 000	-
Erling Sundrehagen	Chief Scientific Officer in 2022	-	120 000
Markus Jaquemar	Chief Commercial Officer	87 500	47 500
Share options		**698 094**	**703 086**

Board remuneration*	**2023**	**2022**
Remuneration to the board	1 250	1 100

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 in Norway receive 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 10 - Other operating expenses

	2023	2022
Marketing expenses	2 102	2 390
Purchase of external services	11 775	20 042
Patent, certification and license costs	1 057	1 465
Costs premises and office costs	2 429	3 287
Laboratory costs	3 576	4 042
Other expenses	5 380	2 480
Capitalised other expenses*	-1 348	-2 336
Total	**24 972**	**31 369**

**See Note 11.*

Auditor

The remuneration to the auditor is distributed as follows:	2023	2022
Audit fee	1 110	1 230
Other attestation services	3	64
Other services non-audit related	48	27
Total (ex. VAT)	**1 161**	**1 321**

Note 11 - Research and development expenses

The Gentian Group has per 31 December 2023 three ongoing R&D projects. Costs related to the projects consist of salary, external procurement of services, and other operating expenses. One of the projects advanced to the development phase in 2021, and consequently the capitalisation of the costs on this project was started. In addition, the R&D department is responsible for application validation.

Recognised research and development expenses	2023	2022
Purchase of external services	5 700	7 972
Salary and other operating expenses	22 843	20 873
Capitalised salary expenses	-2 184	-3 693
Capitalised other expenses	-1 348	-2 336
Total	**25 012**	**22 817**

Note 12 - Finance income and finance cost

Finance income

	2023	2022
Interest income	2 666	1 114
Foreign exchange gains	3 141	2 698
Other finance income	1	19
Total finance income	**5 807**	**3 831**

Finance cost

	2023	2022
Foreign exchange loss	-2 540	-2 896
Interest leasing liabilities	-795	-1 255
Other financial costs	-76	-63
Total finance cost	**-3 411**	**-4 213**

Net financial items	**2 396**	**-382**

Note 13 – Taxes

Reconciliation of effective tax rate	2023	2022
Profit before tax	-10 366	-23 618
Calculated tax expense/(income)	-2 374	-4 814
Permanent differences	-2 050	-3 499
Tax depreciation on intangible assets	-	-
Change in temporary differences	-2 754	187
Temporary differences not recognised	7 459	8 125
Calculated tax expense	282	-
Tax payable	209	-

Calculation of deferred tax/deferred tax asset	2023	2022
Property, plant, and equipment	-1 717	-3 010
Right-of-use assets	-2 756	-2 937
Inventories	-	-925
Other differences	355	-
Tax losses carried forward	-214 466	-199 331
Basis for deferred tax/deferred tax asset (gross)	-218 585	-206 203
Unrecognised temporary differences	218 939	206 203
Basis for deferred tax/deferred tax asset (net)	355	-
Deferred tax liability	73	-

The group excluded from the financial position deferred tax asset of NOK 47.2 million related to temporary differences and tax loss carried forward, 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 14 - Property, plant, and equipment

2023			
	Property & equipment	**Right-of-use assets**	**Total**
Acquisition costs			
Carrying amount at 01.01	21 172	24 579	45 752
Additions during the year	955	841	1 796
Additions from acquisition of companies	399	-	399
Adjustments	-	690	690
Exchange differences	10	-	10
Accumulated cost as at 31.12	**22 537**	**26 110**	**48 647**
Depreciation and impairment			
Carrying amount at 01.01	11 921	12 193	24 114
Depreciation during the year	2 864	3 623	6 488
Impairment during the year	-	-	-
Accumulated depreciation and impairment as at 31.12	**14 785**	**15 816**	**30 602**
Carrying amount in balance sheet as at 31.12	**7 751**	**10 294**	**18 045**

2022			
	Property & equipment	**Right-of-use assets**	**Total**
Acquisition costs			
Carrying amount at 01.01	12 536	24 706	37 242
Additions during the year	8 637	454	9 091
Adjustments	-	-581	-581
Grants received	-	-	-
Disposals during the year	-	-	-
Accumulated cost as at 31.12	**21 172**	**24 579**	**45 752**
Depreciation and impairment			
Carrying amount at 01.01	9 172	8 581	17 753
Depreciation during the year	2 748	3 612	6 361
Impairment during the year	-	-	-
Accumulated depreciation and impairment as at 31.12	**11 921**	**12 193**	**24 114**
Carrying amount in balance sheet as at 31.12	**9 251**	**12 386**	**21 638**

Note 15 - 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	2023	2022
Less than 1 year	4 682	4 423
1-2 years	4 593	4 337
3-5 years	4 802	8 418
Total undiscounted lease liabilities at 31.12.	**14 077**	**17 178**

Summary of lease liabilities	2023	2022
Lease liabilities at 01.01.	15 323	18 584
New lease liabilities recognised in the year	841	454
Lease payments	-4 598	-4 325
Adjustments	690	-645
Interest expense on lease liabilities	795	1 255
Total lease liabilities at 31.12.	**13 050**	**15 323**
Current lease liabilities	4 043	3 699
Non-current lease liabilities	9 006	11 624

The Company have rental agreements with CPI-adjustments which are included in the measurement of lease liabilities. The estimated lease liabilities related to these agreements is NOK 11.7 million at 31 December 2023 and NOK 14.4 million on 31 December 2022.

Note 16 – Changes in Liabilities

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

		Non-cash changes			
	01.01.2023	**Cash flows**	**New leases**	**Reclassi-fication**	**31.12.2023**
Lease liabilities non-current	11 624	-	841	-3 459	**9 006**
Lease liabilities current	3 699	-4 598	-	4 943	**4 043**
Total liabilities from financing activities	**15 323**	**-4 598**	**841**	**1 485**	**13 050**

		Non-cash changes			
	01.01.2022	**Cash flows**	**New leases**	**Reclassi-fication**	**31.12.2022**
Lease liabilities non-current	14 470	-	454	-3 300	**11 624**
Lease liabilities current	4 114	-4 325	-	3 910	**3 699**
Total liabilities from financing activities	**18 584**	**-4 325**	**454**	**610**	**15 323**

Note 17 - Intangible assets

	2023		
	Completed product Development	**Projects under development**	**Total**
Acquisition costs			
Carrying amount at 01.01	18 017	15 080	33 097
Additions during the year	-	3 532	3 532
Adjustments	-	353	353
Grants received	-	-	-
Impairment	-	-	-
Accumulated cost as at 31.12	**18 017**	**18 965**	**36 982**
Amortisation and impairment			
Carrying amount at 01.01	6 277	-	6 277
Amortisation during the year	3 078	-	3 078
Impairment during the year	6 469	-	6 469
Accumulated amortisation and impairment as at 31.12	**15 824**	**-**	**15 824**
Carrying amount in balance sheet as at 31.12	**2 193**	**18 965**	**21 158**

Intangible assets not ready for use, are tested for impairment on a yearly basis. Internally developed intangible assets are tested for impairment on December 31st each year, by discounting expected cash flow generated from the asset. The impairment includes assessment of future sales, gross margin, and discount rate (WACC) currently 13.4 %, as well as remaining development costs and likelihood of approval from regulatory authorities. If the discounted value is lower than the carrying amount the asset is written down. The assessment as of 31 December 2023 ended in an impairment of NOK 6.5 million related to the Sars-Cov 2 Assay.

	2022		
	Completed product development	Projects under development	Total
Acquisition costs			
Carrying amount at 01.01	18 017	9 384	27 401
Additions during the year	-	6 029	6 029
Adjustments	-	-333	-333
Grants received	-	-	-
Impairment	-	-	-
Accumulated cost as at 31.12	**18 017**	**15 080**	**33 097**
Amortisation and impairment			
Carrying amount at 01.01	2 395	-	2 395
Amortisation during the year	3 882	-	3 882
Impairment during the year	-	-	-
Accumulated amortisation and impairment as at 31.12	**6 277**	**-**	**6 277**
Carrying amount in balance sheet as at 31.12	**11 740**	**15 080**	**26 820**

Note 18 – Inventory

The inventory on 31 December consists of the following:

	2023	2022
Raw materials	17 635	16 653
Goods in process	11 173	17 127
Finished goods	8 309	5 690
Provision for obsolescence	-	-925
Total	**37 116**	**38 544**

Note 19 - Accounts receivables and other receivables

	2023	2022
Accounts receivables	11 569	10 063
Claims on government grants	2 487	5 730
Public receivables (VAT, etc.)	1 172	2 711
Other receivables / Prepayments	1 748	684
Total	**16 976**	**19 188**

Due accounts receivables	**2023**	**2022**
Not due and within <30 days	8 137	7 294
30-60d	3 319	1 902
60-90d	-58	58
>90d	171	810
Total	**11 569**	**10 063**

The group has not incurred losses on its receivables and considers that its counterparties are able to settle all outstanding debt to the group. On this basis no provision for loss on receivables has been considered.

Note 20 - Cash and cash equivalents

	2023	2022
Cash and bank deposits	85 366	79 258
Withhold tax account	2 012	2 077
Deposit account	265	265
Total	**87 642**	**81 599**

Note 21 - 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	2023	2022
Share capital at period start	1 542	1 542
Share capital increase	-	-
Share capital at period end	**1 542**	**1 542**

Change in share premium	2023	2022
Share premium at period start	293 810	293 810
Share premium increase	-	-
Cost of share issue	-	-
Share premium at period end	**293 810**	**293 810**

Notes to the consolidated financial statements 2023

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

Overview of the parent company's shareholders as at 31.12.23:	Number of shares	Ownership share
Vatne Equity AS	2 110 224	13.68 %
Kvantia AS	1 623 368	10.53 %
Holta Invest AS	1 228 502	7.97 %
Verdipapirfondet Delphi Nordic	959 272	6.22 %
Safrino AS	749 700	4.86 %
Carpe Diem Afseth AS	548 389	3.56 %
Skandinaviska Enskilda Banken AB	436 251	2.83 %
Verdipapirfondet DNB SMB	361 291	2.34 %
J.P. Morgan SE	350 000	2.27 %
Viola AS	320 916	2.08 %
Verdipapirfondet Storebrand Vekst	311 308	2.02 %
Portia AS	300 000	1.95 %
Krefting, Johan Henrik	292 400	1.90 %
Intertrade Shipping AS	257 716	1.67 %
Cressida AS	235 000	1.52 %
Lioness AS	220 000	1.43 %
Marstal AS	212 407	1.38 %
Mutus AS	210 465	1.36 %
Salix AS	208 954	1.35 %
Verdipapirfondet Delphi Kombinasjon	196 577	1.27 %
Top 20 shareholders	**11 132 740**	**72.19 %**
Total other shareholders	4 289 610	27.81 %
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 %
Fredrik Thoresen (RWD AS)	28 160	0.18 %
Njaal Kind	26 125	0.17 %
Espen Tidemann Jørgensen	17 000	0.11 %
Hilja Ibert	6 525	0.04 %
Kari E. Krogstad	2 325	0.02 %
Aleksandra Havelka	2 000	0.01 %

Dividend

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

Earnings per share

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

	2023	2022
Profit from continued operations	-10 648	-23 618
Weighted average number of shares issued	15 422	15 422
Earnings per share	**-0.69**	**-1.53**
Weighted average number of shares issued incl. options	16 538	16 383
Diluted earnings pr share	**-0.69**	**-1.53**

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognised 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 22 – Business combinations

On 3 July 2023 Gentian Diagnostics ASA acquired 100 % of the shares in Getica AB for a cash consideration of NOK 2.78 million. Getica AB, located in Gothenburg Sweden, has been providing Gentian with antibody purification services through many years in addition to providing diagnostics research and development services. Through this acquisition, Gentian secures critical production competence in an essential step in the manufacturing process. Gentian will also gain access to unique R&D capabilities.

The acquisition was financed in cash. The fair values of the identifiable assets and liabilities of the business as at the acquisition date are as follows.

	Getica AB
(Figures in NOK thousands)	
Assets	
Non-Current Assets	
Property, plants, and equipment	399
Financial assets	146
Total Non-Current Assets	**545**
Current Assets	
Inventory	1 264
Accounts receivables and other receivables	508
Cash and cash equivalents	2 388
Total Current Assets	**4 160**
Total Assets	**4 705**
Current liabilities	
Accounts payable and other current liabilities	1 035
Total current liabilities	**1 035**
Net identifiable assets and liabilities at fair value	**3 670**
Badwill	-892
Total consideration for the shares	**2 778**
Paid in cash	**-2 778**
Cash received	**2 388**
Net decrease in cash	**-390**

The main costumer of Getica AB has been Gentian AS. For the period between the date of acquisition and 31 December 2023, Getica AB has contributed with net savings of NOK 0.8 million. If the business combination had taken place at the beginning of the year, the group's revenues would have been unchanged, and the profit before tax would have been improved with NOK 1.6 million.

Note 23 – 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	**2023**	**2022**
(NOK 1000)		
Revenue from contracts with customers	135 153	101 636
Revenue growth	33 517	18 538
Impact using exchange rates from last period	-11 887	-1 750
Impact M&A	-	-
Organic revenue growth	21 630	16 788
Organic revenue growth %	21 %	20 %

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	**2023**	**2022**
(NOK 1000)		
Employee benefit expenses	47 352	40 910
Other operating expenses	24 972	31 369
Total other operating expenses **after** capitalisation of R&D expenses	72 323	72 279
Capitalisation	3 532	6 029
Total other operating expenses **before** capitalisation of R&D expenses	75 855	78 308

Reconciliation	**2023**	**2022**
(NOK 1000)		
Other non-salary related operating expenses **after** capitalisation of R&D expenses	24 972	31 369
Capitalisation	1 348	2 336
Other non-salary related operating expenses **before** capitalisation of R&D expenses	26 320	33 705

EBITDA/EBIT

EBITDA is a measurement of operating earnings before depreciation and amortisation of property, plant, and equipment, 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	**2023**	**2022**
(NOK 1000)		
Total Revenue	142 347	111 922
Total Operating Expenses	-155 109	-135 158
EBIT	-12 762	-23 235
Depreciation and Amortisation	9 566	10 243
Impairment	6 469	-
EBITDA	3 273	-12 992

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.

	2023	2022
(NOK 1000)		
Revenue from contracts with customers	135 153	101 636
COGS	66 750	52 635
COGS % of Revenue from contracts with customers	49 %	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.

	2023	2022
(NOK 1000)		
Non-cash shared-based compensation	3 038	3 353

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 2023, 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, 20 March 2024

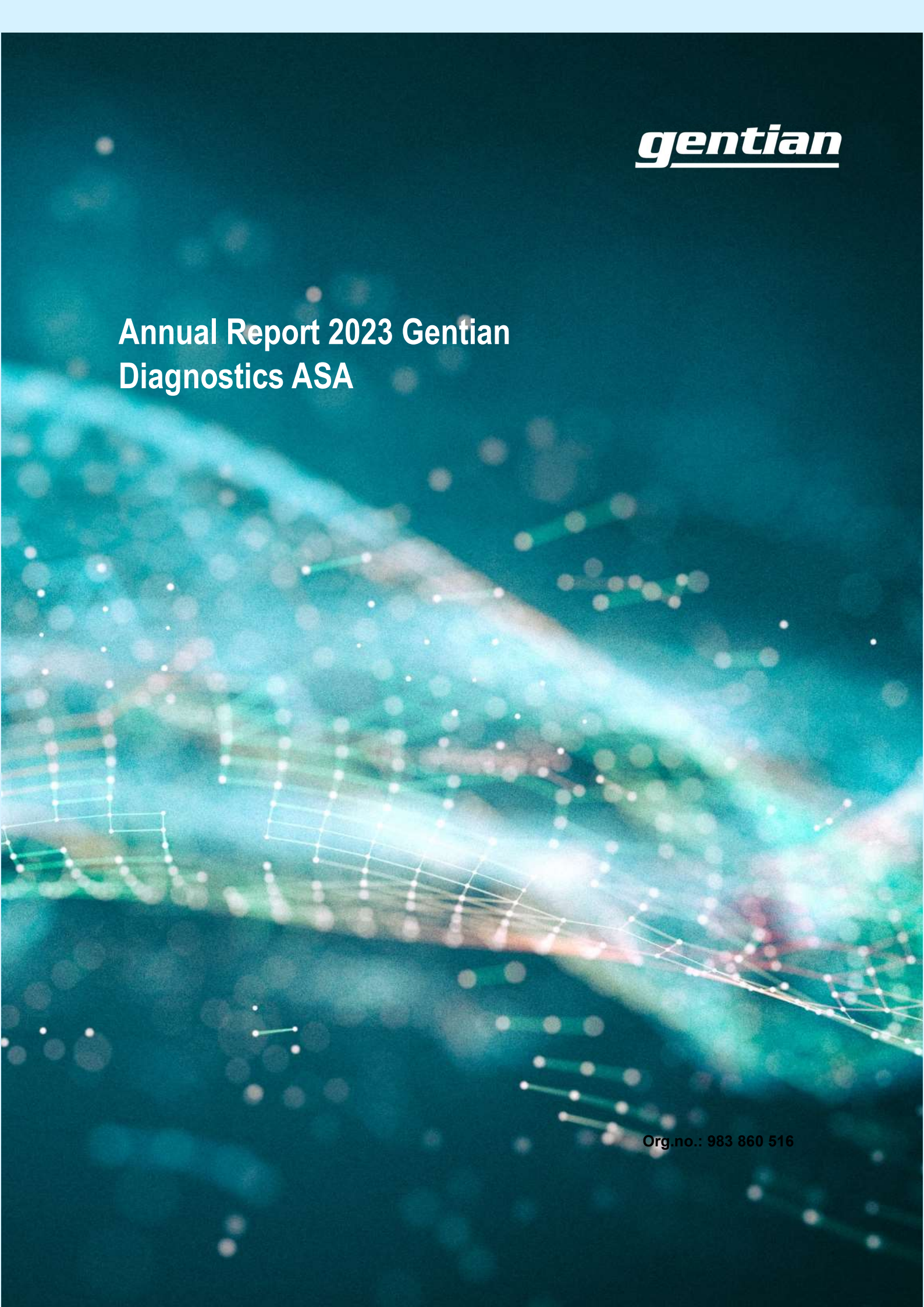
The board of directors of Gentian Diagnostics ASA

Tomas Settevik	Kari E. Krogstad	Espen Tidemann Jørgensen
Chairperson	Board member	Board member
Sign.	Sign.	Sign.
Kjersti Grimsrud	Fredrik Thoresen	Monika Neuman
Board member	Board member	Board member
Sign.	Sign.	Sign.

Hilja Ibert

CEO

Sign.



Annual Report 2023 Gentian Diagnostics ASA

Org.no.: 983 860 516

Income statement

Operating income and operating expenses	Note	2023	2022
Other income		-	4 040
Total income		**-**	**4 040**
Employee benefits expense	**1/3**	11 573	11 782
Other expenses	**2**	2 971	3 213
Total expenses		**14 544**	**14 995**
Operating profit		**-14 544**	**-10 955**
Financial income and expenses			
Interest income from group companies		4 006	2 443
Other financial income		2 345	1 054
Other interest expenses		-	1
Other financial expenses		333	31
Net financial items		**6 018**	**3 465**
Net profit before tax		**-8 526**	**-7 490**
Net profit or loss	**3**	**-8 526**	**-7 490**
Attributable to			
Transferred from other equity		8 526	7 490
Total		**-8 526**	**-7 490**

Balance sheet

	Note	2023	2022
Assets			
Non-current assets			
Non-current financial assets			
Investments in subsidiaries	**4**	112 443	109 665
Loan to group companies	**5**	72 668	82 338
Total non-current financial assets		**185 111**	**192 003**
Total non-current assets		**185 111**	**192 003**
Current assets			
Debtors			
Other short-term receivables	**5**	5 128	5 061
Total receivables		**5 128**	**5 061**
Cash and bank deposits			
Cash and cash equivalents	**6**	72 286	72 306
Total cash and bank deposits		**72 286**	**72 306**
Total current assets		**77 414**	**77 367**
Total assets		**262 525**	**269 370**

Balance sheet

	Note	2023	2022
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	**7**	1 542	1 542
Share premium reserve		293 810	293 810
Other paid-up equity		12 761	10 168
Total paid-up equity		**308 114**	**305 520**
Retained earnings			
Other equity		-47 717	-39 191
Total retained earnings		**-47 717**	**-39 191**
Total equity	**3**	**260 397**	**266 329**
Liabilities			
Current liabilities			
Trade payables		4	181
Public duties payable		443	1 503
Other current liabilities		1 681	1 356
Total current liabilities		**2 128**	**3 041**
Total liabilities		**2 128**	**3 041**
Total equity and liabilities		**262 525**	**269 370**

Moss, 20 March 2024
The board of Gentian Diagnostics ASA

Tomas Settevik Chairperson Sign.	Kari E. Krogstad Board member Sign.	Espen Tidemann Jørgensen Board member Sign.
Kjersti Grimsrud Board member Sign.	Fredrik Thoresen Board member Sign.	Monika Neuman Board member Sign.

Hilja Ibert
CEO
Sign.

Cash Flow

	Note	2023	2022
Operating activities			
Net profit (loss)		-8 526	-7 490
Depreciation and amortisation		-	-
Change in inventory		-	-
Change in account receivables		-	-
Change in account payables		-177	121
Change in other assets and liabilities		1 790	-2 069
Net cash flow from operating activities		**-6 912**	**-9 437**
Investing activities			
Investment in subsidiaries	**4**	-2 777	-
Investment in other companies		-	-
Net cash flow from investing activities		**-2 777**	**-**
Financing activities			
Proceeds from issue of share capital		-	-
Loan subsidiaries	**5**	9 670	-22 287
Net cash flow from financing activities		**9 670**	**-22 287**
Net cash in cash and cash equivalents		**-19 911**	**-31 724**
Cash and cash equivalents at beginning of period		72 306	104 031
Effect of currency translations of cash and cash equivalents		-	-
Net cash and cash equivalents at period end		**72 286**	**72 306**

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 is recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Classification and assessment of balance sheet items

Current assets and current liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets / non-current liabilities.

Current assets are valued at the lower of cost and fair value. Non-current liabilities are recognised at nominal value.

Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognised at nominal value.

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 exceeds 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 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 tax rate 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 include 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	2023	2022
Salaries/wages	7 904	8 786
Social security fees	816	959
Option program	2 593	1 742
Other remuneration	259	295
Total	**11 573**	**11 782**
Number of employees at 31 December	2	3
Remuneration to the board of directors	1 250	1 106
Remuneration to the Chief executive officer	3 635	3 347

The company has a share option programme covering certain key employees. As of 31 December 2023, fourteen employees in the Gentian Group were included in the option programme. Of the fourteen employees, the option costs for management have been booked in the company and the rest in the subsidiary Gentian AS.

Note 2 Audit fee

Expenses paid to the auditor for 2023 amounts to NOK 595 thousand of which NOK 41 thousand relates to other services.

Note 3 Capital

	Share capital	Share premium	Other paid-in equity capital	Other equity capital	Total equity capital
As at 31.12.2022	**1 542**	**293 810**	**10 168**	**-39 191**	**266 329**
Result for the year				-8 526	-8 526
Employee option program			2 593		2 593
As at 31.12.2023	**1 542**	**293 810**	**12 761**	**-47 717**	**260 397**

Note 4 Shares in subsidiaries

	Ownership/ voting interest	Office location	Result 2023	Equity capital 31.12.2023
Gentian AS	100%	Moss	-1 772	7 051
Getica AB	100%	Gothenburg	848	4 538

Note 5 Inter-company items between companies in the same group

Receivables	**2023**	**2022**
Loans to companies in the same group	72 668	82 338
Customer receivables to companies in the same group	5 050	5 050
Liabilities		
Loans from companies in the same group	-	-
Revenue		
Sale of services to companies in the same group	-	4 040

Note 6 Bank deposits

Pledge account	-
Deposit for office rent	265
Tax withheld	388
Other savings and checking accounts	71 634
Total bank deposits	72 286

Note 7 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 31.12.23:	Number of shares	Ownership share
Vatne Equity AS	2 110 224	13.68 %
Kvantia AS	1 623 368	10.53 %
Holta Invest AS	1 228 502	7.97 %
Verdipapirfondet Delphi Nordic	959 272	6.22 %
Safrino AS	749 700	4.86 %
Carpe Diem Afseth AS	548 389	3.56 %
Skandinaviska Enskilda Banken AB	436 251	2.83 %
Verdipapirfondet DNB SMB	361 291	2.34 %
J.P. Morgan SE	350 000	2.27 %
Viola AS	320 916	2.08 %
Verdipapirfondet Storebrand Vekst	311 308	2.02 %
Portia AS	300 000	1.95 %
Krefting, Johan Henrik	292 400	1.90 %
Intertrade Shipping AS	257 716	1.67 %
Cressida AS	235 000	1.52 %
Lioness AS	220 000	1.43 %
Marstal AS	212 407	1.38 %
Mutus AS	210 465	1.36 %
Salix AS	208 954	1.35 %
Verdipapirfondet Delphi Kombinasjon	196 577	1.27 %
Top 20 shareholders	**11 132 740**	**72.19 %**
Total other shareholders	4 289 610	27.81 %
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 %
Fredrik Thoresen (RWD AS)	28 160	0.18 %
Njaal Kind	26 125	0.17 %
Espen Tidemann Jørgensen	17 000	0.11 %
Hilja Ibert	6 525	0.04 %
Kari E. Krogstad	2 325	0.02 %
Aleksandra Havelka	2 000	0.01 %

Dividend

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

Note 8 Tax

This year's tax expense	2023	2022
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	-8 526	-7 490
Permanent differences	-	-
Changes in temporary differences	-10	-13
Taxable income	**-8 536**	**-7 502**
Payable tax in the balance: Payable tax on this year's result	-	-
Total payable tax in the balance	**-**	**-**
Calculation of effective tax rate	-8 526	-7 490
Profit before tax	-1 876	-1 648
Tax effect of permanent differences	-	-
Total	**-1 876**	**-1 648**
Effective tax rate	22.0 %	22.0 %

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

	2023	2022	Difference
Property, plant, and equipment	-40	-51	-10
Total	**-40**	**-51**	**-10**
Accumulated loss to be brought forward	-66 738	-58 202	8 536
Not included in the deferred tax calculation	66 778	58 252	-8 526
Deferred tax asset (22 %)	**-**	**-**	**-**

Deferred tax asset is not included in the balance sheet.

BDO AS
Bernt Ankers gate 17
1534 Moss

Independent Auditor's Report

To the General meeting of 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 2023, income statement, statement of comprehensive income 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 2023, 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 2023, 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 relevant laws and regulations in Norway and the 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 12 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 2.8 and notes 3 and 17 where management explain recognition of intangible assets and impairment tests. 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. An impairment loss on intangible assets were recognized in the statement of profit and loss for 2023. Some of the intangible assets are still under development and do not yet generate revenue. The impairment tests were 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 tests.	We obtained management's impairment tests. The tests include documentation about how management assessed intangible assets and key assumptions applied by management. We satisfied ourselves that the impairment tests 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 publicly 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) are 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 Directors' 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 statutory requirements.

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Gentian Diagnostics ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "5967007LIEEXZXHNM861-2023-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes

requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

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

BDO AS

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