PROSPECTUS

Gentian Diagnostics ASA

(A public limited liability company incorporated under the laws of Norway)

Listing of the Company's shares on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with the listing (the "**Listing**") of the shares of Gentian Diagnostics ASA, a public limited liability company incorporated under the laws of Norway (the **"Company**", and together with its consolidated subsidiaries, "**Gentian**" or the "**Group**"), shares on Oslo Børs, each with a par value of NOK 0.10 (the "**Shares**").

The Company applied for the Shares to be listed on the Oslo Børs on 7 May 2021, and the board of directors of Oslo Børs approved the Company's listing application on 23 June 2021. Trading in the Shares on Oslo Børs is expected to commence on or about 25 June 2021 under the ticker code "GENT"

The Shares are registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form.

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROPSECTUS DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT THERETO.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 14" Transfer Restrictions"

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk factors" when considering an investment in the Company.

The date of this Prospectus is 24 June 2021

IMPORTANT INFORMATION

This Prospectus has been prepared by the Company in connection with the Listing of the Shares on the Oslo Børs.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For definitions of certain other terms used throughout this Prospectus, see Section 16 "Definitions and glossary".

The information contained herein is current of the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on the Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any shares in any jurisdiction. Neither this Prospectus nor any advertisement or any other material relate thereto may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 18 "Selling and transfer restrictions".

This Prospectus shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Moss City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Company or the Group or any of their respective representatives that any recipient of this Prospectus should purchase any Shares. Prior to making any decision of whether to purchase the Shares, prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into the Group, including the merits and risks involved. None of the Company or any of their respective representatives or advisers, is making any representation to any recipient regarding the legality of an investment in the Company. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Company.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THIS PROSPECTUS HAS NOT BEEN APPROVED NOR REVIEWED BY THE US SECURITIES AND EXCHANGE COMMISSION AND IS NOT FOR DISTRIBUTION IN THE UNITED STATES.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. The members of the Company's board of directors (the "**Board members**" and the "**Board**" or "**Board of Directors**", respectively) and the members of the senior management of the Company (the "**Management**") are not residents of the United States. Furthermore most of the Company's assets and most the assets of the Board members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

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1 SUMMARY

INTRODUCTION

Warning ..... This summary (the "Summary Note") has been prepared in accordance with Article 7 of Regulation (EU) 2017/1129 and should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and any investor could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

Securities ..... The Company has one class of shares in issue. The Shares are registered in book-entry form in the VPS administered by DNB Bank ASA and have ISIN NO0010748866.

Issuer ..... Gentian Diagnostics ASA is a public limited liability company, incorporated in Norway on 16 August 2011 with its organization number in the Norwegian Register if Business Enterprises being 983 860 516. Its registered office is in the municipality of Moss, Norway. The Company's telephone number is + 47 99 33 99 05 and its Legal Entity Identifier code is 5967007LIEEXZXHNM861. The Group's website can be found at www.gentian.com.

Competent authority ..... This Prospectus has been approved by the Norwegian FSA, as competent authority, with its head office Revierstredet 3, 0151, Oslo, Norway, and telephone number: + 47 22 93 98 00, in accordance with Regulation (EU) 2017/1129.

This Prospectus was approved on 24 June 2021

Offerors..... Not applicable.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information ..... The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 16 August 2011. The Company's registration number in the Norwegian Register of Business Enterprises is 983 860 516 and its Legal Entity Identifier is 5967007LIEEXZXHNM861. The Company has its registered office in Moss, Norway.

Principal activities ..... Gentian Diagnostics ASA is a medical diagnostics company. The Company is involved in the production, R&D, marketing and distribution of immunoassays. It has its headquarters and production facilities in Moss, Norway, and is supported by distribution subsidiaries in Sweden and the USA, a representative office in China as well as globally by a strong commercial partner and distributor network. Gentian's objective is to offer more efficient and accurate test solutions currently in the areas of kidney disease, cardiovascular diseases, inflammation, severe infections, and pancreatic elastase insufficiency.

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

Major shareholders ..... Shareholder owning 5 % or more of the share capital or the voting rights of the Company have an interest in the Company which is notifiable pursuant to the Norwegian Securities Trading Act.

In so far as it is known to the Company as of the date of this Prospectus, the following persons will, prior to and immediately following the Listing, be directly or indirectly interested (within the meaning of the Norwegian Securities Trading Act) in 5 % or more of the Company's issued share capital:

#	Shareholder	No. of Shares	Percentage
1	Runar Vatne*	2,230,224	14,47
2	Funds managed by Storebrand Asset Management	1,413,346	9,17
3	Norda ASA	1,250,068	8.11106
4	Holta Life Sciences AS	1,188,702	7.71289
5	Safrino AS	1,050,000	6.81292
6	Funds managed by Norron Asset Management	814,265	5,28
7	Salix AS	793,574	5.14910

*Runar Vatne controls the shares in Vatne Equity AS and Lioness AS. Vatne Equity holds 2,010,224 (13.04%) of the shares in the Company and Lionesse AS holds 220,000 (1.43%) of the shares in the Company.

Key managing directors..... The Executive Management consist of 3 individuals. The names of the members of the Executive Management and their respective positions are presented in the table below.

Name	Position
Hilja Ibert	Chief Executive Officer
Njaal Kind	Chief Financial Officer
Erling Sundrehagen	Chief Scientific Office

Independent auditors..... The Company's independent auditor is as of the date of this Prospectus is BDO AS (business registration number 993 606 650, and registered business address at Munkedamsveien 45A, 0250 Oslo, Norway).

What is the key financial information regarding the issuer?

The Group's audited consolidated financial statements as of and for the years ended 31 December 2020, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The Company's unaudited consolidated financial information for the three months ended 31 March 2021 and the three month period ended 31 March 2020 has been prepared in accordance with IAS 34.

Statement of profit and loss

(In NOK 1,000)	Three months ended 31 March		Year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Total revenue.....	24,202	19,131	78,881	55,384	52,020
Total operating expenses.....	-28,117	-25,588	-96,705	-96,625	-72,706
Operating result.....	**-3,916**	**-6,456**	**-17,824**	**-41,241**	**-20,686**
Finance income	106	1,149	1,840	2,083	1,296
Finance costs	-1,112	-228	-1,484	-636	-345
Net financial items.....	**-1,006**	**921**	**356**	**1,447**	**951**
Profit before tax	-4,922	-5,535	-17,469	-39,794	-19,735
Income tax expense.....	-			-63	-64
Profit for the year	**-4,922**	**-5,535**	**-17,469**	**-39,857**	**-19,798**

Statement of financial position

(In NOK 1,000)	As of 31 March		As of 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Total non-current assets	41,735	21,099	41,501	22,216	32,640
Total current assets	185,105	198,611	193,764	204,967	225,340
Total assets	**226,841**	**219,711**	**235,265**	**227,183**	**257,980**
Total paid-in equity	303,062	299,223	302,091	298,351	296,224
Total retained equity	-112,566	-95,572	-107,512	-90,111	-50,350
Total equity	**190,496**	**203,651**	**194,579**	**208,240**	**245,873**
Total non-current liabilities	17,853	1,637	18,101	1,980	698
Total current liabilities	18,492	14,423	22,585	16,962	11,409
Total liabilities	**36,345**	**16,060**	**40,686**	**18,943**	**12,107**
Total equity and liabilities	**226,841**	**219,711**	**235,265**	**227,183**	**257,980**

Cash flow statement

(In NOK 1,000)	Three months ended 31 March		Year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Net cash flow from operating activities	-9,439	-9,710	-7,661	-21,483	-10,897
Net cash flow from investing activities	-2,227	-440	-4,574	-4,038	-6,153
Net cash flow from financing activities	-98	-70	-1,510	-1,577	68,751
Net change in cash and cash equivalents	-11,763	-10,221	-13,745	-27,098	51,701
Net cash and cash equivalents at period end	**146,055**	**161,407**	**157,985**	**171,567**	**198,634**

Note: Gentian Diagnostics divested its subsidiary PreTect AS in fourth quarter 2020. In connection the preparation of this Prospectus the Company has identified an error related to classification of the transaction in the statement of cash flow in the consolidated financial statements the year ended 31 December 2020. The net cash received in the transaction was NOK 6,741 thousand and should in its entirety have been classified as cash flow from investing activities, while cash flow from investing activities in the financial statement only contains an amount of NOK 1,893 thousand. The remaining part of net cash received which amounts to the amount of NOK 4,848 thousand is classified as cash from operating activities. The error has not been corrected in the above summery. The error will be corrected in future financial statements by restating the comparative amounts in accordance with IAS 8. The following table shows the effect a correction of the error will have on the lines affected.

(In NOK 1,000)	As reported	adjusted	Restated
Net cash flow from operating activities	-7,661	-4,848	-12,509
Net cash flow from investing activities	-4,574	4,848	274

What are the key risks that are specific to the issuer?

Material risk factors

- The Company is exposed to risks related to regulatory approvals
- The Group is exposed to risks related to changes in regulatory environment
- The Group may experience difficulties that delay or prevent the Group's development, introduction or marketing of new or enhanced products or services
- If the Group delivers products with defects, the Group may be exposed to product recalls, that the market acceptance of products decreases and that the Group become exposed to liability
- Dependence on international sales exposes the Group to risk associated with conducting business in multiple jurisdictions
- Risk related to high degree of customer concentration
- The success of many of the Group's products depends heavily on acceptance by laboratories, hospitals and diagnostics system manufacturers, and the Group's failure to maintain a high level of

confidence in the products offered by the Group could adversely affect the Group's business

- The success, competitive position and future revenues will depend in part on the Company's ability to protect intellectual property and know-how
- The Group may not be able to receive sufficient funds from grants in the future
- The Group has incurred operating losses since 2016and the Group may not become profitable in the future

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN ..... All the Shares are common shares in the Company and have been created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in book-entry form with VPS and have ISIN NO0010748866.

Currency, nominal value and number of securities ..... The currency of the Shares is NOK. As of the date of this Prospectus, the issued share capital of the Company is NOK 1,541,188.9, comprising 15.411.889 shares, each with a nominal value of NOK 0.10.

Rights attached to the securities..... The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of Shares carries one vote.

Transfer restrictions ..... The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal upon transfer of the Shares.

Dividend and dividend policy ..... The amount, timing and frequency of future distributions will be declared based upon various factors, including, but not limited to, the Group's financial conditions and operating cash flows, undertakings to creditors and loan covenants. The Company's dividend policy is that the Company does not expect to pay any dividend in the short to medium term as the Company as the Company is in the development phase.

Where will the securities be traded?

On 7 May, the Company applied for admission to trading of the Shares on the Oslo Stock Exchange. Trading the Shares on Oslo Stock Exchange is expected to commence on or about 25 June 2021. The Shares will upon listing be deregistered from Euronext Growth Oslo. The Company has not applied for admission to trading the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF). The Shares are as of the date hereof admitted for listing and trading on Euronext Growth Oslo with the ticker code "GENT".

What are the key risks that are specific to the securities?

Material risk factors .....

- The price of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment
- There can be no assurance that an active and liquid market for the Shares will develop

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Admission to trading ..... On 7 May 2021, the Company applied for admission to trading of the Shares on the Oslo Stock Exchange and the board of directors of the Oslo Stock Exchange approved the Company's listing application on 23 June 2021.

The Company expects commencement of trading in the Shares on the Oslo Stock Exchange on or about 25 June 2021. The Company has not applied for admission to trading the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF). The Shares are as of the date hereof admitted for listing and trading on Euronext Growth Oslo with the ticker code "GENT".

Total expenses of the admission to trading	The Company's total costs expenses of, and incidental, the Listing are estimated to amount to approximately NOK 3,300,000.

Why is this prospectus being produced?

Reasons for the offer/admission to trading	This Prospectus has been prepared in to facilitate for the Listing of the Company's Shares on the Oslo Stock Exchange. The Listing is being pursued as part of the Group's strategy to provide liquidity to its shareholders by further enhancing the Company's access to capital markets and to facilitate further growth.
Conflicts of interest	There are no material conflicts of interest pertaining to the Listing.

2 RISK FACTORS

Investing in the Shares involves inherent risks. Prior to making any investment decision with respect to the Shares, an investor should carefully consider all of the information contained in this Prospectus, and in particular the risks and uncertainties described in this Section 2, which the Company believes are the most material known risks and uncertainties faced by the Group as of the date hereof. The risk factors presented in this Section are limited to the risks that the Company believes to be specific to the Group and material for investors when making their investment decision. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors presented in this Section are divided into a limited number of categories based on their nature. Within each category, the risk factors which are deemed by the Company to be the most material based on an overall assessment of the probability of their occurrence and the expected magnitude of their negative impact on the Group, are presented first. However, this does not imply that the remaining risk factors presented are ranked in order of their likelihood of occurrence or the severity or significance of each risk. The order of the categories does not intend to represent any assessment of the materiality or the probability of occurrence of the risk factors within that category, when compared to risk factors in another category. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described are not a genuine potential threat to an investment in the Shares.

Should any of the following risks occur, they could have a material adverse effect on the Group's business, prospects, results of operations, cash flows and financial position, and the trading price of the Shares may decline, causing investors to lose all or part of their invested capital. Additional risks not presently known to the Company or which the Company currently deems not to be material may also have a material adverse effect on the Group. A prospective investor should consult his or her own expert advisors as to the suitability of an investment in the Company's Shares. It is not possible to quantify the significance to the Company of each individual risk factor as each of the risk factors mentioned below may materialise to a greater or lesser degree.

The information in this Section 2 is accurate as of the date of this Prospectus.

2.1 Risks related to the Group’s business activities and industry

2.1.1 The Group may experience difficulties that delay or prevent the Group's development, introduction or marketing of new or enhanced products or services

The Group's growth strategy is focused on increasing the Group's product portfolio by developing and manufacturing new products, and the future success will depend to a large extent upon the Group's ability to develop and market its products and services related to IVD reagents and materials for the human and veterinary clinical laboratory market. The development of new or enhanced products and services is a costly and an uncertain process and is becoming increasingly complex to navigate and execute successfully. The Group may experience difficulties related to its research, funding, technical matters, manufacturing, regulatory matters or other difficulties that could delay or prevent the introduction of new products. Research in the healthcare industry generally takes a significant amount of time from design start to a finished product complete for launch. The process is conducted in various stages, and each stage presents a certain level of risk that Gentian will not achieve its objectives. In addition, innovations may not be accepted or adopted in an expedient manner by the marketplace or at all because of, among other things, current established patterns of clinical practice or a failure to find suitable distributions channels and/or partners. In the event of such failure, the Group may have to abandon a product in which the Group have invested substantial resources.

The Group cannot give assurances that the products under development will prove to be safe and effective in a clinical trial(s), that the products will obtain a regulatory approval in a timely manner or at all or that products can be manufactured at an acceptable cost. If the Group fail to develop and sell new products this may have a material adverse effect on the Group's result, financial position and cash flow.

Due to long product development processes, evolving regulatory requirements, changing market conditions and consumer preferences and other factors, new variants of existing products or new products may take longer and cost more to develop and may be less successful than the Group anticipated. No assurances can be given that any new products under research and development will be commercially successful. If products end up being less successful than anticipated by the Group, this could adversely affect the future development on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.1.2 If the Group delivers products with defects, the Group may be exposed to product recalls, that the market acceptance of products decreases and that the Group become exposed to liability

The manufacturing and marketing of professional diagnostics involve an inherent risk of product liability claims. For example, a defect in one of the Group's diagnostic products could lead to a false positive or false negative result, affecting the final diagnosis. The Group's product development and production are extremely complex and could expose the Group's products to defects.

Manufacturing and design defects could lead to recalls (both voluntary or required by government authorities) and could result in the removal of a product from the market. If a product is recalled, such products may be subject to a new regulatory approval processes in some or all of the markets in which the product were sold. Product liabilities claims and product defects may damage the Group's reputation, lead to negative publicity, adversely affect the sales of such products, civil or criminal sanctions, injunctions. Any product liability claim brought against the Group, regardless of merit, could be costly and cause seriously reputational harm. In addition, certain of the Group's contracts do not contain limitation of liability, which increases Gentian's risk for extensive liability under such agreements. If the Group is held liable for a claim, that claim could materially affect the Group's business and financial condition of the Group.

Depending on the corrective action we take to redress a product's deficiencies, the Group may be required to obtain new clearances or approvals before the product can be marketed or distributed. Defects in products could also harm the Group's reputation, lead to negative publicity and decrease sales of the Group's products, and the Group could also face additional regulatory enforcement action, including warning letters, product seizure, injunctions, administrative penalties, or civil or criminal fines. Any product liability or other claim brought against the Group, regardless of merit, could be costly to defend and could result in an increase to the Group's insurance premiums. If the Group is held liable for a claim, such claim could have a material adverse effect on the Group's business and financial condition of the Group.

2.1.3 The Group may be unable to attract, retain and train the required personnel

The Group is highly dependent upon having a highly qualified senior management and scientific team such as scientists, engineers and laboratory technicians, in order to operate its business successfully. The Group's future success depends on its ability to attract and retain qualified personnel to develop and produce its products. From time to time, there may be a shortage of skilled labour, which may make it more difficult and expensive for the Group to attract and retain qualified employees. The loss of key employees might impede the achievement of the scientific development and commercial objectives of the Group. There is no assurance that the Group will be able to retain key personnel, nor can assurances be given that the Group will be able to recruit new key personnel in the future. If the Group were to lose the services of any of its key personnel or are unable to attract a sufficient number of qualified personnel, it could have a material adverse effect on the quality of the Group's products which in turn could have an material adverse effect on Gentian's commercial success.

2.1.4 Dependence on international sales exposes the Group to risk associated with conducting business in multiple jurisdictions

The Group sells and markets its product in several overseas markets, including the European Union (the "**EU**"), Asia and the US. In 2020 the Group exported approximately 99% of its products. As the Group derive revenues from overseas market, the Group is subject to risks inherent in the in international distribution of IVD reagents products, which generally are beyond the Group's control. These risks include inter alia:

- Laws and policies affecting trade, investment and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws;
- Increased political tension resulting in trade barriers or sanctions
- Multiple regimes for regulatory approvals;
- Loss of revenues due to macroeconomic developments;
- Difficulties associated with enforcing agreements and collecting receivables through foreign legal systems;
- Differing cultural tastes and attitudes;
- Business practice may vary significantly in the jurisdiction in which the Group operates;
- Inconsistent degrees of protection for intellectual property;
- The instability of foreign economies and governments;
- Fluctuating foreign exchange rates; and
- War, crime, natural disasters, pandemics and acts of terrorism.

The uncertainties and recent downturn of the global economy and other macroeconomic factors could adversely affect the Group's business, including the ongoing COVID-19 pandemic The Group experienced a temporary decrease of approximately 80% in sales in the Group's fCAL products in March 2020 due to hospitals closing down or reduced testing on certain patient groups due to the Covid-19 pandemic.

If the Group fails to overcome the challenges that it encounters in its international sales operations, this could have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

2.1.5 The Group faces significant competition and Gentian's failure to compete effectively could have a material adverse effect on the Group's sales and result of operations

The in vitro diagnostics (IVD) market is highly competitive with several large players and subject to rapid and substantial technological change. Competition in these markets is intense and expected to increase as new products, services and technologies become available and as new competitors enters the market. Gentian faces competition from large multinational companies, which some have substantially greater research and development capabilities, manufacturing, regulatory and operational experience and financial resources than those of the Group.

The Group's market is dependent on the Group's ability to be competitive both in regard to price and to quality. There are currently several competitors that supply tests for the same markers as Gentian or tests for substitute markers. There is an inherent risk that these competitors or new competitors may obtain market shares by passing Gentian on pricing, quality or technology. In addition, a product's ease of use (e.g. tailor-made products for certain instruments) and analysis speed can be areas where competitors may win market shares in the future. There is also a risk that other (better or novel) diagnostic markers can substitute the products produced by Gentian. Furthermore, Gentian's distributors might in the future decide to produce similar products themselves, instead of buying these from Gentian.

Increased competition and new entrants in the industry in which Gentian operates may result in lower prices and volumes, higher costs for resources and lower profitability for the Group. If Gentian is unable to compete successfully in this highly competitive market, it could have a material adverse effect on the Group's business financial condition and results of operations.

2.1.6 Strikes and Other Union Activity may adversely affect the Group

The Group could be adversely affected by strikes and other labour activity. The Group has employed members of Technical and Scientific Professionals (TEKNA), and also expects to employ members of several unions and guilds in the future. A strike or other action by one or more of these and for other unions or guilds that provide personnel essential to the production of the Group's products and development of new products could have a material adverse effect on the business, financial position and results of operations.

2.2 Risks related to customer relationships and third parties

2.2.1 Risk related to high degree of customer concentration

The Group obtains a significant amount of its revenue from a limited number of customers. In 2020 approximately 58% of the Group's revenues from sales originated from two main customers (spread over multiple accounts), resulting in a high degree of customer concentration. A large part of the volumes sold by the Group are made pursuant to multi-year frame agreements, which contain no fixed purchase commitments. The Group cannot guarantee that any of its customers will continue to use its services to the same extent, or at all, in the future. A loss of one or more of the Group's significant customers, if not replaced by new contracts or an increase in purchase volume from other existing customers, could have a material adverse effect on the Group's business, prospects, results of operations, cash flows and financial position.

Approximately 66% of the Group's customers are based in Europe and approximately 23.5% are based in Asia (mainly China and South Korea). Any material adverse change in the macroeconomic environment, regulatory environment or other factors that negatively impact the Group's ability to sell and market its product in such jurisdictions may lead to a substantial decrease in the Group's revenue.

2.2.2 The Group may not be able to enter into customer contracts on favourable terms

The success of the Group requires Gentian to retain and enter into to new customer contracts on commercial favourable terms in order to develop and increase its customer base. Gentian addresses its market by direct sale to end-users, collaborations with globally operating diagnostics companies and through established and specialised distributions partners locally in selected market. Several of the Group's customers are large multinational companies with high barging power which may limit the Group's ability to enter into customer contracts on favourable terms. A large part of the Group's volumes are sold through frame agreements which contains no fixed purchase commitments and certain of the Group's agreements does not contain limitation of liability, making Gentian exposed to potential extensive liability claims under such contracts. There is a risk that the Group is not able to retain or enter into new customer contracts on terms commercially acceptable for the Group, which may result in significant loss of revenue, which may in turn adversely impact the Groups' business, financial position and cash flows.

2.2.3 The success of many of the Group's products depends heavily on acceptance by laboratories, hospitals and diagnostics system manufacturers, and the Group's failure to maintain a high level of confidence in the products offered by the Group could adversely affect the Group's business

The Group maintain customer relationships with numerous of laboratories, hospitals and diagnostic system manufacturers. The sales of the products offered by the Group depend significantly on the customers' confidence in, and recommendations of, the products. In addition, the Group's success depends on technicians' acceptance and confidence in the effectiveness and ease-of-use of the products, including new products. Acceptance of the Group's products also requires effective training of healthcare professionals in the proper use and application of the Group's products. Failure to effectively educate and train the Group's end-users and failure to continue to develop relationships with leading healthcare professionals could result in less frequent recommendations of the products offered by the Group, which may could have a material adverse effect on the Group's sales and profitability.

2.2.4 A reduction or interruption in supply or an inability to secure alternative sources of raw materials, products, components or manufacturing services could have a material adverse effect on the Group's business

The production of immunoassays assay relies on access to specific antibodies and coating particles which is highly specialised materials. The production of antibodies and coating particles for use in the medical industry is very technical and there are few suppliers available that meets the Group's needs. Although the Group has entered into contracts which provide the Group with its current need for raw materials, the Group cannot guarantee that it will be able to obtain, enter into or maintain all such contracts in the future. The Group's ability to replace such suppliers may be limited and difficulty in obtaining raw materials could affect the Group's ability to achieve anticipated production levels. In addition, fluctuations in the availability and price in raw materials required by the Group may have an adverse effect on the Group's ability to manufacture its products and the Group profitability. Change in the Group's suppliers could result in delay of the production of existing products and the development of new products and in some cases reverification of the raw material. For example, Gentians produces antibodies by vaccinating hens with different antigens. If the Hens should become ill with avian flu or in some other way die, it might take up to a year to find and vaccinate new hens.

Certain of the Group's supply arrangements are made through standard purchase orders often regulated by standard terms entered into when the purchase is made. For this type of supply relationships there are no frame agreements or future supply commitments which secures the Group a long term delivery of necessary supplies. A reduction or interruption in supply or an inability to secure alternative sources of raw materials, products, components or manufacturing services could have a material adverse effect on the Group's business, result of operations, financial condition and cash flows.

2.3 Risks relating laws, regulations and compliance

2.3.1 The Company is exposed to risks related to regulatory approvals

The Group designs, manufactures and distributes in-vitro diagnostic devices to a global market. The future performance of the Group is dependent on, among other matters, the timely receipt of necessary regulatory clearances and approvals for Gentian's products. Marketing and distribution of IVD's requires regulatory approval in each country where the Group sell its products. It is therefore a risk that a product can be approved for sale in some countries and at the same time rejected in others. Regulatory clearance and approval can be a lengthy, expensive and uncertain process The Group may not be able to obtain regulatory approvals on a timely basis, or at all, and any failure to do so may lead the Company to incur additional costs or prevent the Group from marketing its products in certain countries, which may have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, regulatory processes are subject to change, and new or changed regulations can result in increased costs and unanticipated delays. As an example, the IVD regulation (EU 2017/217) ("**IVDR**") enters into force in the EU 26 May 2022. The IVDR will have a significant impact to the quality management system for manufacturers, importers and distributors as well as to the required product documentation for each IVD medical device. This will impact the regulatory approval process for the Group's products in the EU by making it more costly and time consuming. Further, all IVD medical devices available on the market after 26 May 2022 must comply to the IVDR. To maintain the existing products on the market after 26 May 2022, the Group has to demonstrate the safety and performance of its devices through retrospective evaluation of existing data and generating new data to meet the IVDR regulation The Group's failure to demonstrate the safety and performance of its devices in accordance with the IVDR in time, or at all, may lead to products being temporary or permanently withdrawn from the European market, which may have a material adverse effect on the Group's revenues and financial performance. For further information on how the IVDR will impact the Group, reference is made to section 6.8.2.

Even if the Company obtains regulatory approvals for its products, there is no guarantee that such approvals will not be withdrawn. The laws and regulation for regulatory approval are subject to change, and failure to meet or adapt to new regulations may result in withdrawal of the regulatory approval which could have a material adverse effect on the Group's operation and financial performance.

2.3.2 The Group is subject to substantial regulatory oversight, and failure to comply with applicable regulations may result in significant costs or, in certain circumstances, the suspension or withdrawal of previously obtained clearances or approvals

The Group is subject to substantial regulatory oversight, and failure to comply with applicable regulations may result in significant costs or, in certain circumstances, the suspension or withdrawal of previously obtained clearances or approvals. For example, regulatory authorities where the product is approved or pending approval have the judicial right to inspect the company's quality system and facilities. Depending on the outcome of the inspection the regulatory authority could decide to issue warning letters and/or withdraw the approval if severe issues are identified. Warning letters could be public and affect the credibility and value of the Company. Regulatory authorities have vigilance systems to detect and report adverse events and require that manufacturers have similar systems to protect the users and patients. Depending on the severity of an adverse event, the consequences could be recall of products and/or withdrawal of the regulatory approval. Reported adverse events are public and could affect the credibility and value of the Company. If the Group were to receive warning letters or a products is withdrawn from a market, this may have a material adverse effect on Group's business, performance and financial position.

2.3.3 Changes in laws and regulations in jurisdiction in which the Group operates or any failure to comply with applicable legislation may have a material adverse effect on Group

The regulatory landscape for in vitro diagnostics (IVD) is highly complex as there is regulations on national, European and intercontinental level which all must be complied with in order to gain access to relevant markets. The Group is subject to extensive regulations concerning regulatory approvals and permits as well as regulations concerning environment, antitrust, employment and data protection in all jurisdictions in which the Group produce, sell and market its products. Compliance with complex and changing, array of laws, regulations and standards imposed on the Group business may require significant time, capital and operating expenditures and it impacts the manner in which the Group is able to provide its services. As an example the IVDR which enters into effect on 26 May 2022 will make the Group's process for regulatory approvals and overall compliance more time consuming and costly. For further information about how the IVDR will affect the Group. reference is made to section 2.3.1 and 6.8.2.

Further, the Company and its subsidiaries operate internationally and, as a consequence, the Group is subject to a variety of national tax laws, and is acting in accordance with management’s interpretation of current tax laws, tax treaties and regulations in the countries where the Group operates. It cannot be warranted that the Group’s interpretations of the applicable regulations and administrative practices are correct. In addition, rules and practices are subject to change based on future governmental decisions, which may result in changes to tax policy.

Changes in applicable laws, changes in the interpretation or application of such laws, or any failure to comply with existing or future laws, regulations or standards could have a material adverse effect on the Group's results of operations, financial condition, business and prospects. Moreover, new laws may be enacted, or regulatory agencies may impose new or enhanced standards, that would increase the Group's costs, as well as expose the Group to risks associated with non-compliance. If these regulations were violated by the Group's Management or employees or by its vendors, the Group could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the Group's products and services and have a material adverse effect on the Group.

2.3.4 The success, competitive position and future revenues will depend in part on the Company's ability to protect intellectual property and know-how and operate without infringing the existing proprietary of third parties.

The Group's business and business strategy are tied to its technology. The success of the Company will partially depend on the Company's ability to obtain and maintain patent protection for its products, methods, processes and other technologies, to preserve trade secrets, to prevent third parties from infringing proprietary rights of the Company and to operate without infringing the proprietary rights of third parties.

The Company endeavour to protect its intellectual property rights in jurisdictions in which its products are produced or used. To date, the Company holds certain patents rights however the Group cannot predict the degree and range of protection any patents will afford against competitors and competing technologies, including whether third parties will find ways to invalidate or otherwise circumvent the patents, if and when additional patents will be issued, whether or not others will obtain patents claiming aspects similar to those covered by the Group's patents and patents applications. Because of the differences in foreign trademark, patent and other laws concerning proprietary rights, the Company's intellectual property rights may not receive the same degree of protection in each country.

The Company has ongoing patents applications that are yet to be processed. The Company cannot guarantee that the pending patent applications will not be challenged by third parties or that such applications will eventually be issued by the applicable patent offices as patents. Failure to obtain adequate protection for the Group's technology may have an adverse effect on the Group's operation. The Patents held by the Group may be challenged, invalidated or circumvented by others and may not have sufficient scope of strength to provide the Company with adequate protection or commercial advantage inn all jurisdictions desired.

The Group also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to the Group's unpatented technology. To protect the Group's trade secrets and other proprietary information, certain employees, consultants, advisors and collaborators are required to enter into confidentiality agreements as deem appropriate. The Group cannot give assurance that these agreements will provide adequate protection for the Group's trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. If the Group are unable to maintain the proprietary nature of the Group's technologies, it could have a material adverse effect on the Group's result, financial position and cash flow. .

Please see Section 6.11 "Intellectual property" for further information on the Company's registered patents and current involvement in opposed patent registrations.

2.3.5 Risks Relating to the Group's ability to obtain and maintain necessary certification and permits

The Group's future performance depends on the Group's ability to maintain and obtain necessary certification. Gentian is certified according EN ISO 13485:2016. ISO 13485 is required to legally manufacture and distribute in vitro diagnostic products (IVD's) within the European Union and members of the European Economic Area (EEA). The ISO 13485 certificate is also required to achieve the Certificate of Free Sales issued by the Norwegian Health Directorate (National Authority for medical devices and in vitro diagnostics in Norway. The Certificate of Free Sales is a requirement to IVD's in all regulated markets worldwide.

Certifications standards are subject to change and new or changed requirements for certification can result in increased costs and impact the Group's ability to market and sell its products. There is no guarantee that the Group will be able to maintain or renew necessary licenses. Failure to maintain necessary licenses, e.g. the ISO 13485 certification may make it illegal for the Group to sell any of its IVD's, not only in Europe, but worldwide, which could have a material adverse effect on the Groups' financial results, financial position and/or cash flow.

2.3.6 Retraction of the Group's discharge permit may increase the Group's costs

The Group has received a discharge permit (*NW: påslippstillatelse*). A breach of the terms of the discharge permit may result in retraction of the permit and claim for indemnification. If the discharge permit is retracted, the Group must find new ways to handle its waste which may lead to increased costs. If the discharge permit is retracted this may have a material adverse effects on the Group's financial position.

2.3.7 Antitrust and competition regulations may force the Company to alter its commercial model

Certain of Gentian's distributions agreements and partnership agreements contains exclusivity and competition clauses (i) providing the respective distributor with an exclusive right to market and sell Gentian's products within a specified territory, (ii) preventing distributors from seeking customers outside its respective territory, and/or (iii) preventing distributors from selling, promoting or otherwise handling products in competition with products distributed for Gentian. Distribution agreements are an important part of Gentian's business model, allowing Gentian to faster and better access certain markets. Depending on how the relevant market(s) for Gentian products are defined, the market shares of Gentian and Gentian's contracting parties on the relevant markets, as well as the wording and objective or effect of the exclusivity clauses, there is a risk that authorities deems such arrangement to constitute anti-competitive cooperation. If the Company is deemed to have engaged in anti-competitive cooperation, authorities may impose fines and force the Group to alter is business practices. Any violation of any antitrust or competition regulation could have a material adverse effect on the Company's business, result of operation and financial conditions.

2.4 Risks related to financial matters and market risk

2.4.1 The Group is exposed to 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 credit risk. As the Company export approximately 99.9% of its products, the Group may face difficulties associated with enforcing agreements and collecting receivables through foreign legal systems. In the event these parties fail to meet their contractual obligations the failure

enforce the agreements and collect receivables may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.4.2 The Group may not be able to receive sufficient funds from grants in the future

Grants are an important funding source for Gentian's activities. In 2020 14% of total revenues came from grants. Success in receiving grants is based on approved project applications through Eurostar, the Norwegian Research Council, Innovasjon Norge, Skattefunn or similar. As of today the Group has several projects that are partially funded through such grants and the Group's future R&D activities are partly dependent on the Group receiving grants in the future.. Receiving grants is a competitive process and the Group has no guarantee that it will continue to have success on approvals of project applications in order to receive grants in the future. The framework for receiving grants the Group has received in the past might be amended in a way which make the Group unable to apply for such grant. Any changes in the current framework for the grants received by the Group, reduction in amount received from grants or failure to obtain grants in the future may have a significant adverse effect on the Group's revenue, cash flow and financial position.

2.4.3 The Group has incurred operating losses since 2016 and the Group may not become profitable in the future

Investment in IVD product development requires substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect, gain regulatory approval and become commercially viable. Since 2016 the Company has incurred operating losses. In 2020 the Company's operating loss was approximately NOK 17.8 million, and in 2019, the Company's operating loss was approximately NOK 27 million. The Company's net losses may fluctuate and the size of the Company's future losses will depend partly on the Company's future expenses, received grants and the Company's ability to generate revenue.

The Company is currently able to meet is financial obligations as they fall due, however the Company cannot guarantee that this will be the case in the future. The Company's ability to become profitable is dependent on increased sales of existing products and successful launch and development of new products, neither of which can be guaranteed. Further, the Group cannot guarantee that it will be able to obtain adequate financing on acceptable terms if required in the future. If the Group in the future is required to refinance, this may result in higher interest costs for the Group and put certain restrictions on the Group's operation, which may have a material adverse effect on the Group's results of operation, cash flows and financial position.

2.4.4 Currency Exchange Risk

The Company's production facilities is in Norway and a significant proportion of the Group's costs and funding are in Norwegian kroner. The Group exports approximately 99.9% of its products and generates revenues in in foreign currencies such as EUR and USD. The Group does not at present hedge against foreign currency exposure. Consequently, the Group is exposed to fluctuations in foreign exchange rates, which may have an adverse effect on the Group's business, prospects, results of operations, cash flows and financial position.

2.5 Risks relating to the Listing and the Shares

2.5.1 The price of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Group's control, including quarterly variations in operating results, adverse business developments, adverse market conditions (including, but not limited to, as a consequence of COVID-19), investment recommendations or ratings by securities analysts, announcements by the Group or its competitors of new product and service offerings, significant contracts, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

In addition, in recent years, the Oslo Stock Exchange has experienced wide price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The Company cannot assure that the market price of the Shares will not decline, and the Shares may trade at prices significantly below the Shares current trading price, regardless of the Group's actual operating performance.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Shares on Oslo Børs.

The Board of Directors of Gentian Diagnostics ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

24 June 2021

The Board of Directors of Gentian Diagnostics ASA

Tomas Settevik

Espen Tidemann Jørgensen

Ingrid Helene Teigland Akay

Kari Eian Krogstad

Susanne Stuffers

Runar Vatne

Tomas Kramar

4 GENERAL INFORMATION

This Section provides general information on the presentation of financial and other information, as well as the use of forward-looking statements, in this Prospectus.

4.1 Other important investor information

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of the affiliates, representatives or advisers of any of the foregoing.

Neither the Company nor any of their respective affiliates, representatives or advisers, is making any representation, express or implied, to any recipient regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Company.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk factors".

4.2 Presentation of financial and other information

4.2.1 Financial information in the Prospectus

The Group's audited consolidated financial statements as of and for the years ended 31 December 2020, 2019 and 2018 (the "**Annual Financial Statements**") have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Financial Statements have been audited by BDO AS. The auditor's report for the year ended 31 December 2019 are referring to NGAAP regarding the financial statements of the Group, this is an error and the auditor has confirmed to the NFSA that the financial statements for the Group have been audited and presented in accordance with International Financial Reporting Standards as adopted by the EU.

The Company's unaudited consolidated financial information for the three months ended 31 March 2021 and the three month period ended 31 March 2020 (the "**Interim Financial Statements**") has been prepared in accordance with IAS 34 and has been subject to a limited review by the Company's auditor.

The Annual Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Information**". The Annual Financial Statements are attached to the prospectus as appendix C, and the Interim Financial Statements are attached to the Prospectus as appendix B.

4.2.2 Non-IFRS financial measures / Alternative Performance Measures

In this Prospectus, 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		1Q21	1Q20		2020	2019	2018

Financial numbers in NOK 1000							
Revenue from contracts with customers		19 642	16 247		63 327	47 952	39 912
Revenue growth		3 395	5 634		15 375	8 040	11 971
Impact using exchange rates from last period		564	-1 174		-5 025	-1 419	-590
Impact M&A		1 016	-299		1 068	111	519
Organic revenue growth		4 975	4 162		11 418	6 733	11 900
Organic revenue growth %		33 %	42 %		25 %	18 %	49 %

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		1Q21	1Q20		2020	2019	2018
Financial numbers in NOK 1000							
Employee benefit expenses		9 708	8 987		37 231	29 691	22 438
Other operating expenses		5 974	5 107		20 258	21 267	18 754
Total other operating expenses after capitalisation of R&D expenses		15 682	14 094		57 489	50 958	41 192
Capitalisation		1 489	65		3 421	3 071	5 165
Total other operating expenses before capitalisation of R&D expenses		17 171	14 459		60 910	54 029	46 357

Reconciliation		1Q21	1Q20		2020	2019	2018
Financial numbers in NOK 1000							
Other non-salary related operating expenses after capitalisation of R&D expenses		5 974	5 107		20 258	21 267	18 754
Capitalisation		860	-		2 838	1 471	2 379
Other non-salary related operating expenses before capitalisation of R&D expenses		6 834	5 107		23 096	22 738	21 133

EBITDA/EBIT

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

Reconciliation		1Q21	1Q20		2020	2019	2018
Financial numbers in NOK 1000							
Total Revenue		24 202	19 131		78 881	55 384	52 020
Total Operating Expenses		28 117	25 588		96 705	96 625	72 706
EBIT		-3 916	-6 456		-17 824	-41 241	-20 686
Depreciation and Amortisation		1 971	1 567		6 630	20 218	8 937

EBITDA		-1 945	-4 889		-11 194	-21 023	-11 749

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.

Reconciliation		1Q21	1Q20		2020	2019	2018
Financial numbers in NOK 1000							
Revenue from contracts with customers		19 642	16 247		63 327	47 952	39 912
COGS		10 464	9 926		32 586	25 449	22 576
COGS % of Revenue from contracts with customers		53 %	61 %		51 %	53 %	57 %

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.

Reconciliation		1Q21	1Q20		2020	2019	2018
Financial numbers in NOK 1000							
Non-cash share-based compensation		971	872		3 278	1 869	695

4.2.3 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Group's current intentions, beliefs or current expectations concerning, among other things, financial position, operating results, liquidity, prospects, growth, strategies and the industries and markets in which the Group operates ("Forward-looking Statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. Forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts or circumstances. They appear in a number of places throughout this Prospectus, and include, among other things, statements relating to the Group's strategy, outlook and growth prospects and the ability of the Group to implement its strategic initiatives, the Group's financial condition, the Group's working capital, cash flows and capital investments, the impact of regulation on the Group, general economic trends and trends in the Group's industries and markets and the competitive environment in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industries and markets in which the Group operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Group can provide no assurances that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

These forward-looking statements speak only as of the date of this Prospectus. Save as required by Article 23 of the EU Prospectus Regulation or by other applicable law, the Company expressly disclaims any obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or to persons acting on the Group's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Given the afore-mentioned uncertainties, prospective investors are urged not to place undue reliance on any of the Forward-looking statements herein.

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Company's Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act (see Section 6.2 "Constraints on the distribution of dividends"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its credit agreements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

As of the date of this Prospectus the Company has not paid any dividends. The Company's dividend policy is that the Company does not expect to pay any dividend in the short to medium term as the Company is in the development phase.

5.2 Constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividend to the extent that the Company's net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The Company's total nominal value of treasury shares which the Company has acquired for ownership or security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

- The calculation of the distributable equity shall be made on the basis of the balance sheet in the approved annual accounts for the last financial year, but so that the registered share capital as of the date of the resolution to distribute dividend shall apply. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividend on the basis of the Company's annual accounts.

- Dividend may also be distributed by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Divided can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 13 "Taxation".

5.3 Manner of dividend payment

Any future payments of dividends on the shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar, and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied will be the VPS Registrar rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the DNB Bank ASA.

6 BUSINESS OF THE GROUP

6.1 Introduction

The Company is the holding company of the Group, comprising of Gentian Diagnostics ASA (the Company) as the parent company of the Group. A structure chart of the Group and a full overview of the Company's subsidiaries are set out in Section 13.2 "Legal structure".

Gentian Diagnostics ASA is a medical diagnostics company. The Company is involved in the production, R&D, marketing and distribution of immunoassays. It has its headquarters and production facilities in Moss, Norway, and is supported by distribution subsidiaries in Sweden and the USA, a representative office in China as well as globally by a strong commercial partner and distributor network.

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

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

6.2 Strategy and objectives

Gentian's objective is to offer more efficient and accurate test solutions currently in the areas of kidney disease, cardiovascular diseases, inflammation, severe infections, and pancreatic elastase insufficiency. Gentian serves the immunochemistry segment of the In Vitro Diagnostics market with products which add value to health care suppliers by improving laboratory workflow and clinical outcome. The Company manufactures and commercializes 5 PETIA (particle enhanced turbidimetric immunoassay)-based assays and has currently two additional assays under development.

The Company aims to deliver sustainable double-digit sales growth for the coming years. Reaching the break-even-point is an additional milestone. To achieve the Group's growth strategy, the Group has focused on increased product development and increased adoption of existing products. The Group seeks to launch one new product per year. The development of new or enhanced products or services is a costly and uncertain process and there is no guarantee that the Group is able to launce new products according to plan, see Section 2.1.1 "The Group may experience difficulties that delay or prevent the Group's development, introduction or marketing of new or enhanced products or services".

In order to be recognised and to gain the trust of the end-users, which are clinical laboratories all over the word, the value proposition of Gentian's products must be scientifically proven and promoted by investments into clinical studies, state-of-the art marketing and selective commercial representation in focus countries.

The Group's preferred commercial channel is to develop relationships with global diagnostic companies, which also is suppliers of instrument platforms, on which the Gentian reagents are applied. The operational readiness for Gentian's growth ambition is done by targeted investments into capacity, technology and expertise.

The Company anticipates prospects based on mega market trends like aging population and the respective increase of chronic diseases and cancer, growing problems with infectious diseases like COVID-19 and sepsis and a continuous trend towards automation of clinical diagnostics. As future challenges, the Company expects a continuous increase of regulatory requirements and overall health care cost constraints.

6.3 History and important events

The table below provides an overview of key events in the history of the Group:

Year	Event
2001	The Company was established
2004	The Company acquires Gentian AS and includes it as a subsidiary in the Group.
2005	Gentian launched its first product, today known as the Gentian Cystatin C assay, based on Gentian's Nanosense technology. Gentian soon became an established on the Swedish market, which was a pioneer market for the Cystatin C marker test.
2007	Gentian receives 510k clearance by the Food and Drugs Administration (FDA) in the US for the Cystatin C assay on several platforms. Gentian enters into a distribution agreement with one of the top 10 IVD companies, who offered the Cystatin C assay worldwide on its instrument platforms.
2009	Gentian opens its representative office in China: Gentian Beijing Representative Office.
2011	Gentian establishes a US subsidiary in Florida; Gentian USA Inc. responsible for distribution and sales in the American and south American markets.

Year	Event
	The Company moves its facilities to; Bjørnåsveien 5 in Moss, Norway. The new facilities offer the possibilities of a more modern laboratory and production facility and gives room for growth.
2012	Gentian enters into an OEM agreement with a European diagnostic company to make the Gentian Faecal Calprotectin assay available on clinical chemistry platforms.
	Gentian enters into a distribution agreement for Canine CRP on clinical chemistry platforms with a veterinary diagnostic company.
	Gentian ranked 1st in DNB's innovation competition in Akershus/Østfold, and ranked 3rd in the national finals for the Gentian Canine CRP product.
2013	Gentian launches the Gentian Canine CRP Immunoassay
2015	Gentian launches the Gentian Faecal Calprotectin Immunoassay.
2016	Gentian launches the Gentian NGAL immunoassay.
	The Company buys PreTect AS and includes it as a subsidiary in the Group.
	The Company is listed on Euronext Growth Oslo
2017	Launch of GCAL for the early predication of severity of sepsis and other severe infections.
2019	Production and commercialization of NGAL has been stopped due to low market demand.
2020	Launch of fPELA for the detection of insufficient production of pancreatic elastase.
	Divesture of PreTect AS

6.4 Principal Activities and Products

6.4.1 Introduction

Gentian designs, develops, manufactures and commercialises high sensitive in vitro diagnostic (IVD) reagents and materials for the global human and veterinary clinical laboratory market. Gentian's goal is to offer more efficient and accurate test solutions in the areas of kidney disease, cardiovascular diseases, inflammation, severe infections, and pancreatic elastase insufficiency. Gentian´s products have gained market acceptance due to their high quality from utilizing proprietary technology for nanoparticle enhanced diagnostic tests called Nanosense.

The export rate for Gentian's products is approximately 99.9%. The customers are hospitals and private diagnostic and research laboratories and clinical and research laboratories worldwide who seek new and effective diagnostic solutions for their patients as well as more efficient solutions with respect to cost and workflow. Currently Gentian has five main products, Gentian Cystatin C Immunoassay, Gentian GCAL® Serum & Plasma Calprotectin Immunoassay, Gentian Canine CRP Immunoassay, fCAL® turbo Fecal Calprotectin Immunoassay, fPELA® turbo Fecal Pancreatic Elastase Immunoassay, with several other products in the pipeline.

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

6.4.2 Gentian Serum und Plasma Calprotecin Immunoassay (GCAL®)

Calprotectin is a complex of the mammalian proteins S100A8 and S100A9.

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

Gentian, together with national and international research institutes and hospitals, continues to publish and perform clinical studies to prove clinical utility of calprotectin. Focus areas for GCAL® clinical studies are sepsis as well as COVID-19. The studies demonstrates promising results reporting calprotectin as a sensitive and early marker in sepsis diagnosis, and the prediction and differentiation between bacterial and viral infections. Furthermore, in viral sepsis caused by COVID-19, calprotectin has been reported as a valuable risk marker for prediction of severe events, like need for invasive ventilation, organ failure, ICU admission and mortality. The focus on COVID-19 management is based on the increased attention to sepsis as major health threat as well as the need for accelerated market entry of novel biomarkers for COVID-19 and other severe infections. The reported infectious diseases market value in 2020 was USD 9.1 billion[1]. Sepsis is reported to be one of the major health problems with around 1.7 million patients to develop sepsis solely in

[1] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition. Please notate that this source is not freely avaliable.

the US and established biomarkers Procalcitonin (PCT) and lactate have its limitations. The global sepsis market was valued at USD 930 million in 2020. [2]

6.4.3 Gentian Cystatin C Immunoassay

Cystatin C is a protein used as a biomarker for kidney function and with this supports the prevention of severe kidney failure .

The Gentian Cystatin C Immunoassay (CE marked and FDA-510(k)[3] cleared) is an in-vitro diagnostic (IVD) test for quantitative determination of cystatin C in human serum and plasma, supporting an early detection of reduced kidney function. The Gentian Cystatin C Immunoassay saw growth across all sales channels in 2020 with an overall growth of 37% in 2020 vs 2019. This is driven by the increased focus on cystatin C as cystatin C can provide an alternative with significant clinical relevance to creatinine. In the US for example, the uncertainty of estimated glomerular filtration rate (eGFR) based on creatine measurements in context of racial components of the patients have been recognised. The eGFR is the main measure for kidney function. This illustrates the untapped potential of cystatin C. Going forward Gentian aims to build on the increased focus on cystatin C in the US and Europe to further expand the market and increase Gentian's segment share. The Gentian Cystatin C Immunoassay is sold both directly to healthcare providers and via distributors. The global target market value is USD 0.5 billion[4] of which the Company addressable markets is USD 0.1 billion.

6.4.4 Gentian Canine CRP Immunoassay (cCRP)

The Gentian Canine CRP Immunoassay is a dog specific biomarker for systemic inflammation.

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

The companion animal diagnostic market reached USD 1.3 billion in 2018, with the USA as the biggest market[5]. The main market in which the Group operates in is currently Europe, but in 2020 the Gentian Canine CRP Immunoassay has seen promising growth and potential in the USA and globally. Customers for the Gentian cCRP Immunoassay include veterinary laboratories in research institutions and veterinary routine testing laboratories in veterinary hospitals, clinics and privately owned veterinary testing organisations.

6.4.5 Gentian Faecal Calprotectin Immunoassay (fCAL® turbo)

The Gentian Faecal Calprotectin Immunoassay (fCAL® turbo) is an automated analysis of faecal calprotectin, reducing the need of colonoscopy.

The faecal calprotectin immunoassay fCAL® turbo provides clinicians with fast results of calprotectin in stool supporting diagnosis of inflammatory bowel disease (IBD), while also reducing the need of costly and invasive endoscopic colon examinations(colonoscopy). fCAL® turbo is produced by Gentian and sold exclusively through the partner Bühlmann Laboratories to end users, distributors and as a bulk product 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 FDA-510(k) clearance, validations on the majority of all 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 and competitive conversions. The Company estimates that the global market value is >80 MUSD.

6.4.6 Gentian Faecal Pancreatic Elastase Immunoassay (fPELA® turbo)

The Gentian Faecal Pancreatic Elastase Immunoassay (fPELA® turbo) aids 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 in Europe. The assay was also launched in the US (FDA exempt), registrations are ongoing in several markets, including Canada and Brazil. Typical registration timelines are 6 to 24 months based upon experience with similar registration processes. All validations for use on relevant clinical chemistry analysers are completed. The Company estimates that the current global market size has an estimated value of 20 MUSD.

6.4.7 Products under development

6.4.7.1 Gentian SARS-CoV-2 Total Antibody Test

Gentian SARS-CoV-2 Total Antibody Test aims to provide a tool long-term monitoring and community management of COVID-19.

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[2] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition

[3] The FDA (Food and Drug administration) is the regulatory institution for food and drugs (including medical devices) of the United States. A 510(K) is a premarket submission made to FDA to demonstrate that the device to be marketed is as safe and effective, that is, substantially equivalent, to a legally marketed device (section 513(i)(1)(A) FD&C Act) that is not subject to premarket approval

[4] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition

[5] Kalorama 2018, The Worldwide Market for veterinary Diagnostic Tests 13th Edition

The Gentian SARS-CoV-2 Total Antibody Test will provide a high-throughput tool (up to 2000 tests/hour on a clinical chemistry analyser) for long-term monitoring and community management of COVID-19. Gentian will take SARS-CoV-2 serology testing to clinical chemistry platforms increasing the testing capacity and improving laboratory efficiency. The assay will detect total antibodies ensuring high sensitivity and target the spike protein of the virus providing high specificity and correlation to neutralising antibodies, as well as targets of vaccine programs. The Gentian SARS-CoV-2 Total Antibody Test aims to join the effort for future effective and reliable monitoring of the virus behaviour in the community and possible assessment of population immunity as well as determining the immune response to vaccination efforts. The Gentian SARS-CoV-2 Total Antibody Test is planned to be launched at the end of 2021. This product development project is a Gentian driven development, currently in the verification phase. Gentian has received funding from the Norwegian Research Council to develop the product, with the University of Tromsø as development partner.

6.4.7.2 Gentian NT-proBNP Immunoassay

The Gentian NT-proBNP Immunoassay aims to be the first NT-proBNP assay on clinical chemistry analysers.

The Gentian NT-proBNP Immunoassay aims to be the first turbidimetric in vitro diagnostic test for the quantitative measurement of N-terminal pro-brain natriuretic peptide (NT-proBNP). Gentian's proprietary antibody and nanoparticle-based technology allows for comparable, consistent, biotin interference-free measurement of clinically relevant concentrations of NT-proBNP on high volume and easily accessible clinical chemistry analysers. With an aging population and lifestyle choices increase the need for levels of service in a more cost-effective manner. Gentian's NT-proBNP assay fulfils the need for accurate and rapid diagnosis of congestive heart failure (CHF), allows easier result standardisation for improved patient outcomes and increased laboratory productivity. This is supported by the results from an on-going market sensing project in the US and in Europe. The project is Gentian driven and has received external research funding.

The lead acute care cardiac markers are troponin, BNP/NT-proBNP and myoglobin. Together these tests share about 75% of the segment, which in total is worth USD 1.6 billion in 2020. The market is expected to increase to USD 1.9 billion in 2025, representing 4% average growth rate[6]. The Gentian NT-proBNP Immunoassay is currently in the optimization and is planned launched in 2022.

6.5 The Technology

The in vitro diagnostic immunoassay industry uses mammalian polyclonal antibodies created by injecting mammals with a known antigen. The antigen causes an immune response and the mammalian antibodies thus created are harvested. In an immunoassay based on mammalian antibodies the degree of reaction with an antigen will vary according to the animal used to develop the antibodies. Polyclonal antibodies are produced ad hoc from mouse, rabbit, sheep, goat etc., and monoclonal antibodies are produced from mammalian cell cultures, typically of mouse origin.

Gentian immunoassays predominantly use mainly avian antibodies as opposed to mammalian antibodies. Avian antibodies are created by injecting an avian species (hens) with a known antigen and harvesting the antibodies from the hen's eggs. In human immunoassay use, avian antibodies give a stronger signal and less cross reactivity when used to detect a human antigen. The large genetic difference between avian species and mammals causes a strong antibody reaction. Gentian has used this technology to develop, produce and sell nanoparticle-based reagents for several immunoassay reagents.

These nanoparticle-based immunoturbidimetric assay reagents have the following characteristics:

a) Assay reagents work with body fluids from humans or other mammalian species

b) Assay reagents can be used on all clinical chemistry platforms with turbidimetry detection modules

c) Assay reagents are homogeneous and non-separation-based

Gentian uses mainly avian antibodies and its proprietary Nanosense platform to create immunoassays of high sensitivity, precision and accuracy.

6.6 Principal markets

6.6.1 Introduction

The In Vitro Diagnostics (IVD) industry involves testing of human tissue or fluid samples outside of the body to screen and detect diseases, infections and medical conditions. IVD testing is a core component of routine health care check-ups for those who are presenting with symptoms or require procedures. It influences up to 70% of critical healthcare clinical decision-making. The major factors that are expected to be driving the in vitro diagnostics market are the aging population & 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. Further consolidation of the market can also be assumed.

The global IVD market represented approximately billion 74,3 USD in global end-user revenue in 2020.[7] The IVD market is divided among multiple testing disciplines, including Immunoassay, Clinical Chemistry, Molecular Diagnostics, Anatomical Pathology, Microbiology, Haematology and Coagulation, among others. Gentian competes in the largest market (excluding the impact of COVID-19), the Immunoassay segment, which represents approximately a 16.9 BUSD addressable market in 2020 for Gentian.[8]

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[6] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition
[7] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition
[8] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition

Clinical diagnostics laboratories are the end-users of all Gentian's products. Laboratories can be part of hospitals and/or private driven institutions which serve the outpatient segment and partially as well hospitals, who had decided to outsource the laboratory work for mainly efficiency/cost reasons. The Gentian products are tested mainly within the clinical chemistry laboratories, which are departments of the overall clinical diagnostics laboratories. The company Frost&Sullivan reported 15,000 clinical chemistry laboratories in the United States during the years 2018-2019, based on data from the Clinical Laboratory Improvement Amendments (CLIA). The Company assumes that this number represents about 30% of the total global market in terms of number of clinical chemistry laboratories.

Gentian addresses the need for improved productivity and cost efficiency of its end-users by enabling the transfer of existing, but clinically relevant, biomarkers from slow and less efficient instrument platforms to high throughput instrument platforms, which improves the laboratory productivity and improves the cost efficiency. The reduction of analysis time from hours down to 10 minutes addresses the need of the treating clinicians to receive test results as fast as possible, so that they can support their treatment decisions.

The 5 largest IVD companies (by revenue size) , which develop and supply most of the instrument platforms, are Roche Diagnostics, Abbott Diagnostics, Danaher (with Beckman Coulter Diagnostics, Cepheid, Radiometer, Leica Biosystems, Sciex Diagnostics), Siemens Healthineers and Thermo Fisher Scientic. These 5 global players represent about 50% of the global IVD market.[9] While the large companies dominate the large segments, innovations drive market growth. Many innovations are initiated by smaller, research driven companies like Gentian. Full commercialisation of new products is often achieved via partnering between the larger players and the innovation providers.

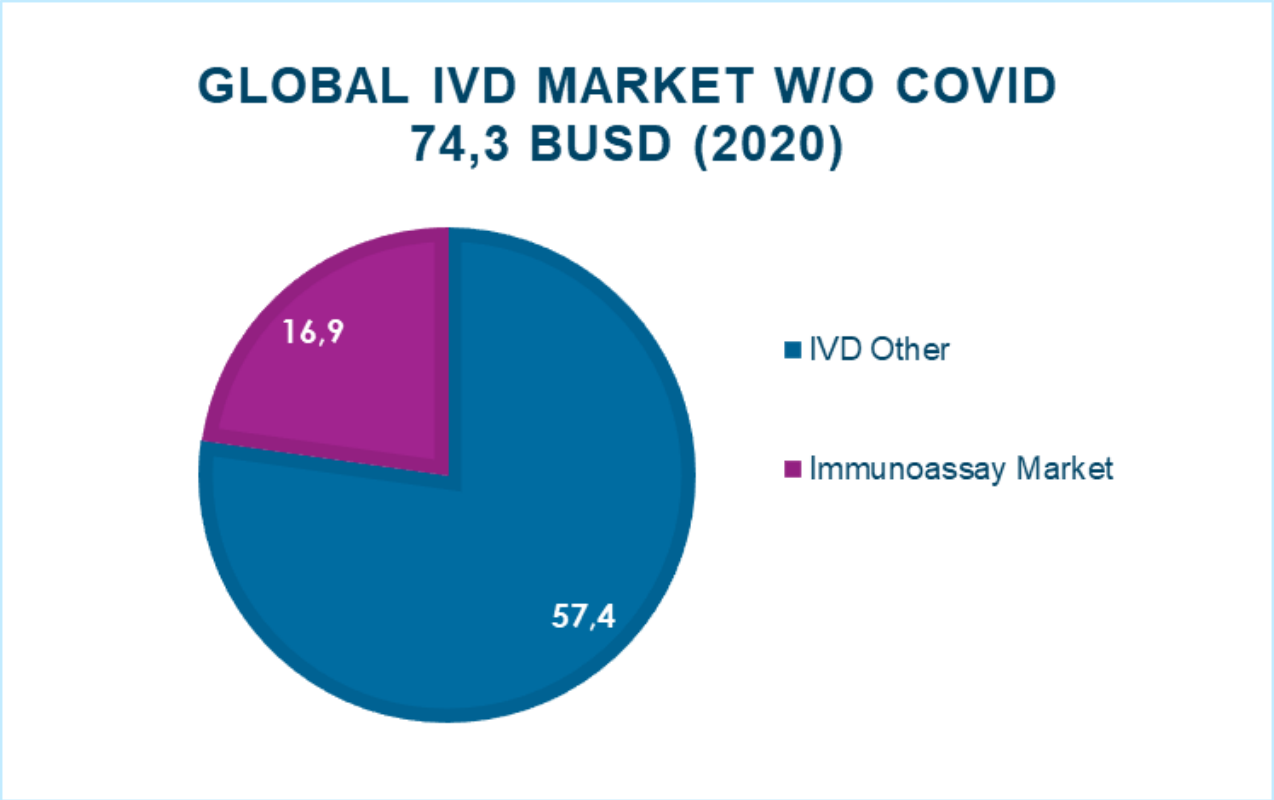


Figure 1 – Global IVD Market size[10]

6.6.2 Customer needs

Within the IVD segment and in view of the major market drivers, customer expectations are focused on increasing laboratory productivity, higher accuracy of diagnostics tests as well as elevated clinical relevance, all leading to improving patient outcomes and containing rising healthcare costs.

Gentian's products fulfil these requirements as Gentian's nanoparticle based enhanced turbidimetric immunoassay technology enables customers to significantly increase sample throughputs in the laboratory while providing fast, precise and accurate results to the clinicians.

Gentian's e end-user are served by the Company or the Group's distributors, OEM partners and via direct sales efforts. Typical contract periods with end-user customers range from 1 year to 5 years, while contractual agreements with distributors and OEM partners have durations from 3 to 10 years.

[9] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition
[10] Kalorama 2020, The Worldwide Market for In Vitro Diagnostic Tests 13th Edition

6.7 Gentian's Commercial Model

6.7.1 Introduction

End-users of Gentian's products are professional users in clinical laboratories, both in the hospital as well as in the private clinical laboratory environment. Private labs are often owned and operated by internationally or globally operating lab chains such as Sonic Healthcare, Quest, Labcorp, SynLab, Unilabs.

In order to reach the end-user customer, Gentian applies a 'smart' business model, addressing the following 3 customer segments.

6.7.2 Direct sales to end users customers and key opinion leaders (KOL's) in selected markets.

Direct end-user contact and end-user sales are achieved through the commercial organization at Gentian AB in Sweden, through Gentian Inc. in the USA and through the Sales and Marketing team at Gentian AS. Gentian products currently sold directly include Gentian Cystatin C, Gentian GCAL, Gentian cCRP and, once available, Gentian SARS CoV-2 Total Antibody Test and Gentian NT-proBNP.

In addition to the Gentian product portfolio Gentian AB sells available products from Bühlmann Laboratories in the Swedish market, offering a unique and compelling set of complementary products.

Gentian's focus for direct sales activities includes Scandinavia, the leading EU-4 countries (Germany, France, Italy, Spain), and the USA.

6.7.3 Multiplication of commercial reach through collaboration with globally operating diagnostics companies, adding value to their product offering in terms of portfolio breadth and global product availability.

Offering a large menu of tests is a key requirement for IVD companies and while the top 5, globally operating, IVD companies develop a significant number of tests, complementing their own menu with additional tests is common practice. As such additional tests are validated on the company's proprietary instrument platforms and are offered as part of the product portfolio, either under their own brand or as Gentian brand. Thus, Gentian obtains global reach for its products. Partnering with globally operating IVD companies represents the largest commercial opportunity for Gentian.

As an alternative strategy 'second tier' IVD companies represent an additional business opportunity for Gentian, due to regional strengths and/or a strong position in a specific application market segment.

Gentian has formed a multi-year global partnership with Beckman Coulter Diagnostics for the exclusive sale and distribution of the Gentian Cystatin C Immunoassay on Beckman Coulter Clinical Chemistry and Nephelometry platforms and instruments. The test is sold under the Beckman Coulter brand in China and in globally selected markets under the Gentian brand. In addition, Gentian has entered into a global reagent supply agreement with Beckman Coulter for the Gentian Cystatin C Immunoassay where Gentian develops and manufacture the reagents and Beckman Coulter distributes the cystatin C products to their customers for use on AU, IMMAGE, and Synchron instrumentation.

A second partnership was established with Bühlmann Laboratories Switzerland for the exclusive global distribution of the co-developed fCAL® turbo (since 2015) and fPELA® turbo (since 2020) assays.

6.7.4 Commercialising Gentian's products through established and specialised distribution partners locally, in selected markets.

Leveraging existing commercial organisations and both regional as well as specialised market focus allows Gentian faster access to and sales revenues in certain regions, creating market awareness for the Gentian products. Such countries include the leading EU 4 countries (Germany, France, Italy, Spain), the Middle East, as well as certain countries in the Asia Pacific region. Such agreements are predominantly formed on a non-exclusive basis, in order to maximise the Gentian commercial model.

Distribution agreements exist with partners in the United Kingdom (the "**UK**"), Spain, Portugal, Poland, Czech Republic, and Korea for GCAL® and the UK and Korea for Cystatin C.

For Gentian cCRP non-exclusive distribution agreements are concluded with 2 global players in the Veterinary Testing Market (SCIL, IDEXX), plus an additional local partner in Sweden (Diasystem).

Discussions regarding additional distribution agreements are ongoing.

6.8 Regulatory Environment

6.8.1 Introduction

The Group designs, manufactures and distributes in-vitro diagnostic devices to a global market either directly to customers or via distributors. The products and the Group's facilities are subjected to extensive regulations applicable for the different markets where the products are distributed and made available. The initial marketing strategy for a product is defined in the design and development phase in order to assess the applicable regulations for the operation and the product registration.

The Group's manufacturing subsidiary, Gentian AS, holds an ISO 13485:2016 certification which was first issued in 2008 with continued surveillance and re-certification by the certified body. The conformity towards the ISO 13485:2016 is verified by the certified body by an annual on-site audit. TüV SüD is the certified body for Gentian AS. ISO 13485:2016 is a voluntary standard, however, the Group acknowledge this standard as an essential standard in the medical device industry to ensure that Gentian AS manufactures and delivers high quality products that are safe for their intended purpose.

Furthermore, the Group has routines and processes implemented in compliance with the Eus General Data Protection Regulation (GDPR) and national regulations for health, safety and environmental work in enterprises (Internal Control Regulation). The Group has a quality policy defining targets towards the customers, patients, suppliers, shareholders, employees, compliance and environment. For the Group's products, they are compliant to the REACH regulation (EU regulation 1907/2006/EC) and the CLP regulation (Classification, Labelling and Packaging, EC No 1272/2008).

6.8.2 European market

As a manufacturer and distributor in Europe, all the Group's products are CE marked and subjected to the European IVD 98/79 EC directive with Norwegian Medicines Agency as the Company's national competent authority. The products are classified as self-declared according to the IVD 98/79 directive with EU Declaration of Conformity and certificate of free sales issued by the national competent authority. The certificate of free sales gives the CE marked IVD medical devices free access to the EU market according to the IVD 98/79 EC.

The current IVD 98/79 directive will be replaced by an IVD regulation (EU 2017/217) coming into force from 26 May 2022. The new regulation (IVDR) has a significant impact to the quality management system for manufacturers, importers and distributors as well as to the required product documentation for each IVD medical device. There is no grandfathering rule with the IVDR, meaning that all IVD medical devices available on the market after 26 May 2022 must comply to the IVDR. To maintain the existing products on the market after 26 May 2022, the Group has to demonstrate the safety and performance of the devices through retrospective evaluation of existing data and generating new data to meet the IVDR regulation.

The main changes from the current IVD 98/79 EC directive to the IVD 2017/746 Regulation (IVDR) are the following:

New classification system of IVD medical devices.

Currently 80% of IVD medical devices are classified as self-declared and do not require any pre-approval by a notified body. The new classification system consists of 4 risk class from A to D with A as low risk and D as high risk. The manufacturer proposes risk class for the product in accordance with the regulation and guidance document. The justification for risk class will be verified by the notified body.

Unique Device Identifier.

All products are required to have a Unique Device Identifier (UDI) on the product labelling as a barcode or data matrix. A system recognized by the European commission must be used. The UDI improves the traceability of the product from the manufacturer throughout the supply chain.

Clinical benefit of the IVD medical device.

Clinical evidence for the product towards the intended purpose for the device must be demonstrated prior to placing the device on the market. The extent of the clinical evidence needs to be proportionate to the risk class of the product, i.e. class A products require less documentation compared to C and D class products. Clinical evidence consists of three elements; analytical performance of the product, scientific validity by assessing available publications of the analyte and clinical performance of the device. Clinical performance is either clinical performance studies to be performed using the respective product or collect data from publications and determine the required clinical characteristics.

Post-Market surveillance of the IVD medical device.

Post-launch of the product, the manufacturer is required to have a system and processes implemented to continue evaluating and demonstrating the safety, performance and quality of the product. Data shall be gathered from several sources and appraised in detail to ensure the product still meet the defined claims and make sure actions are taken to reduce emerging risks and issues with the product.

Person Responsible for regulatory compliance.

The manufacturer shall have in their organization a person complying to defined competence requirements in the IVDR. This role is responsible to overlook and ensure defined processes and routines are in place, and that products released for the markets comply to the respective routines and processes.

Specific requirements for importers and distributors of IVD medical devices.

In the IVDR specific requirements are defined for the importers and distributors, article 13 and 14, where the importer and distributor shall ensure that devices placed on the market in the European Union comply to the IVDR and if they have reason to believe there are any noncompliance, the manufacturer shall be notified. The distributor/importer may be requested to provide all documentation and information to demonstrate the conformity of the device by their national competent authority.

Implementation and compliance towards the IVDR will be ensured by Notified Bodies designated by respective competent authorities. Gentian AS will use TüV SüD as their Notified Body for IVDR certification.

The IVDR certification is a stepwise process as shown in the figure below where two initial audits; stage 1 and stage 2, have to be completed in addition to review and approval of the IVD medical device by the Notified Body. When the initial audits are completed, yearly surveillance audits will be performed with re-certification audit every 3rd year

The Group has prepared an extensive gap analysis of the IVD 2017/746 regulation towards the Group's Quality Management System and existing product documentation. From this analysis, a Master Implementation Plan is defined tracking the progress of actions in order certified for IVDR in due time before the 26 May 2022.

The Group acknowledge the importance of certifying for ISO 13485:2016 and the IVD regulation (EU 2017/746) to deliver high quality and reliable products, and to ensure the Group maintain a compliant and efficient Quality management System integrated in all business areas of the Group.

6.8.3 United States (US) market

The US market is an important market for the Group's products, and thus the FDA regulations for IVD devices, 21 CFR Part 820, is integrated into the quality management system and applicable to all the Group's products. The following essential requirements are integrated in the Group's quality management system:

- Current Good Manufacturing Practice (cGMP) and quality system requirements
- Labelling requirements
- Quality control of an IVD device
- Handling of medical device reporting and recalls/withdrawals
- Classification of products to determine the regulatory premarket process (Class I, II and III with class III as highest risk classification)

Prior to distribution and placing an IVD medical device on the market in US, the product must be assessed and approved by the FDA. The regulatory assessment and pathway for a product depends on the classification of the product and whether there are any similar devices already approved for the market. There are three regulatory processes for approval of an IVD device by the FDA;

- 510(k): for medical devices where there is a similar product already approved in the market where substantial equivalence can be demonstrated by the manufacturer (class I and II).
- De Novo: process to classify novel medical devices for which there is no marketed predicate device (class I and II).
- Premarket Approval (PMA): process to evaluate the scientific and regulatory review of class III devices.

After a clearance of the IVD device is given, any modifications or changes which may impact the safety or effectiveness of the device or constitute a major change to the intended use of the device, will require new documentation and approval process by the FDA where the level of documentation and process applied is depending on the extent of modification or change.

As for the European market, several post-market requirements apply for products available for the US such as monitoring, reporting and handling of serious incidents of the device by the users in hospitals and laboratories. Gentian complies to the FDA regulations for medical device reporting and actions required to reduce risk to the user/patient in case of any potential malfunctioning device in the market.

Gentian AS holds an establishment registration in the US for production and distribution to the US market and has currently one IVD medical device with a 510(k) clearance by FDA.

6.8.4 Rest of the world

Other markets currently applicable for products manufactured and distributed by the Group are China, South Korea, Taiwan, Brazil, Canada, Australia and UK where all have specific regulations applicable for the manufacturer and for registration of the IVD device in the respective market. In this respect, Gentian AS is part of an international program, MDSAP, Medical Device Single Audit Program, which is a cooperation between 5 member states (US, Canada, Japan, Brazil, Australia) where the Quality Management System of the manufacturer is audited by a designated certified body (TüV SüD for Gentian AS) to verify compliance to the regulations for each of the 5 member states.

In addition, to the given countries above, Gentian AS, distribute its products to a world-wide market through several distributors. Registration of the IVD medical device in the respective countries are in the responsibility of the distributor with support from Gentian AS. These responsibilities are regulated by agreements and any specific requirements are implemented in the Group's Quality Management System.

6.9 Research and development

Gentian's mission is to innovate diagnostic efficiency. Clinical laboratories globally need new diagnostic products to serve the requirements of their customers within an overall cost constraint health care environment, and with the ever-present focus on constant efficiency improvements. The development of new and relevant products often requires technology and process innovations. For Gentian, these innovations are mainly based on the expertise built within the R&D department. This expertise is of vital importance for the company and therefore Gentian has invested 45% of their total OPEX into R&D in 1Q 2021. The Company is committed to keep the investment into R&D at a high level going forward.

The R&D activities of the Group spans all aspects of an assay development from the conception of product candidates to a final diagnostic assay ready for commercial launch. Currently, the Group employs 13 employees in R&D and is resource to manage two development projects, in parallel, on an ongoing basis. In addition to the internal R&D organisation the Group also, solicit the service of contract research organisations to support the projects if specialty competence is needed. The Group also cooperates with several reputable academic institutions both for product development and clinical studies.

Most of the Group's diagnostic assays are developed to be operated on a wide range of clinical analysers and are therefore developed to be platform independent. Generally speaking, an assay development can be described and divided into the following phases:

Assay conception and proof of concept

Potential product candidates are selected and evaluated with an interdisciplinary approach. Technical, strategic and business aspects are considered, sometimes with the assistance of external parties like potential customers, academic research institutions or industry key opinion leaders. The first formal step in a product development is to achieve Proof of Concept by demonstrating that it is technically feasible to make the product in question. Initial freedom to operate is performed and a project plan with an associated budget is made in addition to the technical feasibility.

Optimisation

The product from the proof of concept phase is further developed and optimised until a prototype, which then includes the complete specification available. Final choices for raw materials and production processes are also made during the optimisation phase. Along with the optimisation of the product, the first risk assessment of the product is done in order to identify possible unacceptable risks and introduce possible risk control measures. A design review is held to evaluate risks, results from the optimization phase and possible changes to the plan or specifications and a decision is taken whether the project can move into the verification phase.

Verification

In the verification phase, the product is subject to change control. The prototype design is formally evaluated against specifications and all protocols are drafted and independently approved by the Group's QA function. Additional risk assessments and potential risk control measures are taken. A design review is held to evaluate risks, results from verification, possible design changes and changes to the plan or specifications. A decision is taken whether the project can move into the validation phase. At the end of the verification phase, a final Freedom to Operate investigation is accomplished

Validation

The final product is tested via clinical studies against the customer needs and regulatory requirements. All production methods, raw material specifications, production recipes, production control procedures, QC procedures and filling and packing routines are implemented at the production department. A Device Master Record is generated, which gives an overview of the whole production process from raw materials to final product. Risk assessments of the production processes and the product itself are performed and a risk-benefit analysis is performed. Finally, a decision is taken whether the project can be launched or not.

6.10 Material contracts

No company in the Group has entered into any material contract outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no company in the Group has as at the date of this Prospectus entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

6.11 Intellectual property

Gentian, as a technology innovator, has an IP strategy in place which aims the protection of business relevant inventions. Business relevant are those inventions which enable a technology differentiation and/or a disease specific protection of the product(s) and with this an increased competitiveness. In addition, production processes, which improve the product quality and manufacturing efficiency, are to be protected. The protection methods are patent applications and trade secrets. The choice of the method depends on criteria, which are defined in the IP strategy. See Section 2.3.4 "The success, competitive position and future revenues will depend in part on the Company's ability to protect intellectual property and know-how and operate without infringing the existing proprietary of third parties."

The following reflects the status as of granted patents and pending, public patent applications at the date of this Prospectus.

6.11.1 Granted patents owned by the Group

International patent application WO 2007/102054 concerns a turbidimetric immunoassay for assaying human Cystatin C. The following patents which emanated from WO 2007/102054 are still in force in the US, China, Japan and Canada:

- CA 2,627,662 C

- CN 101356438 B
- JP 5 147 709 B2
- US 8,263,416 B2

International patent application WO 2008/142057 also concerns a turbidimetric immunoassay for assaying human Cystatin C. The following patent which emanated from WO 2008/142057 is still in force in the US:

- US 8,158,443 B2

International patent application WO 2011/058087 concerns an immunoassay for assessing related analytes of different origin. The following patents which emanated from WO 2011/058087 are still in force in Europe and the US:

- EP 2 499 491 B1 (national parts thereof are still in force in Germany, Great Britain and Sweden)
- US 9,244,063 B2

6.11.2 Granted patents licensed by the Group

The Group has an exclusive licence to the following patents concerning an assay method for assessing calprotectin:

- CA 2,729,365 C
- CN 101893635 B
- EP 1 739 430 B1 (national parts thereof are still in force in Austria, Switzerland, Germany, Great Britain, Sweden, the Netherlands and Italy)
- JP 5 744 385 B2
- US 10,101,325 B2

The patents above are licensed free of charge from Dr. Erling Sundrehagen which holds the position as CSO in the Company. Through the licence agreement Gentian is given a worldwide, exclusive license to sublicense, research, develop, make, use, import, export, sell or offer for sale any licensed products throughout the lifetime of the patents.

6.11.3 Pending patent applications owned by the Group

The Group has two pending international applications that have become public but have not yet entered the national phase:

- WO 2020/127837 A2 concerning methods for determining the hematocrit level in a sample of whole blood
- WO 2021/028520 A1 concerning a highly sensitive particle enhanced assays for the quantification of NT-proBNP

In addition, the Group has recently filed additional patent applications in the same or related technical areas, including patent applications concerning diagnostic assays for Covid-19.

6.12 Dependency on contracts, patents and licenses etc.

The products and the Group's facilities are subjected to extensive regulations applicable for the different markets where the products are distributed and made available. The future performance of the Group is dependent on receipt of necessary regulatory clearances and approvals for its products. For more information on approvals and certificates obtained by the Group, please see section "6.8 "Regulatory Environment ".

Gentian, as a technology innovator, has an IP strategy in place which aims the protection of business relevant inventions. The Group has been granted the patents in its main markets. The intellectual property rights held by the Group as described in section 6.11 are essential for the Group's commercial success as a whole. The Group's existing business is, however, not dependent on any specific patents, licenses or other intellectual property rights. In addition, the Company's ability to ensure freedom to operate is important for the Group's future success.

6.13 Legal and arbitration proceedings

From time to time, the Group is involved in litigation, disputes and other legal proceedings arising in the normal course of its business. The Group is not currently, nor has it been during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company’s or the Group’s financial position or profitability, and the Company is not aware of any such proceedings that are pending or threatened.

7 CAPITALISATION AND INDEBTEDNESS

7.1 Capitalisation and indebtedness

The tables below should be read in conjunction with the information included elsewhere in this Prospectus, including Section 9 "Selected financial and other information", Section 9 "Operating and financial review" and the Financial Information and related notes, attached to this Prospectus.

The table below provides information about the Company's unaudited capitalisation as of 31 March 2021.

Capitalisation	**As of 31 March 2021**
(In NOK 1,000)	
Total current debt*:*	
Guaranteed	-
Secured	375
Unguaranteed and unsecured	14,318
Total non-current debt:	
Guaranteed	-
Secured	831
Unguaranteed / unsecured	20,822
Shareholders' equity	
Share capital	1,541
Legal reserves	-
Other reserves	188,954
Total	**226,841**

Note: Secured debt relates to financial leasing of equipment with a booked value of NOK 1.2 million. The lessor has title and ownership to the leased equipment.

The table below provides information about the Company's unaudited net financial indebtedness as of 31 March 2021.

Indebtedness		**As of 31 March 2021**
(In NOK 1,000)		
(A)	Cash	146,055
(B)	Cash equivalents	-
(C)	Other current financial asset	-
(D)	**Liquidity (A)+(B)+(C)**	**146,055**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-
(F)	Current portion of non-current debt	4,147
(G)	**Current financial indebtedness (E + F)**	**-4,147**
(H)	**Net current financial indebtedness (G – D)**	**141,908**
(I)	Non-current financial debt (excluding current portion and debt instruments)	-17,853
(J)	Debt instruments	-
(K)	Non-current trade and other payables	-
(L)	**Non-current financial indebtedness (I + J + K)**	**-17,853**
(M)	**Total financial indebtedness (H + L)**	**124,055**

7.2 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

7.3 Indirect and contingent indebtedness

As of the date of this Prospectus the Company does not have any indirect or contingent indebtedness.

8 SELECTED FINANCIAL AND OTHER INFORMATION

The following selected financial information for the financial years ended 31 December 2020, 2019 and 2018 have been extracted from the Group's consolidated Annual Financial Statements. The interim financial information for the three months ended 31 March 2021 and 2020 has been derived from the Group's Interim Financial Statements.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Annual Financial Statements, which are attached as appendices to this Prospectus.

8.1 Key accounting principles, estimates and judgments

For a description of the principal accounting policies applied, see note 2 in the Company's Annual Financial Statements, included in Appendix C to this Prospectus.

Note 2.8 in the Company's Annual Financial Statements describes the accounting principles related to leases and the description regarding variable lease payments does not fully reflect the Company's applied accounting principle on all lease agreements as the Company have rental agreements with KPI-adjustments which is included in the measurement of lease liabilities. The estimated lease liabilities related to these agreements is NOK 18,918 thousand at 31 March 2021 and NOK 18,917 thousand at 31 December 2020.

8.2 .Consolidated statement of profit and loss

The following table sets forth a summary of the Group's audited consolidated income statement information for the years ended 31 December 2020, 2019 and 2018, and the unaudited condensed consolidated income statements for the three months ended 31 March 2021 and 2020.

(In NOK 1,000)	**Three months ended 31 March**		**Year ended 31 December**		
	2021	**2020**	**2020**	**2019**	**2018**
Revenue from contracts with customers.....	19,642	16,247	63,327	47,952	39,912
Other operating revenue.....	4,560	2,884	15,554	7,433	12,108
Total revenue	**24,202**	**19,131**	**78,881**	**55,384**	**52,020**
Cost of goods sold	-10,464	-9,926	-32,586	-25,449	-22,576
Employee benefit expenses.....	-9,708	-9,053	-37,231	-29,691	-22,438
Depreciation and amortisation...	-1,971	-1,567	-6,630	-6,132	-3,897
Impairment.....	-	-	-	-14,086	-5,040
Other operating expenses.....	-5,974	-5,042	-20,258	-21,267	-18,754
Total operating expenses.....	**-28,117**	**-25,588**	**-96,705**	**-96,625**	**-72,706**
Operating result	**-3,916**	**-6,456**	**-17,824**	**-41,241**	**-20,686**
Finance income	106	1,149	1,840	2,083	1,296
Finance costs	-1,112	-228	-1,484	-636	-345
Net financial items.....	**-1,006**	**921**	**356**	**1,447**	**951**
Profit before tax	**-4,922**	**-5,535**	**-17,469**	**-39,794**	**-19,735**
Income tax expense.....	-			-63	-64
Profit for the year	**-4,922**	**-5,535**	**-17,469**	**-39,857**	**-19,798**
Other comprehensive income					
Exchange differences	-	-	-	-	-
Total other comprehensive income.....	-	**-**	**-**	**-**	**-**
Total comprehensive income for the year.....	**-4,922**	**-5,535**	**-17,469**	**-39,857**	**-19,798**
Earnings per share					
Basic EPS from net profit/loss ...	-0,32	-0,36	-1,13	-2,59	-1,29
Diluted EPS from net profit/loss.	-0,32	-0,36	-1,13	-2,59	-1,29

Note: Figures for the year ended 31 December 2018 has been taken from the annual accounts for the year ended 31 December 2019. Cost of goods sold, Employee benefit expenses and Other operating expenses for the year ending 31 December 2018 have been restated to reflect a change from 2019 where Employee benefit expenses and Other operating

expenses related to the manufacturing of products available for sale are accounted for under Cost of goods sold. Reference is made to note 2.2 in the annual accounts for the year ended 31 December 2019.

Note: In the above summary of the Group's profit and loss for the quarters ended 31 March 2021 and 31 March 2020 additional lines regarding Other comprehensive income has been added. This information was not provided in the quarterly reports for the mentioned periods. For the same periods, the lines "Depreciation and amortization" and "Impairment" are in the above summary presented as operating expenses and the presentation deviates from the presentation in quarterly reports where the lines are presented outside/below operating expenses.

8.3 Statement of financial position

The following table sets forth a summary of the Group's consolidated audited statement of financial position information as of 31 December 2020, 2019 and 2018, and the interim statement of financial position as of 31 March 2021 and 2020.

(In NOK 1,000)	As of 31 March		As of 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Assets					
Non-current assets					
Goodwill	-	-	-	-	-
Intangible assets	16,514	13,953	15,610	14,111	27,574
Property, plant and equipment	5,421	4,283	3,865	3,644	4,736
Right-of-use assets	19,467	2,528	21,689	4,133	-
Other financial assets	333	335	337	329	329
Total non-current assets	**41,735**	**21,099**	**41,501**	**22,216**	**32,640**
Current assets					
Inventory	21,541	18,453	20,876	18,224	13,098
Accounts receivables and other receivables	17,842	19,087	15,241	15,505	13,937
Cash and cash equivalents	145,722	161,072	157,648	171,238	198,305
Total current assets	**185,105**	**198,611**	**193,764**	**204,967**	**225,340**
Total assets	**226,841**	**219,711**	**235,265**	**227,183**	**257,980**
Equity and liabilities					
Paid-in equity					
Share capital	1,541	1,540	1,541	1,540	1,540
Share premium	293,241	292,780	293,241	292,780	292,522
Other paid-in equity	8,280	4,903	7,309	4,031	2,162
Total paid-in equity	**303,062**	**299,223**	**302,091**	**298,351**	**296,224**
Retained earnings					
Retained earnings	-112,566	-95,572	-107,512	-90,111	-50,350
Total retained equity	**-112,566**	**-95,572**	**107,512**	**-90,111**	**-50,350**
Total equity	**190,496**	**203,651**	**194,579**	**208,240**	**245,873**
Liabilities					
Financial Leasing			928		698
Leasing	17,853	1,637	17,173	1,980	
Total non-current liabilities	**17,853**	**1,637**	**18,101**	**1,980**	**698**
Current liabilities					
Current leasing liabilities	4,174	2,072			
Other current liabilities	14,318	12,351	22,585	16,962	11,409
Total current liabilities	**18,492**	**14,423**	**22,585**	**16,962**	**11,409**
Total liabilities	**36,345**	**16,060**	**40,686**	**18,943**	**12,107**

(In NOK 1,000)	As of 31 March		As of 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Total equity and liabilities	**226,841**	**219,711**	**235,265**	**227,183**	**257,980**

8.4 Statement of cash flow

The following table sets forth a summary of the Group's audited consolidated cash flow statement for the years ended 31 December 2020, 2019 and 2018, and the unaudited interim cash flow statements for the three months ended 31 March 2021 and 2020.

(In NOK 1,000)	Three months ended 31 March		Year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Operating activities					
Net profit (loss)	-4,922	-5,535	-17,469	-39,857	-19,798
Depreciation and amortisation	1,971	1,567	6,630	6,132	3,897
Impairment.....	-		-	14,086	5,040
Change in inventory	-665	-229	-2,652	-5,126	-2,006
Change in accounts receivables	-250	-1,433	860	792	-2,476
Change in accounts payables	-1,770	-642	1,202	1,310	-253
Cost of options	971	872	3,278	1,869	
Change in other assets and liabilities.....	-4,774	-4,310	489	-690	4,700
Net cash flow from operating activities.....	**-9,439**	**-9,710**	**-7,661**	**-21,483**	**-10,897**
Investing activities					
Payments of property, plant and equipment	-738	-63	-2,734	-967	-989
Investment in intangible assets	-1,489	-377	-3,733	-3,071	-5,165
Other changes financial assets.....	-	-	-	-	-
Investment in other companies.....	-	-	1,893	-	-
Net cash flow from investing activities	**-2,227**	**-440**	**-4,574**	**-4,038**	**-6,153**
Financing activities					
New debt.....	-	-	497		379
Loan instalments	-98	-70	-2,469	-1,837	-147
Proceeds from issue of share capital.....	-	-	462	259	68,519
Net cash flow from financing activities	**-98**	**-70**	**-1,510**	**-1,577**	**68,751**
Net change in cash and cash equivalents.....	**-11,763**	**-10,221**	**-13,745**	**-27,098**	**51,701**
Cash and cash equivalents at beginning of period	157,985	171,567	171,567	198,634	146,951
Effect of currency translation of cash and cash equivalents	-167	62	163	31	-18
Net cash and cash equivalents at period end	**146,055**	**161,407**	**157,985**	**171,567**	**198,634**

Note: Gentian Diagnostics divested its subsidiary PreTect AS in fourth quarter 2020. In connection the preparation of this Prospectus the Company has identified an error related to classification of the transaction in the statement of cash flow in the consolidated financial statements the year ended 31 December 2020. The net cash received in the transaction was NOK 6,741 thousand and should in its entirety have been classified as cash flow from investing activities, while cash flow from investing activities in the financial statement only contains an amount of NOK 1,893 thousand. The remaining

part of net cash received which amounts to the amount of NOK 4,848 thousand is classified as cash from operating activities. The error has not been corrected in the above summery. The error will be corrected in future financial statements by restating the comparative amounts in accordance with IAS 8. The following table shows the effect a correction of the error will have on the lines affected.

(In NOK 1,000)	As reported	adjusted	Restated
Net cash flow from operating activities	-7,661	-4,848	-12,509
Net cash flow from investing activities	-4,574	4,848	274

8.5 Statement of changes in equity

The following table sets forth a summary of information for the Group's changes in equity information for the years ended 31 December 2020, 2019 and 2018, and for the three months ended 31 March 2021 and 2020.

(In NOK 1,000)	**Share capital**	**Share premium**	**Other paid-in capital**	**Retained earnings**	**Total equity**
Equity at 01.01.2018	**1,400**	**224,143**	**1,467**	**-30,534**	**196,475**
Net result for the year.....				-19,798	-19,798
Other comprehensive income				0	0
Proceeds from share issue	140	69,841			69,981
Cost of share issue		-1,462			-1,462
Share based payments.....			695		695
Other changes in equity.....				-18	-18
Equity at 31.12.2018	**1,540**	**292,522**	**2,162**	**-50,350**	**245,873**
Equity at 01.01.2019	**1,540**	**292,522**	**2,162**	**-50,350**	**245,873**
Net result for the year.....				-39,857	-39,857
Other comprehensive income					-
Proceeds from share issue	1	258			259
Cost of share issue					-
Share based payments.....			1,869		1,869
Other changes in equity.....				96	96
Equity at 31.12.2019	**1,540**	**292,780**	**4,031**	**-90,111**	**208,240**
Equity at 01.01.2020	**1,540**	**292,780**	**4,031**	**-90,111**	**208,240**
Net result for the period				-5,535	-5,535
Other comprehensive income					
Proceeds from share issue					
Cost of share issue					
Share based payments.....			872		872
Other changes in equity.....				74	74
Equity at 31.03.2020	**1,540**	**292,780**	**4,903**	**-95,572**	**203,651**
Equity at 01.04.2020	**1,540**	**292,780**	**4,903**	**-95,572**	**203,651**
Net result for the period				-11,934	-11,934
Other comprehensive income					
Proceeds from share issue	1	461			462
Cost of share issue					
Share based payments.....			2,406		2,406
Other changes in equity.....				-6	-6
Equity at 31.12.2020	**1,541**	**293,241**	**7,309**	**-107,512**	**194,579**
Equity at 01.01.2021	**1,541**	**293,241**	**7,309**	**-107,512**	**194,579**

(In NOK 1,000)	**Share capital**	**Share premium**	**Other paid-in capital**	**Retained earnings**	**Total equity**
Net result for the period				-4,922	-4,922
Other comprehensive income					
Proceeds from share issue					
Cost of share issue					
Share based payments			971		971
Other changes in equity				-133	-133
Equity at 31.03.2021	**1,541**	**293,241**	**8,280**	**-112,567**	**190,495**

8.6 Segment information

The Group's business is to develop and sell In-Vitro diagnostic assays. The revenues from contracts with customers are generated by the sale of these diagnostic assays. Although the In-Vitro diagnostic assays are sold to different categories of disease areas the end customers are the same. The Group also monitors performance at the level of total sales and free cash flow. Thus, the Group only has one operating segment, In-Vitro diagnostic assays.

8.7 Key financial information by geographic area

The table below sets out an overview of the Group's sales revenue by geographic area, as extracted from the Financial Information for the years ended 31 December 2020, 2019 and 2018, and for the three months ended 31 March 2021 and 2020.

(In NOK 1,000)	**Three months ended 31 March**		**Year ended 31 December**		
	2021	**2020**	**2020**	**2019**	**2018**
Sales revenues by geographic area					
USA	375	695	3,002	1,979	2,218
Europe	14,032	11,209	45,416	34,133	27,045
Asia	5,235	4,344	14,909	11,840	10,648
Total	**19,642**	**16,247**	**63,327**	**47,952**	**39,912**

9 OPERATING AND FINANCIAL REVIEW

Consolidated financial statements of the Group have been prepared for the reporting period covering the years ended 31 December 2020, 2019 and 2018 and the three months period ended 31 March 2021 in accordance with IFRS, as adopted by the European Union

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Information, which are attached as appendices to this Prospectus, and the related notes included elsewhere in this Prospectus.

This section contains forward-looking statements that are based on the Management's current expectations, estimates and projections about the Group's business and operations and are subject to a number of risks and uncertainties, including, but not limited to, certain risk described in section 2 " Risk Factors". The forward-looking statements are not guarantees of future performance, and the Group's actual results may differ materially from those expressed or implied in any forward-looking statements. See section 4.3 "Cautionary note regarding forward looking-statements"

9.1 Key factors affecting the Group's results of operations

The Group's operations and results of operations have been, and may continue to be, affected by a range of factors. The factors that management believes have had a material effect on the Group's result of operations are presented below, as well as those considered to have material effect on its results of operations in the future.

9.1.1 Continued demand for the Group's product

The Group has an established portfolio of diagnostic assays directed towards the major manufacturers of clinical laboratory equipment and systems, and also in some cases, directly to laboratories and universities. The Group may face competition for its products both by way of competitors offering the same product or by competitors offering a similar or new product with better properties.

According to the market research firm Kalorama, the In-vitro diagnostics market in which the Group operates has historically experienced a yearly increase in demand of 3%-5%.[11]

9.1.2 Price erosion

The Group's current sales revenues originates from a mature product portfolio. Some of the products in the Group's product portfolio is sold in open competition with no or limited patent protection. The Group is also a supplier to some of the largest diagnostics companies in the world which may exercise its bargaining power.

The Group seeks to mitigate price erosion by introducing new products in the market commanding higher prices and also improvements to the portfolio of existing products providing additional benefits to the user. The Group also seeks to file for patents in order to have its inventions protected.

9.1.3 Public grants and tax incentives

The Group generates a significant portion of its revenue from the reception of public grants and participation to tax incentive programmes. These revenues are linked to specific research and development programmes which is often achieved through a competitive process where there is no guarantee that any applicant will be awarded a grant. Public grants are also subject to Norwegian and EU legislation. The level of public grants and tax incentives secured by the group will depend on its ability to launch innovative research programmes. A change in legislation related to public grants and tax incentives may also impact the Group's ability to secure these revenues.

9.1.4 Successful development and launch of new products

One of the most significant factors expected to influence the Group's results going forward will be the successful development and launch of new products. The development of new assays is associated with risk of delays, deviation to planned specifications and costs and even in some cases failure. It may also be the case that an assay is developed successfully but meets limited demand in the market. The Group may experience significant variations to its results should it be delayed or unable to bring new products to the market.

9.1.5 Production volumes

The Group has experienced, and may continue to experience, significant variations to orders from customers. The Group may experience capacity constraints in the event an unexpected increase in orders from customers occurs. To mitigate the potential capacity constraint from unexpected increase in orders the Group carries an inventory of finished products and intermediates. However, due to shelf-life considerations on the products the inventory level is influenced by this parameter.

The products produced and sold by the Group is to a large extent based on biological raw materials with varying properties and specifications. An unexpected change in the properties or performance of these raw materials may affect the Group's ability to fulfil its commitment to customers.

9.1.6 Operating costs

The key drivers of production costs are personnel costs. In 2020, personnel costs was 54% of total operating expenses. The Group mainly employs highly educated personnel with Master, PhD or similar degrees and the majority of the personnel is hired in Norway. The evolution of personnel cost is expected to follow the general wage development for

[11] The Business Research Company: In-Vitro Diagnostics Global Market Briefing 2019

this type of personnel in Norway, but to the extent that this wage growth is higher than what is observed at international peers it may result in a deterioration of the Group's competitiveness.

Other than the factors described in this Section "Key factors affecting the Group's results of operations", the Group does not consider any governmental, economic, fiscal, tax, monetary or political policy or factor individually to have had a material effect, directly or indirectly, on its operations in the years under review. See Section 2 "Risk factors" for information regarding factors that could materially affect, directly or indirectly, the Group's operations in the future.

9.2 Recent development and trends

The Group may experience a temporary reduction in demand for some of its products due to the outbreak of COVID-19. Although the health systems in the Group's key markets have adapted to the outbreak, the Group may see reduced demand for outpatient markers if the health systems temporarily close-down in order to contain the outbreak. The Group has put in place business continuity plans and will be able to maintain production even if the situation should deteriorate. The Group abides by policies of the health authorities in all countries in which it operates whilst it seeks to continue to seamlessly support its customers. The Group may be affected by the COVID-19 outbreak by reduced demand for diagnostic services, especially for outpatient markers, and the Group expects some delays with the Group's R&D programs. The length of potential delays will depend on the duration of the outbreak.

Apart from the above, the Group has not experienced or has any information about significant trends in production, sales and inventory, costs and selling prices, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year, nor has the Group experienced any significant change in the financial performance of the Group for the period following 31 March 2021 until the date of this Prospectus.

9.3 Result of operation for the Group

9.3.1 Consolidated statement of profit and loss

9.3.1.1 Comparison of results for the Group for the three months ended 31 March 2021 compared to the three months ended 31 March 2020

The following table summarises data of the Group's historical results and is extracted from the Financial Statements for the quarters ended 31 March 2021, 2020.

(In NOK 1,000)	**Quarter ended 31 March**	
	2021	**2020**
Revenue from contracts with customers	19,642	16,247
Other operating revenues	4,560	2,884
Total revenues	**24,202**	**19,131**
Cost of goods sold	**-10,464**	**-9,926**
Research & Development cost	**7,657**	**-5,638**
Selling, general and administrative cost	**9,514**	**-8,521**
Capitalisation	**1,489**	**65**
Depreciation and amortization	-1,971	-1,567
Total operating expenses	**-28,117**	**-25,588**
Operating result	**-3,916**	**6,456**
Financial income (expense)	-1,006	921
Other income (net)	-	-
Net loss	**-4,922**	**-5,535**

Note: The line Depreciation and amortization is in the above summary presented as operating expenses and the presentation deviates from the presentation in quarterly reports where the line is presented outside/below operating expenses.

Total revenues increased approximately 27% from NOK 19.1 million for the quarter ended 31 March 2020 to NOK 24.2 million for the quarter ended 31 March 2021.

Revenues from contracts with customers increased approximately 21% from NOK 16.3 million for the quarter ended 31 March 2020 to NOK 19.6 million for the quarter ended 31 March 2021. Currency neutral growth, excluding sales from PreTect which was divested with effect from 30 September 2020 was 33 %. The revenue growth was mainly due to increased sales of fCAL turbo and sales of third-party products from the Swedish distribution business, Gentian AB.

Cost of goods sold was NOK 10.5 million for the quarter which represent an increase of approximately 5% from NOK 9.9 million for the quarter ended 31 March 2020. Cost of goods sold as a ratio to sales revenues decreased from 61% for the quarter ended 31 March 2020 to 53 % for the quarter ended 31 March 2021.

Total operating expenses increased by approximately 10% from NOK 25.6 million for the quarter ended 31 March 2020 to NOK 28.1 million for the quarter ended 31 March 2021. The increase in operating expenses was a result of increased activity related to the production and marketing of IVD assays, and an also an increase in R&D spending to further increase the work towards realisation of the Group's R&D projects.

R&D expenses amounted to approximately 27% of total operating expenses for the quarter ended 31 March 2021 which is an increase from 21% of total operating the quarter ended 31 March 2020. Capitalization of R&D expenses for the quarter ended 31 March 20201 was NOK 1.5 million, an increase of NOK 1.4 million from NOK 0.1 million for the quarter ended 31 March 2020.

Net loss decreased by approximately 11% from NOK -5.5 million for the quarter ended 31 March 2020 to NOK -4.9 million for the quarter ended 31 March 2021.

9.3.1.2 Summarised results of operation

The following table summarises data of the Group's historical results and is extracted from the Financial Statements for the years ended 31 December 2020, 2019 and 2018.

	Year ended 31 December		
(In NOK 1,000)	**2020**	**2019**	**2018**
Revenue from contracts with customers	63,327	47,952	39,912
Other operating revenues	15,554	7,433	12,108
Total revenues	**78,881**	**55,384**	**52,020**
Cost of goods sold	-32,586	-25,449	-22,426
Research & Development cost	-23,887	-19,212	-13,893
Selling, general and administrative cost	-33,601	-31,746	-27,450
Depreciation and amortization	-6,630	-20,218	-8,937
Total operating expenses	**-96,705**	**-96,625**	**-72,706**
Operating result	-17,824	-41,241	-20,686
Financial income (expense)	356	1,447	951
Other income (net)	-	-	-
Net loss	**-17,469**	**-39,857**	**-19,798**

Note: Figures for the year ended 31 December 2018 has been taken from the annual accounts for the year ended 31 December 2019. Cost of goods sold, Employee benefit expenses and Other operating expenses for the year ending 31 December 2018 have been restated to reflect a change from 2019 where Employee benefit expenses and Other operating expenses related to the manufacturing of products available for sale are accounted for under Cost of goods sold. Reference is made to note 2.2 in the annual accounts for the year ended 31 December 2019.

9.3.1.3 Comparison of results for the Group for the year ended 31 December 2020 compared to 31 December 2019

Revenue from contracts with customers increased approximately 32% from NOK 47.9 million in the year ended 31 December 2019 to NOK 63.3 million in the year ended 31 December 2020. The increase in revenue was attributable to increased sales in all product categories. The Group also experienced favourable currency developments which accounted for approximately one third of the growth in revenue from contracts with customers.

Other operating revenues increased approximately 109% from NOK 7.4 million in the year ended 31 December 2019 to NOK 15.6 million in the year ended 31 December 2020. The increase was mainly attributable to a financial gain of NOK approximately NOK 4.4 from the divestiture of PreTect AS per 30 September 2020.

Operating expenses increased approximately 17.9% from NOK 76.4 million for the year ended 31 December 2019 to NOK 90.1 million for the year ended 31 December 2020. The increase is due to higher activity as a result of higher sales in the year ended 31 December 2020 compared to the year ended 31 December 2019. The Group also continued the preparation of the organisation to higher activity level in the future.

Total operating expenses, including impairments, depreciation and amortization was essentially flat from NOK 96.6 million for the year ended 31 December 2019 to NOK 96.7 million for the year ended 31 December 2020.

Depreciation and amortization decreased approximately 67% from NOK 20.2 million for the year ended 31 December 2019 to NOK 6.6 million for the year ended 31 December 2020. The decrease was due to a non-recurring impairment charge related to capitalised development costs of NOK 14.0 million recognised in 2019.

Net loss decreased by approximately 56% from NOK -39.9 million for the year ended 31 December 2019 to NOK -17.5 million for the year ended 31 December 2020.

9.3.1.4 Comparison of results for the Group for the years ended 31 December 2019 and 31 December 2018

Revenue from contracts with customers increased approximately 20% from NOK 39.9 million in the year ended 31 December 2018 to NOK 47.9 million in the year ended 31 December 2019. The increase in revenue was due to approximately 76% sales growth for fCAL turbo from NOK 9.9 million for the ended 31 December 2018 to NOK 17.5 million for the year ended 31 December 2019. Sales of Cystatin C decreased by approximately 9% from NOK 21.7 million for the year ended 31 December 2018 to NOK 19.7 for the year ended 31 December 2019. Sales of other products increased by approximately 30% from NOK 8.3 million for the year ended 31 December 2018 to NOK 10.8 for the year ended 31 December 2019.

Other operating revenues decreased approximately 39% from NOK 12.1 million in the year ended 31 December 2018 to NOK 15.6 million in the year ended 31 December 2019. The decrease was due to a non-recurring revenue of NOK 6.2 million related to sale of a patent licence in 2018.

Operating expenses increased approximately 20% from NOK 63.8 million in the year ended 31 December 2018 to NOK 76.4 million for the year ended 31 December 2019. The increase came as a result of higher sales resulting in higher purchases of raw materials and higher costs related to an increase in the number of employees in order to prepare the organisation for future growth.

Total operating expenses, including depreciation and amortization, increased approximately 33% from NOK 72.7 million for the year ended 31 December 2018 to NOK 96.6 million for the year ended 31 December 2019. The increase in operating costs was primarily a result of a 180% increase in impairment charges due to the closing down of the Group's CD4 development project and the discontinuation of the Group's NGAL product line. Employee benefit expenses increased by approximately 32% from NOK 22.4 million for the year ended 31 December 2018 to NOK 29.7m for the year ended 31 December 2019.

Depreciation and amortization increased approximately 126% from NOK 8.9 million for the year ended 31 December 2018 to NOK 20.2 for the year ended 31 December 2019. The increase was mainly related to an impairment charge of NOK 14.1 million as a result of the termination of the Group's CD4 development project and the discontinuation of the Group's NGAL product line.

Net loss increased by approximately 101% from NOK -19.8 million for the year ended 31 December 2018 to NOK -39.9 million for the year ended 31 December 2019.

9.3.2 Statement of financial position

9.3.2.1 Comparison of financial position for the Group for the three months ended 31 March 2021 compared to the three months ended 31 March 2020

The following table shows summarised historical balance sheet data related to the Group's activities as per 31 March is extracted from the Unaudited Financial Statements for the quarters ended 31 March 2021 and 2020.

	Quarter ended 31 March	
(In NOK 1,000)	**2021**	**2020**
Total non-current assets	41,735	21,099
Total current assets	185,105	198,611
Total assets	**226,841**	**219,711**
Total equity	190,496	203,651
Total non-current liabilities	22,027	3,709
Total current liabilities	14,318	12,351
Total liabilities	36,345	16,060
Total equity and liabilities	**226,841**	**219,711**

Total assets increased approximately 3% from NOK 219.7 million for the quarter ended 31 March 2020 to NOK 226.8 million for the quarter ended 31 March 2020. This increase was primarily driven by a 98% increase in non-current assets from NOK 21.1 million for the year ended 31 December 2020 to NOK 41.7 million for the year ended. The increase in non-current assets is due to a renewal and extension of the lease agreement for the company's facilities in Moss. The lease agreement has been accounted for in accordance with IAS 16 and treated as an operational lease.

Current assets decreased by approximately 7% from NOK 198.6 million for the quarter ended 31 March 2020 to NOK 185.1 million for the quarter ended 31 March 2021. This reduction is mainly related to a reduction in cash from NOK 161.1 million for the quarter ended 31 March 2020 to NOK 146.1 million for the quarter ended 31 March 2021. Other non-current assets increased by approximately 98% from NOK 21.1 million for the quarter ended 31 March 2020 to NOK 41.7 million for the quarter ended 31 March 2021.

Total equity decreased by approximately 7% from NOK 203.7 million for the quarter ended 31 March 2020 to NOK 190.5 for the quarter ended 31 March 2021. The decrease was primarily due to the net loss for the period between 31 March 2020 and 31 March 2021.

Total liabilities increased approximately 126% from NOK 16.1 million for the quarter ended 31 March 2020 to NOK 36.4 million for the year ended 31 March 2021. The increase in non-current liabilities is from NOK 3.7 million for the quarter ended 31 March 2020 to NOK 22.0 million for the quarter ended 31 March 2021 is due to a renewal and extension of the lease agreement for the company's facilities in Moss. The lease agreement has been accounted for in accordance with IAS 16 and treated as an operational lease.

9.3.2.2 Summarised statement of financial position for the years ended 31 December 2020, 2019 and 2018

The following table shows summarised historical balance sheet data related to the Group's activities and is extracted from the Financial Statements for the years ended 31 December 2020, 2019 and 2018.

(In NOK 1,000)	Year ended 31 December		
	2020	**2019**	**2018**
Total non-current assets	41,501	22,216	32,640
Total current assets	193,764	204,967	225,340
Total assets	**235,265**	**227,183**	**257,980**
Total equity	194,579	208,240	245,873
Total non-current liabilities	18,101	1,980	698
Total current liabilities	22,585	16,962	11,409
Total liabilities	40,686	18,943	12,107
Total equity and liabilities	**235,265**	**227,183**	**257,980**

Total assets increased approximately 4% from NOK 227.2 million for the year ended 31 December 2019 to NOK 235.3 million for the year ended 31 December 2020. The increase was primarily driven by a 98% increase in non-current assets from NOK 22.2 million for the year ended 31 December 2019 to NOK 41.5 million for the year ended 31 December 2020. The increase in non-current assets was a result of an increase in operating leases and is primarily due to the renewal and extension of the rental contract for the Group's facilities in Moss. Total current assets decreased approximately 6% from NOK 204.9 million for the year ended 31 December 2019 to NOK 193.7 million for the year ended 31 December 2020. The decrease in current assets was mainly due to a reduction of cash of NOK 13.8 million from NOK 171.6 million for the year ended 31 December 2019 to NOK 157.7 million for the year ended 31 December 2020. The decrease in cash was mainly due to operating losses.

Total equity decreased approximately 7% from NOK 208.2 million for the year ended 31 December 2019 to NOK 194.6 million for the year ended 31 December 2020. The Company made one share issue in 2020 directed towards the employees of the Group. The share issue raised NOK 0.5 million.

Total liabilities increased approximately 115% from NOK 18.9 million for the year ended 31 December 2019 to NOK 40.7 million for the year ended 31 December 2020. Total non-current liabilities increased by approximately 814% from NOK 2.0 million for the year ended 31 December 2019 to NOK 18.1 million for the year ended 31 December 2020. The increase in non-current liabilities is due to an increase in lease liabilities resulting from the renewal and extension of the rental agreement for the Group's facilities in Moss. Total current liabilities increased by approximately 33% from NOK 17.0 million for the year ended 31 December 2019 to NOK 22.6 million for the year ended 31 December 2020

9.3.2.3 Comparison of financial position for the Group for the years ended 31 December 2019 and 31 December 2018

Total assets decreased approximately 12% from NOK 257.9 million for the year ended 31 December 2018 to NOK 227.2 million for the year ended 31 December 2019. This decrease was primarily driven by a 9% decrease in current assets from NOK 225.3 million for the year ended 31 December 2018 to NOK 205.0 million for the year ended 31 December 2019. The decrease in current assets was a result of a decrease in cash due to operating losses. Total non-current assets decreased approximately 32% from NOK 32.6 million for the year ended 31 December 2018 to NOK 22.2 million for the year ended 31 December 2019. The decrease in non-current assets was mainly due to an impairment charge related to the closing down of the CD4 development project and the discontinuation of the NGAL product.

Total equity decreased approximately 18% from NOK 245.8 million for the year ended 31 December 2018 to NOK 208.2 million for the year ended 31 December 2019. The Company made one share issue in 2019 directed towards the employees of the Group. The share issue raised NOK 0.3 million.

Total liabilities increased approximately 56% from NOK 12.1 million for the year ended 31 December 2018 to NOK 18.9 million for the year ended 31 December 2019. Total non-current liabilities increased by approximately 183% from NOK 0.7 million for the year ended 31 December 2018 to NOK 2.0 million for the year ended 31 December 2020. Total current liabilities increased by approximately 49% from NOK 11.4 million for the year ended 31 December 2018 to NOK 17.0 million for the year ended 31 December 2019.

9.4 Liquidity and capital resources

9.4.1 Sources and use of cash

The Group's liquidity requirements are primarily driven by operating losses, working capital requirements and capital expenditure. The Group's primary source of liquidity is equity injected by the shareholders as well as well revenues from its operations.

The Group holds its cash in NOK, SEK, USD and EUR. The Group currently does not use financial instruments for hedging purposes. The Group had per 31 March 2021 NOK 146.1 million in cash and cash equivalents. The cash position is a result of share issues of which the last significant share issue was conducted in June 2018 raising gross proceeds of approximately NOK 70.0 million.

The Group's ability to generate cash from operations depends on its future operating performance, and in particular, its ability to ramp-up sales volumes of the new markers GCAL and NT-proBNP. The Group's future operating performance

is also dependent, to some extent, on general economic and financial conditions, market competition and other regulatory matters that are beyond the Group's control. See section 2 "Risk Factors".

The Group's expected liquidity needs for the twelve-month period following the date of this prospectus primarily relate to the requirement to fund operating losses, working capital and capital expenditures related to the expansion of its facility in Moss and associated equipment purchases. The Group's actual financing requirements depend on several of factors, many of which are beyond its control. Management identifies, evaluates, and manages the Group's financial risks in cooperation and consultation with the Board of Directors. The Board of Directors provides guidance in respect of overall risk management, as well as policies regarding liquidity and credit risk.

9.4.2 Cash flows

9.4.2.1 Three months ended 31 March 2021 compared to 31 March 2020

The following table summarises the Group's historical cash flows for the first quarter of 2021 and 2020 and is extracted from the Unaudited Financial Statements for the quarters ended 31 March 2021 and 2020.

	Quarter ended 31 March	
(In NOK 1,000)	**2021**	**2020**
Net cash used in operating activities	-9,439	-9,710
Net cash used in investment activities	-2,227	-440
Net cash provided by financing activities	-98	-70
Net (decrease) increase in cash	**-11,763**	**-10,221**
Cash at beginning of quarter	157,985	171,567
Effect of exchange rate on cash	-167	62
Cash at end of quarter	**146,055**	**161,407**

Net cash used in operating activities for the quarter ended 31 March 2021 amounted to NOK 9.4 million as compared to NOK 9.7 million for the year ended 31 March 202020, a decrease of approximately 3%. Cash used in investment activities increased from NOK 0.4 million for the quarter ended 31 March 2020 to NOK 2.7 million for the quarter ended 31 March 2021. The increase was due to higher investments for both property, plant and equipment and capitalisation of development costs.

9.4.2.2 Year ended 31 December 2020 compared to 31 December 2019 and 31 December 2018

The following table summarises the Group's historical cash flows and is extracted from the Financial Statements for the years ended 31 December 2020, 2019 and 2018.

	Year ended 31 December		
(In NOK 1,000)	**2020**	**2019**	**2018**
Net cash used in operating activities	-7,661	-21,483	-10,897
Net cash used in investment activities	-4,574	-4,038	-6,153
Net cash provided by financing activities	-1,510	-1,577	68,751
Net (decrease) increase in cash	**-13,745**	**-27,098**	**51,701**
Cash at beginning of year	171,567	198,634	146,951
Effect of exchange rate on cash	163	31	-18
Cash at end of year	**157,985**	**171,567**	**198,634**

Note: Gentian Diagnostics divested its subsidiary PreTect AS in fourth quarter 2020. In connection the preparation of this Prospectus the Company has identified an error related to classification of the transaction in the statement of cash flow in the consolidated financial statements the year ended 31 December 2020. The net cash received in the transaction was NOK 6,741 thousand and should in its entirety have been classified as cash flow from investing activities, while cash flow from investing activities in the financial statement only contains an amount of NOK 1,893 thousand. The remaining part of net cash received which amounts to the amount of NOK 4,848 thousand is classified as cash from operating activities. The error has not been corrected in the above summery. The error will be corrected in future financial statements by restating the comparative amounts in accordance with IAS 8. The following table shows the effect a correction of the error will have on the lines affected.

(In NOK 1,000)	*As reported*	*adjusted*	*Restated*
Net cash flow from operating activities	*-7,661*	*-4,848*	*-12,509*

Net cash flow from investing activities	*-4,574*	*4,848*	*274*

Net cash used in operating activities for the year ended 31 December 2020 amounted to NOK 7.6 million as compared to NOK 21.5 million for the year ended 31 December 2019, a decrease of 65%. The decrease in net cash used for operating activities was mainly due to reduced net loss which decreased with approximately 56% from NOK 39.9 million for the year ended 31 December 2019 to NOK 17.5 million for the year ended 31 December 2020. Cash used in investment activities increased by approximately 13% from NOK 4.0 million for the year ended 31 December 2019 to NOK 4.6 million for the year ended 31 December 2020. The increase was due to higher investments for both property, plant and equipment and capitalisation of development costs. Net cash used in financing activities was essentially the same in 2020 and 2019 with approximately NOK 1.5 million in both years.

Net cash used in operating activities increased approximately 97% from NOK 10.9 million for the year ended 31 December 2018 to NOK 21.5 million for the year ended 31 December 2019. The increase in net cash used for operating activities is mainly due to increased net loss which increased with approximately 101% from NOK 19.8 million for the year ended 31 December 2018 to NOK 39.9 million for the year ended 31 December 2019. Cash used in investment activities decreased by approximately 30% from NOK 5.8 million for the year ended 31 December 2018 to NOK 4.0 million for the year ended 31 December 2020. The decrease was mainly due to a lower level of capitalisation of development costs. Net cash used in financing activities was NOK 1.6 million for the year ended 31 December 2019. For the year ended 31 December 2018 the net cash generated from financing activities was 68.4 million as the Group raised equity with net proceeds of 68.5 million in June 2018.

For further information reference is made to the Group’s Financial Statements enclosed as Appendix C to this prospectus.

9.5 Material Indebtedness and restriction on use of capital

As of the date of the Prospectus, the Company does not have any material indebtedness. There are currently no restrictions on the use of the Group's capital resources that have materially affected or could materially affect the Group's operations.

9.6 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		
31.12.2020	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Financial liabilities (non-derivatives)					
Trade and other payables	18 411	0	0	0	**18 411**
Lease liabilities	4 174	4 167	13 263	5 275	**26 879**
Derivatives					
Derivative financial liabilities	0	0	0	0	**0**
Total	**22 585**	**4 167**	**13 263**	**5 275**	**45 290**

			Period left		
31.12.2019	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Financial liabilities (non-derivatives)					
Trade and other payables	14 648	0	0	0	**14 648**
Lease liabilities	2 315	1 631	464	0	**4 410**
Derivatives					
Derivative financial liabilities	0	0	0	0	**0**
Total	**16 963**	**1 631**	**464**	**0**	**19 058**

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

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

			Non-cash changes		
	01.01.2019	Cash flows	New leases	Reclassi-fication	**31.12.2019**
Lease liabilities non-current	503		1 477		**1 980**
Lease liabilities current	195	-2 161	4 086	195	**2 315**
Total liabilities from financing activities	**698**	**-2 161**	**5 563**	**195**	**4 295**

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

		2020		**2019**
Total debt		22 275		4 295
Change in interest rate				
+0,5%		111		21
-0,5%	-	111	-	21
Profit before tax	-	17 469	-	39 794
Adjusted Profit before tax for change in interest rate				
+0,5%	-	17 357	-	39 772
-0,5%	-	17 580	-	39 815

9.7 Off-balance sheet arrangements

The Group does not have any material off-balance sheet arrangements.

9.8 Investments

9.8.1 Overview

The table below shows the Group's material investments for the three months period ended 31 March 2021, and for the financial years 2020, 2019 and 2018. The Company's material investments relate to investments in: (i) Property, plant & Equipment and (ii) Capitalised development costs as set out in the table below:

(In NOK 1,000)	**Three months ended 31 March**	**Year ended 31 December**		
	2021	**2020**	**2019**	**2018**
Investments				
Property, plant & equipment	738	2,734	967	989
Capitalised development cost	1,489	3,733	3,071	5,165
Total	**2,227**	**4,574**	**4,038**	6,154

Investments in property, plant & equipment increased approximately 182% from NOK 1.0 million for the year ended 31 December 2019 to NOK 2.7 million for the year ended 31 December 2020. The investments mainly relates to production equipment and analytical instruments used for manufacturing of products and R&D related activities. The increase is due to support increased production activity and to facilitate for future growth.

Capitalised development cost increased approximately 22% from NOK 3.1 million for the year ended 31 December 2019 to NOK 3.7 million for the year ended 31 December 2020. Capitalised development cost mainly consist of personnel costs, reagents, materials and also external services related to product development.

For more information about the Group's investment in research and development reference is made to Section 6.9 "Research and development".

The Group's investments from 31 March 2021 and up to the date of this Prospectus has been in line with the investments made in the first three months of 2021.

9.8.2 Investments in progress

The Group has signed a renewal of its lease agreement at the facility in Moss, Norway which will result in a significant increase of available space. In connection with this expansion the Group will make certain investments related to an increase in production capacity and storage. Certain amendments to the facilities in order to improve both safety and general working conditions will also be performed. The Group expects the total investments associated with the expansion is expected to be NOK 10 million. The Group is also implementing a new ERP system with an expected implementation cost of NOK 3.1 million. The investments will be financed by available cash.

9.9 Significant Changes

Other than as set out in Section 9.2 "Recent development", there has been no significant change in the Group's financial position which has occurred since 31 March 2021.

9.10 Related party transactions

The Company uses Getica AB as a supplier of purification services for its antibodies. Getica AB also performs certain R&D related services for Gentian. All services provided by Gentian AB is regulated by contracts entered into on arms-length commercial terms. Getica AB is 100% owned by Erling Sundrehagen, founder and Chief Scientific officer of Gentian.

The following table summarises payments made by the Group to Getica AB for 2018, 2019, 2020 and the three months ended 31 March 2021.

(In NOK 1,000)	**3 months ended 31 March**	**Year ended 31 December**		
	2021	**2020**	**2019**	**2018**
Payments to Getica AB for services rendered	3,200	6,124	5,573	3,400

10 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

10.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting. All holders of Shares are entitled to vote at the General Meetings.

The overall management of the Group is vested in the Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Group's chief executive officer, or CEO, is responsible for keeping the Group's accounts in accordance with applicable law and for managing the Group's assets in a responsible manner. In addition, and according to Norwegian law, the CEO must brief the Board of Directors about the Group's activities, financial position and operating results at a minimum of one time per month.

10.2 The Board of Directors

10.2.1 Overview of the Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of a minimum of 3 and a maximum of 7 members elected by the general meeting. As of the date of this prospectus the Board of Directors consist of 7 Board members.

The names and positions of the Board members are set out in the table below.

Name	Position	Served since	Term expires	Shares
Tomas Settevik[1]	Chairman	2017	2022	210.465
Espen Tidemann Jørgensen	Board member	2013	2022	17,000
Ingrid Helene Teigland Akay[2]	Board member	2016	2022	60,779
Kari Eian Krogstad	Board member	2017	2022	2,325
Susanne Stuffers[3]	Board member	2019	2022	3,500
Runar Vatne[4]	Board member	2019	2022	2,230,224
Tomas Kramar	Board member	2020	2022	-

1 Thomas Settevik holds Shares in the Company through Mutus AS where he controls 50% of the shares..

2 Ingrid Teigland Akay holds Shares in the Company through her wholly owned company Teakay Invest AS

3 Susanne Stuffers holds the 3,500 Shares in the Company through her wholly owned company Ubiquity AS. In addition Stuffers has a 20% ownership stake in P53 Invest AS which holds 133,255 shares in the Company.

4 Runar Vatne holds Shares through Vatne Equity AS and Lioness AS

The Company's registered office address at Bjørnåsveien 5, 1596 Moss, Norway serves as c/o addresses for the members of the Board of Directors in relation to their directorships of the Company.

The Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected members of the Board of Directors are independent of the Company's (and the Group's) executive Management and material business contracts, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders, and (iii) no members of the Company's executive Management are on the Board of Directors.

All of the Board members are independent of the executive management and material business contacts. Ingrid Teigland Akay, Susanne Stuffers, Thomas Kramar, Tomas Settevik, Kari Eian Krogstad and Espen Tidemann Jørgensen are independent of the Company's main shareholders. Thomas Settevik is a board member of Holta Invest AS, the parent company of Holta Life Sciences AS, and Espen Tidemann Jørgensen is the managing director of Holta Life Sciences AS which, as of 30 April 2021 holds 7.88% of the Shares in the Company. Holta Life Sciences AS is not regarded as a "major shareholder". Runar Vatne is not independent in relation to major shareholder Vatne Equity AS (board member).

10.2.2 Brief biographies of the Board members

Set out below are brief biographies of the members of the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in the Company or its subsidiaries).

Tomas Settevik – Chairman

Tomas Settevik has since 2018 served as the Chairman of the Company and has been a member of the Board since 2017. Mr. Settevik is experienced in both life sciences and retailing and has held positions as CEO of Stokke AS, CEO and VP Pharmaceuticals and Manufacturing of Pronova BioPharma ASA and several positions at Tyco Healthcare EMEA (acquired by Medtronic). Mr. Settevik is currently an independent investor and non-exec director in several companies. Mr. Settevik hold a degree from Copenhagen Business School.

Current directorships and senior management positions ...	Holta Invest AS (board member), Made for Movement AS (chairman), Mutus AS (chairman), Liberi AS (chairman)
Previous directorships and senior management positions last five years	NNL AS (board member), Bugaboo International B.V. (chairman), Bugaboo International B.V. (interim CEO)

Espen Tidemann Jørgensen– Board member

Espen Tidemann Jørgensen has since 2013 served as a Board member of the Company. Mr. Jørgensen has 18 years of experience from financial markets as equity analyst at DNB Markets and portfolio manager at Holta Invest. He has previously been a member of the Board of Directors at Weifa ASA and Cortendo (now Strongbridge BioPharma). Mr. Jørgensen is currently Portfolio Manager of Holta Invest AS and Managing Director of Holta Life Sciences AS. He holds a Master's degree in Economics and has completed 3 years of Medicine studies at the University of Oslo.

Current directorships and senior management positions ...	Holta Invest AS (CFO), Holta Life Sciences AS (managing director), Decisions AS (board member), SPG Tangen AS (board member), Spg Omsorgsbygg 2 AS (board member)
Previous directorships and senior management positions last five years	Creo Invest AS (chairman), Weifa ASA (board member), Sandbox Capital AS

Ingrid Helene Teigland Akay – Board member

Ingrid Helene Tegiland Akay has since 2016 served as a Board member of the Company. Ms. Akay is a medical doctor and founder of Hadean Ventures. Prior to Hadean Ventures, Ms. Akay worked for the London-based VC firm Inventages. Ms. Akay also has work experience from Amgen and Morgan Stanley, in addition to work within Internal Medicine and Surgery in Norwegian and UK hospitals. Ms. Akay holds an MD from Mediziniche Hochschule Hannover and an MBA from London Business School.

Current directorships and senior management positions ...	Teakay Invest AS (chairman), Hadean Ventures AS (chairman), Hadean Capital I AS (chairman), Hadean F2 InvestCo AS (chairman), Hadean Capital II AS (chairman), HVentures AB (chairman), Hventures Capital I AB (chairman), Norsk Venturekapitalforening (board member), Oncoinvent AS (board member), Attgeno (board member), NeuroEventLabs Oy (board member), Nisonic AS (board member)
Previous directorships and senior management positions last five years	Sonitor Technologies (board member)

Kari Eian Krogstad– Board member

Kari Eian Krogstad has since June 2017 served as a board member of the Company. Ms. Krogstad has more than 30 years of experience from the biomedical industry and has currently held her role as President and CEO at Medistim ASA since 2009. Ms. Krogstad hold a Cand. Scient. degree in Molecular Biology from the University of Oslo in addition to a Business degree from IHM Business School.

Current directorships and senior management positions ...	Medistim ASA (President and CEO), Augere Medical AS (board member), K2 Consulting AS (chairman and CEO), Vistin Pharma (board member), Engelia Invest AS (deputy board member)
Previous directorships and senior management positions last five years	Norway Health Tech (board member), Lillestrømbanken (board member)

Susanne Stuffers – Board member

Susanne Stuffers has since 2019 served as a board member of the Company. Ms. Stuffers has experience from management consultancy in health care and life sciences from EY, in addition to both medical and commercial roles in the pharmaceutical industry in Novartis. She has also clinical practice as a resident in oncology at OUS Ullevål (hospital) and is currently managing partner of P53 Invest AS. Ms. Stuffers hold an M.D degree from the Erasmus University Rotterdam and a Ph.D. degree in cancer biomedicine from Norwegian Radium Hospital.

Current directorships and senior management positions ...	P53 Invest AS (CEO, partner, board member), Arxx Therapeutics AS (chairman), Ubiquity AS (chairman and CEO)
Previous directorships and senior management positions last five years	Vaccibody AS (board member), Exact Therapeutics AS (board member)

Runar Vatne – Board member

Runar Vatne has since 2019 served as a board member of the Company. Mr. Vatne is the principal and owner of Vatne Capital and has extensive experience from the real estate sector, primarily from Søylen Eiendom. He was previously a partner and stock broker in Pareto Securities. Mr. Vatne currently serves as board member of several companies a.

Current directorships and senior management positions ...	AKV Utvikling AS (board member), Atlantic Sapphire ASA (board member), Bogstadveien 1 Holding AS (board member), Bogstadveien 64 AS (board member), Bryggetorget 3 AS (board member), Bryggetorget Invest AS (board memeber), Chokoladefabrikken Næring 1 AS (board member), Chokoladefabrikken 5 Næring AS (board member), Colosseum Park Syd AS (board member), Fløisbonnveien 5 AS (board member), Frurset Lager AS (board member), GTP Invest AS (board member), Kalbold AS (board member), Kongeveien 47 (board member), Leonessa AS (chairman), Lioness AS (chairman), Marmori AS (chairman), Novelda AS (board member), Nye Fløisbonnveien 2-4 AS (board member), Restaurant Heftye AS (board member), Schous Trening AS (board member), Sinsen og Grorud Eiendom Holding AS (board member), Sky AS (CEO/board member), Sofiemyr Næring AS (board member), Solli Eiendom Holding AS (board member), Solon Eiendom ASA (board member), Vatne Art AS (chairman), Vatne Capital AS (chairman), Vatne Development AS (board member), Vatne Equity AS (board member), Vatne Invest AS (board member), Vatne Living AS (board member), Vatne Private Equity AS (board member), Vatne Projects AS (board member), Vatne Property AS (board member), Vatne Real Estate AS (board member), Villa Heftye AS (board member)
Previous directorships and senior management positions last five years	Akersgata 16 Eiendom ANS (board member), Akersgata 16 Invest AS (board member), Akersgata 16 Invest KS (board member), Akersgt 16 AS (board member), AP Bergensgata AS (board member), AP Professor Koths Vei AS (board member), APT VG58 AS (board member), AS Bogstadveien 34 (board member), Bjørungs AS (board member), Bogstadveien 30 Eiendom AS (board member), Bogstadveien 58 AS (board member), Bogstadveien Invest AS (board member), Bonum Prosjekt 17 AS (board member), Bryggetorget (CEO), Canard AS (board member), Collets Gate 33 AS (board member), Concept Retail AS (board member), Drammensveien 39 AS (board member), Drammensveien 39 Hjemmel AS (board member), Drammensveien Utleie AS (board member), Dronningensgate 15 Eiendom AS (board member), Dronningensgate 15 Oslo AS (board member), Eger Magasin Råd AS (board member), Egertorget Invest AS (board member), Elsero AS (board member), Eurobo AS (chairman/ board member), Felix Kurs- og Konferansesenter AS (board member), Felix Kurs- og Konferansesenter DA (board member), Felleskost AS (board member), Frogner Kino Eiendom AS (board member), Frysjaveien 31 Eiendomsinvest AS (board member), Frysjaveien 31 Holding AS (board member), Frysjaveien Forretningsbygg AS (board member), Furuset Lager AS (board member), Grensen 17 AS (board member), Grensen 17 Hjemmel AS (board member), Grønnegate 10 AS (board member), Hegdehaugsveien 23 AS (board member), High Street Shopping AS (board member), Hjørungkroken 36-54 Borettslag (board member), HSS Karl Johans Gate 16 AS (board member), HSS Steen og Strøm AS (board member), Karl Johan Eiendom 23B ANS (CEO), Karl Johan Eiendom 23B ANS (board member), Karl Johans Gate 13 AS (board member), KD Forvaltning AS (board member), Kirkegata 19 AS (board member), Kirkegaten 20 Eiendom AS (board member), Kirkegaten 20 Oslo AS (board member), Kirkegårdsgata 1 Eiendom AS (board member), Kjøpesenter Furuset AS (board member), Krusesgate 3 Boligsameie (board member), KS AS (CEO), KS AS Sagveien Næringsbygg (board member), Kvadraturen Eiendom AS (CEO), Mølleparken Invest AS (board member), Nedre Slottsgate 15 ANS (board member), Nedre Slottsgate AS (board member), Nedre Slottsgate Næring AS (board member), Nye Søylen Seksjonsdrift 2 AS (board member), OK Self Storage

Group AS (board member), Ole Deviks Vei 2 Eiendom ANS (board member), Ole Deviks Vei 4 ANS (board member), Ole Deviks Vei 6 Eiendom ANS (board member), Ole Deviks Vei Invest AS (board member), Ole Deviks Vei KS (board member), Parkeringsanlegg II AS (board member), PrinseGaarden AS (board member), Prisen Invest AS (board member), Promenaden Akersgata 16 AS (deputy board member), Promenaden Classic AS (board member), Promenaden Egertorget AS (CEO), Promenaden Grensen 17 AS (board member), Promenaden Management AS (CEO), Promenaden Management AS (board member), Promenaden Nedre Slottsgate 23 AS (board member), Promenaden NSG 13 AS (board member), Promenaden Oslo AS (board member), Promenaden Property AS (board member), Promenaden Trend AS (board member), Promenaden Øvre Slottsgate 18-20 AS (board member), Rozenkrantzgate 11 AS (CEO), Rozenkrantzgate 11 Eiendom ANS (board member), Sagveien Næringsbygg Invest AS (CEO), Sagveien Tower AS (board member), SD Posthallen AS (board member), Self Storage Group ASA (chairman), Smestad Helsesenter ANS (board member), Smestadgård Invest AS (board member), Smestadgård KS (board member), Solare AS (board member), SPG Ole Deviksvei 6 AS (board member), Steen & Strøm Drift AS (board member), Storegata 11 AS (board member), Sørenga 1 Næring AS (board member), Sørenga 5 Næring AS (board member), Sørenga 51 Næring AS (board member), Sørenga 7 Næring AS (board member), Søylen 12 AS (board member), Søylen 14 AS (board member), Søylen 30 AS (board member), Søylen Bakkeroa AS (board member), Søylen Drammensveien 39 AS (deputy board member), Søylen Drammensveien AS (board member), Søylen Drammensgate 26 AS (board member), Søylen Eckersbergsgaten 41 AS (board member), Søylen Eiendom AS (chairman), Søylen Eiendom AS (board member), Søylen Josefinesgate AS (board member), Søylen Karl Johan AS (board member), Søylen Karl Johan Eiendomsdrift AS (board member), Søylen Karl Johans Gate 13 AS (board member), Søylen Niels Juels Gate 40 AS (board member), Søylen Nordregate AS (board member), Søylen Næringseiendom AS (CEO), Søylen Næringseiendom AS (board member), Søylen Ole Deviks Vei AS (board member), Søylen President Harbitzgate AS (deputy board member), Søylen Prinsensgate AS (board member), Søylen Sagveien AS (board member), Søylen Seksjonsdrift 2 AS (chairman), Søylen Seksjonsdrift AS (board member), Søylen Smestad AS (board member), Søylen Storgata 11 AS (board member), Søylen Tønsberg Brygge AS (board member), Søylen Ullevålsveien AS (board member), Teglverksveien Invest AS (board member), Thereses Gate 28 Næring AS (board member), Tollbugaten 17 Eiendom AS (board member), Tollbugaten 17 Oslo AS (board member), Torvterrassen Eiendom AS (board member), Trippel V Eiendom ANS (board member), Tveten Park AS (board member), Vatne Finance 2 AS (chairman), Vatne Finance AS (chairman), Vatne International S.A.R.L. (CEO), Vatne Racing AS (chairman), Vatne Trading AS (chairman), Vatne Trading AS (board member), West Jernvarehandel AS (board member), Yerevan Invest AS (board member), ØS 10 Eiendom AS (board member), Øvre Slottsgate 18-20 AS (board member), Aasheim Eiendom AS (board member), Aasheim Eiendom II AS (board member)

Tomas Kramar – Board member

Tomas Kramar has since May 2020 served as a board member in the Company. Mr. Kramar has more than 40 years of experience from the diagnostic industry, including Siemens, Abbot and Roche Diagnostics, as well as founding partner in the Kramar Group. Mr. Kramar has held several board positions over the years. Mr. Kramar holds an MSc degree in Chemistry from the Faculty of Engineering at Lund University in Sweden. Mr. Kramar is a Swedish citizen.

Current directorships and senior management positions ...	Nanologica AB (board member), CorsMed AB (board member), Cytacoat AB (board member), Percy Falk cancer foundation (board member), Lundonia Biotech AB (board member)
Previous directorships and senior management positions last five years	Siemens Healthcare AB (CEO and chairman)

10.3 Management

10.3.1 Overview

The Group's key management ("**Management**") team consists of 3 individuals.

The names of the members of Management as of the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within the Group	Employed with the Group since	Shares	Share options
Hilja Ibert	Chief Executive Officer	2018	6,525	279,925
Njaal Kind	Chief Financial Officer	2018	20,712	114,991
Erling Sundrehagen	Chief Scientific Officer	2001	184,083	100,000

The Company's registered office address at Bjørnåsveien 5, 1596 Moss, Norway, serves as c/o address for the members of Management in relation to their employment with the Group.

10.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Group and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in the Company and its subsidiaries).

Hilja Ibert – Chief Executive Officer

Hilja Ibert has since July 2018 held the position as Chief Executive Officer of the Company. Ms. Ibert has over 25 years of experience from the international diagnostics industry and has held positions as VP International Diagnostic Solutions at Hologic, in addition to several senior positions within Becton Dickinson and bioMerieux. Ms. Ibert also has experience with early stage R&D companies, such as CEO of miDiagnostics in Belgium and holds a degree in Nutrition Science from the University of Bonn in Germany. Ms. Ibert is a German citizen.

Current directorships and senior management positions ...	Made for Movement (board member)
Previous directorships and senior management positions last five years	MiDiagnostics (CEO)

Njaal Kind – Chief Financial Officer

Njaal Kind has since January 2018 held the position as Chief Financial Officer of the Company. Mr. Kind has more than 20 years of experience within financial management and reporting, corporate governance and investor relations. Mr. Kind has previously served as CFO of TiZir Ltd. in London, Business Analyst in Eramet Comilog Manganese in Paris and as Investment Director at Tinfos AS in Oslo. Mr. Kind holds a MSc from BI Norwegian Business School.

Current directorships and senior management positions ...	-
Previous directorships and senior management positions last five years	TiZir Limited (CFO), TiZir Titanium and Iron AS (board member), Grande Cote Operations s.a (board member)

Erling Sundrehagen – Chief Scientific Office

Mr. Sundrehagen is co-founder of Gentian and has extensive experience in the international diagnostic industry. From 1984 to 2013 Mr. Sundrehagen was the Head of Scentific Projects in Axis-Shield and has held several management positions Axis-Shield pls, Axis Biochemicals AS and Axis Research AS. Mr. Sundrehagen is Dr.med and Cand.real from University of Oslo.

Current directorships and senior management positions ...	Nabas AS (board member), Vngulmork Predictor AS (board member), Albumin AS (board member)
Previous directorships and senior management positions last five years	Pretect AS (board member)

10.4 Remuneration and benefits

10.4.1 Remuneration of board of directors

For the year ended 31 December 2020 the amount of remuneration paid to the Board of Directors was 763,000.

The table below sets out the remuneration paid to the Board of Directors in relation to the financial year ending 31 December 2020 (amounts in NOK).

Name	Remuneration
Tomas Settevik	200,000
Espen Tidemann Jørgensen	100,000
Ingrid Helene Teigland Akay	100,000
Kari Eian Krogstad	100,000
Susanne Stuffers	100,000
Runar Vatne	100,000
Tomas Kramar	63,000

10.4.2 Remuneration of Management

For the year ended 31 December 2020 the amount of remuneration and benefits in kind paid to the current members of the Management was NOK 6,654,000.

The table below sets out the remuneration paid to the CEO, CFO and CSO in relation to the financial year ending 31 December 2020 (amounts in thousands NOK).

Name	Salary	Bonus	Other remuneration	Pensions costs
Hilja Ibert (CEO)[1]	2,859		149	-
Njaal Kind (CFO)[2]	1,787		10	42
Erling Sundrehagen (CSO)	1,769		4	34

1 The CEO is currently not part of the Company's mandatory national pension scheme.

10.5 Bonus program for Management and key employees

The Company has established bonus arrangements for management and key personnel which is based on the Company's financial and operational results as well as personal goals. Annual bonuses shall amount to a maximum of 30% of base salary. Bonus payment is only triggered if the Company as a whole achieves approved defined financial targets.

10.6 Share incentive schemes

10.6.1 Incentive program for management and key personnel

The company has a share option program covering certain key employees. As at 31 December 2020, eleven employees were included in the option program.

Under the share option program, a total of up to 770,136 options may be granted to management and key personnel. The options will be granted without consideration. The strike price will be set at a fair market price at the time of the grant. Each option, when exercised, will give the right to acquire one share in the Company, however, the Company may resolve settlement in cash. Pursuant to the vesting schedule, 1/3 of the options will vest 24 months after the day of grant, 1/3 will vest 36 months after the day of grant and 1/3 will vest 48 months (as long as the option holder is still employed). As of the date of this Prospectus there is 594,916 outstanding options. For an overview of share options held by the Management, see Section 10.3

The outstanding options are subject to the following conditions:

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

For further information on the Company's share incentive scheme, see note 10 in the 2020 annual financial statements.

10.6.2 Employee incentive program (ESPP)

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

10.7 Benefits upon termination

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.

Except for the above, no employee, including any member of Management, has entered into employment agreements that provide for any special benefits upon termination. None of the members of the Board of Directors, not being employees of the Group, have service contracts and none will be entitled to any benefits upon termination of office.

10.8 Pensions and retirement benefits

The Company is obligated to provide an occupational pension in accordance with the Norwegian Mandatory Occupational Pensions Act, and has a defined contribution pension scheme that satisfies the requirements of this act. The Group has

no further payment obligations after the deposits have been paid in accordance with this act. Employees working abroad or in foreign subsidiaries have insurance and pension arrangements customary for the respective country.

For the year ended 31 December 2020, the cost of pensions for members of the Management was NOK 0.1 million, and NOK 1.4 million for the employees of the Group in total. The Board members are not entitled to pension payments or related benefits from the Group. For more information regarding the Group's pension and retirement benefits for its employees, see note 10 to the Company's annual accounts for 2020, included in Appendix C to this Prospectus.

10.9 Employees

As of the date of the Prospectus, the Group has a total of 53 employees, of which 48 are located in Norway.

The table below shows the development in the numbers of full-time employees as of 31 March 2020 and per end of each calendar year for 2020, 2019 and 2018:

	As of 31 March	Year ended 31 December		
	2021	2020	2019	2018
Norway	48	44	43	42
Sweden	3	2	2	2
USA	1	1	1	-

10.10 Nomination committee

The articles of association provide for nomination committee composed of two to four members who are elected by the General Meeting. The majority of the Nomination committee shall be independent from the Board of Directors and management. The nomination committee comprise of Andreas Berdal Lorentzen (chair), Haakon Sæter, Fredrik Thoresen and Erling Sundrehagen. Erling Sundrehagen is a member of the executive management which represents a deviation from the principles in the Corporate Governance Code.

The nomination committee is responsible for nominating the shareholder-elected members of the Board of Directos and members of the nomination committee and to make recommendations for remuneration to the members of the Board of Directors and the nomination committee. The Company's General Meeting has on 4 May 2021 adopted instructions for the nomination committee.

10.11 Remuneration committee

The Company has established a remuneration committee that shall consist of at least two members of the Board. The members of the remuneration committee shall be independent of the Company's Management. The members of the remuneration committee are appointed by the Board of Directors for a period of one year, or until they resign their position as a member of the Board of Directors. The committee currently comprises of Kari E Krogstadand Tomas Settevik.

The remuneration committee is a preparatory and advisory committee for the Board of Directors that shall prepare matters for the Board's consideration and decisions regarding the remuneration of, and other matters pertaining to, the Company's Management. The recommendations of the remuneration committee shall cover all aspects of remuneration to the Management, including but not limited to salaries, allowances, bonuses, options and benefits-in-kind.

10.12 Audit committee

The Company has established an audit committee consisting of Espen Jørgensen, Runar Vatne, Susanne Stuffers and Tomas Settevik. The audit committee is responsible for preparing the follow-up of the financial reporting process for the Board of Directors, monitoring the systems for internal control and risk management, having continuous contact with the auditor regarding auditing of the annual accounts and to review and monitor the independence of the auditor.

10.13 Science and Strategy Committee

The Company has established 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 strategy, including reviewing the company’s pre-clinical and clinical product pipeline and the ranking thereof in view of the company’s overall strategy and vision. The committee currently comprises of Ingrid Teigland Akay, Susanne Stuffers, Tomas Kramar, Espen T Jørgensen.

10.14 Corporate governance

The Company has adopted and implemented a corporate governance regime based on the Norwegian Cope of Practice for Corporate Governance, last updated 17 October 2018 (the "**Corporate Governance Code**").

Neither the Board of Directors nor the Company's general meeting of shareholders have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

10.15 Conflicts of interests etc.

During the last five years preceding the date of this Prospectus, no member of the Board of Directors or the Management has:

- any convictions in relation to fraudulent offences;

- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

There are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management and the Board of Directors, including any family relationships between such persons.

11 CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association, and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association, included in Appendix A of this Prospectus, and applicable law.

11.1 Company corporate information

The Company's registered name is Gentian Diagnostics ASA, while its commercial name is Gentian. The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Moss, Norway. The Company was incorporated in Norway on 16 August 2011. The Company's organisation number in the Norwegian Register of Business Enterprises is 983 860 516 and its Legal Entity Identifier ("**LEI**") code is 5967007LIEEXZXHNM861.

The Shares are registered in book-entry form with VPS. The Company's register of shareholders in VPS is administrated by DNB Bank ASA with registered business address at Dronning Eufemias gate 30, 0191 Oslo, Norway, email: kua@dnb.no, telephone number: +47 23 26 80 20 (the "**VPS Registrar**"). The Company's Shares is registered under ISIN NO0010748866.

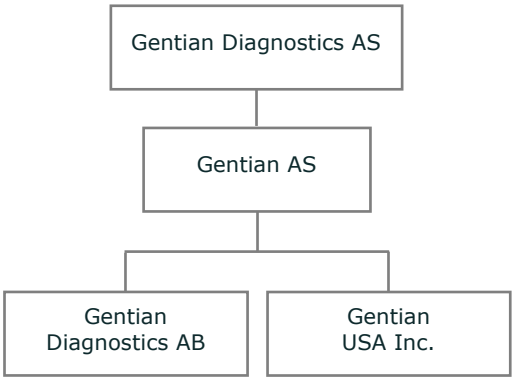
The Company's registered office is located at Bjørnåsveien 5, 1596 Moss, Norway and the Company's main telephone number at that address is +47 99 33 99 05. The Company's website can be found at https://www.gentian.com/. Neither the content of https://www.gentian.com nor any of the Group's other websites, is incorporated by reference into or otherwise forms part of this Prospectus.

The Company is currently listed on Euronext Growth Oslo.

11.2 Legal structure

The Company is the ultimate holding company of the Group. The Company is not an operating entity, and the Group's operations are thereby carried out through the Company's operating subsidiaries.

The chart below provide the structure of the Group as of the date of this Prospectus:



The table below table sets out information about the Company and the subsidiaries in the Group.

Company	Country of incorporation	Activity	Ownership interest
Gentian Diagnostic ASA	Norway	Holding company	-
Gentian AS	Norway	Operational entity	100%
Gentian Diagnostics AB Sweden	Sweden	Operational entity	100%
Gentian USA Inc	USA	Operational entity	100%

As of the date of this Prospectus, the Company is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

11.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 1,541,188.9 divided into 15,411,889 Shares with each Share having a nominal value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly resolved issued and fully paid. The Shares are equal inn all respect and there is no difference voting rights or classes of shares.

The table below shows the development in the Company's share capital for the periods covered by the historical financial information and up to the date of the Prospectus:

Date of registration	Type of change	Change in share capital (NOK)	Subscription Price per Share (NOK)	Nominal value (NOK)	No. of issued shares after change	Share capital after change (NOK)
12.07.2018	Capital increase	139,962.80	50	0.10	15,395,921	1,539,592.10
28.11.2019	Capital increase	679.70	38.10	0.10	15,402,718	1,540,271.8
15.12.2020	Capital increase	917.10	50.38	0.10	15,411,889	1,541,188.9

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares of the Company from the start of the period covered by the historical financial information up to the date of this Prospectus.

11.4 Ownership structure

The table below shows the Company's 20 largest shareholders as recorded in the shareholders' register of the Company with the VPS as of 22 June 2021.

#	Shareholders	Number of Shares	Percentage
1	Vatne Equity AS[1]	2,010,224	13.04333
2	Norda ASA	1,250,068	8.11106
3	Holta Life Sciences AS	1,188,702	7.71289
4	Safrino AS	1,050,000	6.81292
5	Salix AS	793,574	5.14910
6	Skandinaviska Enskilda Banken AB	783,903	5.08635
7	Verdipapirfondet Delphi Nordic	751,727	4.87758
8	Verdipapirfondet Storebrand Vekst	425,572	2.76132
9	Verdipapirfondet DnB SMB	377,682	2.45059
10	Equinor Pensjon	337,320	2.18870
11	Portia AS	300,000	1.94655
12	Cressida AS	235,000	1.52480
13	Lioness AS[2]	220,000	1.42747
14	Silvercoin industries as	214,692	1.39303
15	Marstal AS	212,407	1.37820
16	Mutus AS	210,465	1.36560
17	Vingulmork Predictor AS	184,083	1.19442
18	Bård Henrik Sundrehagen	181,645	1.17860
19	OM Holding AS	179,000	1.16144
20	Viola AS	170,916	1.10899
	Other	4,334,909	28.13
	Total	**15,411,889**	**100**

1 Vatne Equity AS is controlled by Runar Vatne

2 Lioness AS is controlled by Runar Vatne

There are no different voting rights between the shareholders. Each Share carries one vote.

Shareholders owning 5% or more of the share capital or the voting rights of the Company have an interest in the Company which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15 "Securities trading in Norway" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

As of the date of the Prospectus Runar Vatne, Funds managed by Storebrand Asset Management, Norda ASA, Holta Life Sciences AS, Safrino AS, Funds managed by Norron Asset Management and Salix AS hold 5% or more of the capital or voting rights in the Company. The Company is not aware of any other persons or entities who, directly or indirectly, have an interest in 5% or more of the share capital or voting rights of the Company.

To the extent known to the Company, there are no persons or entities who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Company’s Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

11.5 Admission to trading

The Company applied for its shares to be admitted for trading on Oslo Børs on 7 May 2021, and the board of directors of the Oslo Stock Exchange approved the Company's application for Listing on 23 June 2021. Trading of the Company's shares is expected to commence on or about 25 June 2021. The Company has not applied for admission to trading on any other stock exchange, regulated market or multilateral trading facility. As of the date of this Prospectus the Company's shares are admitted to trading on Euronext Growth Oslo under the ticker code "Gentian".

11.6 Authorisation to increase the share capital and to issue Shares

At the Company's extraordinary general meeting held 4 May 2021, the Board of Directors was granted the following authorisations to increase the share capital:

- An authorisation to increase the share capital by up to NOK 154,118.89 to be used in connection with the strengthening of the Company's equity or the issue of consideration shares in an acquisition. The authorisation covers capital increase against non-cash contributions, including capital increases by way of set-off, and capital increases in connection with mergers. Further, it has been resolved that shareholders preferential right to subscribe for and to be allocated shares may be deviated from. The authorisation is valid until the annual general meeting in 2022, however no longer than until 30 June 2022

- An authorisation to increase the share capital by up to NOK 3,00 to be used in connection with the Company's share incentive program. The authorisation does not comprise capital increase against non-cash contributions and capital increases in connection with mergers. Further, it has been resolved that shareholders preferential right to subscribe for and to be allocated shares may be deviated from. The authorisation is valid until the annual general meeting in 2022, however no longer than until 30 June 2022.

11.7 Treasury shares

Neither the Company nor any of its subsidiaries directly or indirectly holds any Shares at the date of this Prospectus.

11.8 Other financial instruments

Other than described in Section 10.6 and, neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries that will be held, directly or indirectly, by the Company.

11.9 Shareholder rights

At the date of this Prospectus, the Company has one class of shares in issue, an in accordance with the Norwegian Public Limited Companies Act all Shares provides equal rights in the Company. Certain rights attaching to the Shares are described in Section 11.10 "The Articles of Association and certain aspects of Norwegian law".

11.10 The Articles of Association and certain aspects of Norwegian law

11.10.1 The Articles of Association

Gentian Diagnostics ASA's Articles of Association are set out in Appendix A to this Prospectus.

Below is a summary of provisions of the Articles of Association.

Objective of the Company

Pursuant to Section 3 in the Articles of Association, the objective of the Company is Development and marketing of analytical systems for medical In vitro and in this respect sales of consulting services and subscription for shares or otherwise participate in other companies or other enterprises with economic purposes.

Registered office

The Company's registered office is in the municipality of Moss, Norway.

Share capital and nominal value

The Company's share capital is NOK 1,541,188.9 divided into 15,411,889 Shares with each Share having a nominal value of NOK 0.10.

Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's internet site. A shareholder may nevertheless request that documents that relate to matters to be dealt with at the general meeting be sent to him/her.

The right to participate and vote at general meetings of the company can only be exercised for shares which have been acquired and registered in the shareholders register on the fifth business day prior to the general meeting.

Shareholders who intend to attend a general meeting shall give the company written notice of their intention within a time limit given in the notice of the general meeting, which cannot expire earlier than five days before the general meeting. Shareholders, who have failed to give such notice within the time limit, can be denied admission.

Nomination committee

The Company shall have a nomination committee. See Section 12.10 "Nomination committee".

11.10.2 Certain aspects of Norwegian corporate law

General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than 21 days before the annual general meeting of Norwegian public limited liability company listed on stock exchange or regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration. The Company's Articles of Association do however include a provision requiring shareholders to preregister in order to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor who audits the company's annual accounts or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast as well as of least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a fourteen days notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's general meeting.

Voting rights–amendments to the Articles of Association

Under the Articles of Association, each Share carries one vote. No voting rights can be exercised with respect to any treasury Shares held by the Company.

In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase the Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such shares. Beneficial owners of shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. A shareholder must, in order to be eligible to register, meet and vote for such shares at the general meeting, transfer the shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

Additional issuances and preferential rights

If the Company issues any new shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to its Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to approve amending the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding shares.

Issuance of new shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, their proportional interests in the Company will be reduced.

Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet or an interim balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding two years.

Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the company's website, at least one month prior to the general meeting to pass upon the matter.

Liability of members of the Board of Directors

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's directors from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Company's Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's directors from liability or not to pursue claims against the Company's directors is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

Indemnification of Directors

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Company's directors against certain liabilities that they may incur in their capacity as such.

Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return of capital.

12 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as of the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

12.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway through five different marketplaces; the Oslo Stock Exchange, Euronext Expand, Euronext Growth Oslo, Nordic ABM and Oslo Connect.

The Oslo Stock Exchange is 100% owned by Oslo Børs VPS Holding ASA, which in 2019 was acquired by Euronext N.V., a pan-European stock exchange with its registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris.

12.2 Trading and settlement

As of the date of this Prospectus, trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Optiq®. This trading system is in use by all markets operated by the Euronext.

Official trading on the Oslo Stock Exchange takes place between 9:00 hours. (CET/CEST) and 16.20 hours (CET/CEST) each trading day, with pre-trade period between 08:15 hours (CET/CEST) and 9:00 hours (CET/CEST), a closing auction from 16.20 hours (CET/CEST) to 16.25 hours (CET/CEST), and a post-trade period from 16.25 hours (CET/CEST) to 17.30 hours (CET/CEST).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor’s account in the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

12.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or is subject to the application for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

12.4 The VPS and transfer of shares

The Company's shareholder register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control that the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

12.5 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the Company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote in General Meetings on behalf of the beneficial owners.

12.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Børs through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

12.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

12.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in chapter 2 of the Market Abuse Regulation (EU) 596/2014, pursuant to section 3-1of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

12.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 40% or 50%) of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange, in its capacity as Take-over Authority of Norway, before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offer for the shares in the six months period prior to the date the threshold was exceeded. However, if it is clear that that the market price was higher when the mandatory offer obligation was triggered, the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer

obligation remains in force, exercise rights in the company, such as voting in a general meeting of the company's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

12.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as 90% or more of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offer, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offer pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

12.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

13 TAXATION

13.1 General

Set out in this chapter 13 is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The statements in the summary only apply to shareholders who are beneficial owners of the Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

13.2 Taxation of dividends

13.2.1 Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 31.68% to the extent the dividend exceeds a calculated risk-free return on the investment (tax free allowance). The dividends received, less the tax free allowance, shall be multiplied by a factor of 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The tax free allowance is calculated annually on a share-by-share basis and pertains to the Norwegian Personal Shareholder holding the share at the expiration of the relevant calendar year. The tax-free allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity, with an addition of 0.5%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax free allowance related to the year of transfer.

Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share, and will be added to the basis for the allowance calculation. Allowance cannot result in a deductible loss.

Norwegian Personal Shareholders may hold their shares through a share savings account (Nw.: *aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. The rules for tax free allowance also apply to share savings accounts as such and not to the individual share. Please refer to Section 13.3.1 "Norwegian Personal Shareholders" for further information in respect of Norwegian share saving accounts.

13.2.2 Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes ("**Norwegian Corporate Shareholders**"**),** are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%). For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax (banks, holding companies, etc.), the effective rate of taxation for dividends is 0.75%.

13.2.3 Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% can be reduced through double tax treaties between Norway and the country in which the shareholder is resident. It is the Non-Norwegian Personal Shareholder which is responsible for the registration of residency. The registration will be the basis for the calculation of withholding tax on dividends according to the applicable tax treaty. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

All Non-Norwegian Personal Shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state. The documentation must be provided to either the nominee or the account operator (i.e. the one who sets up and administrates the VPS account) together with a confirmation that the Non-Norwegian Personal Shareholder is the beneficial owner of the dividend.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please

see Section 13.2.1 "Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying out business activities in Norway and the shares are effectively connected with such activities, the shareholders will be subject to the same taxation dividends as Norwegian Personal Shareholders, as described in Section 13.2.1 "Norwegian Personal Shareholders" above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of excess withholding tax deducted.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share saving account. Dividends received on, and gains derived upon the realisation of, shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realised upon realisation of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on shares held through a share saving account, cf. above, lies with the account operator.

13.2.4 Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax; provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as Norwegian Corporate Shareholders, as described above in Section 13.2.2 "Norwegian Corporate Shareholders".

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in the applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. Such documentation must be provided to either the nominee or the account operator (i.e. the one who sets up and administrates the VPS account) together with a confirmation that the Non-Norwegian Corporate Shareholder is the beneficial owner of the dividend.

Nominees must also obtain an approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate than 25%. To obtain such approval, the nominee is required to file a summary to the tax authorities, including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividend to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

13.3 Taxation of capital gains on realisation of shares

13.3.1 Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Shareholder’s ordinary income in the year of disposal. Ordinary income is taxable at a rate of 22%. As for dividends, the ordinary income is adjusted with a factor of 1.44, giving an effective tax rate of 31.68% (22% x 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer Section 13.2.1 "Norwegian Personal Shareholders" for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled. Unused allowance may not be set off against gains from realisation of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Norwegian Personal Shareholders may hold shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Gains derived upon the realisation of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Losses are first deductible upon closing of the share savings account. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, please see Section 13.2.1 "Norwegian Personal Shareholders" above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

13.3.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains generated through the realisation of shares qualifying for participation exemption. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

13.3.3 Non-Norwegian Personal Shareholders

Capital gains from sale or other disposals made by a Non-Norwegian Personal Shareholders are not subject to taxation in Norway, however, a tax liability in Norway may arise if the shares are held in connection with business activities carried out or managed from Norway.

Please refer to Section 13.2.3 "Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving account.

13.3.4 Non-Norwegian Corporate Shareholders

Capital gains generated through realisation of shares by Non-Norwegian Corporate Shareholders are generally not subject to taxation in Norway.

13.4 Net Wealth Tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 55% (effective as of 1 January 2021) of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

13.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

13.6 Inheritance tax

A transfer of shares through inheritance or as a gift does currently not give rise to inheritance or gift tax in Norway.

14 TRANSFER RESTRICTIONS

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or sold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risk of the investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 14 "Transfer restrictions".

The Shares may not be transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to transfer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction it would not be permissible to transfer the Shares. Neither the Company nor any of its affiliates, representatives or advisers, is making any representation regarding the legality of an investment in the Shares.

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares.

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, or otherwise transferred within the United States except: (i) within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

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15 ADDITIONAL INFORMATION

15.1 Independent auditors

The Company's independent auditor as of the date of the Prospectus is BDO AS (business registration number 993 606 650, and registered business address at Munkedamsveien 45A, 0250 Oslo, Norway). BDO AS is member of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*).

15.2 Advisors

AGP Advokater AS (Tjuvholmen allé 3, 0252 Oslo, Norway) is acting as legal counsel to the Company in connection with the Listing.

15.3 Documents on display

For the life of this Prospectus, the following documents (or copies thereof) may be inspected at https://www.gentian.com/ or at the Company's offices at Bjørnåsveien 5, 1596 Moss, Norway Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays):

- The Articles of Association of the Company;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website https://www.gentian.com/. The content of https://www.gentian.com/ is not incorporated by reference into, or otherwise form part of, this Prospectus.

16 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defines terms have the following meanings:

Articles of Association	The Company's articles of association attached as Appendix A to the Prospectus
Annual Financial Statements	The Group's audited consolidated financial statements as of and for the years ended 31 December 2020, 2019 and 2018
Assay	A quantitative or qualitative procedure for detecting the presence, estimating the concentration, and/or determining the biological activity of a macromolecule (e.g., an antibody or antigen, molecule, ion, cell, pathogen, etc.). Assays are based on measurable parameters that allow differentiation between sample and control.
Biomarker	In biomedical contexts, a biomarker, or biological marker is a measurable indicator of some biological state or condition. Biomarkers are often measured and evaluated using blood, urine, or soft tissues to examine normal biological processes, pathogenic processes, or pharmacologic responses to a therapeutic intervention. Biomarkers are used in many scientific fields.
Board members	Members of the Board of Directors
Board of Directors or the Board	The Board of Directors of the Company
Company	Gentian Diagnostics ASA
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 17 October 2018
COVID-19	The coronavirus pandemic
EEA	The European Economic Area
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
EUR	The lawful currency of the participating member states in the European Union
Financial Information	The Annual Financial Statements and the Interim Financial Statements
Forward-looking Statements	Statements that reflect the Group's current intentions, beliefs or current expectations concerning, among other things, financial position, operating results, liquidity, prospects, growth, strategies and the industries and markets in which the Group operates
General Meeting	The general meeting of the shareholders in the Company
Group or Gentian	The Company together with its consolidated subsidiaries
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards as adopted by the EU
Interim Financial Statements	The Company's unaudited consolidated financial information for the three months ended 31 March 2021 and the three month period ended 31 March 2020
ISIN	International Securities Identification Number
IVD	In vitro diagnostics are tests done on samples such as blood or tissue that have been taken from the human body. In vitro diagnostics can detect diseases or other conditions, and can be used to monitor a person's overall health to help cure, treat, or prevent diseases. Some tests are used in laboratory or other

	health professional settings and other tests are for consumers to use at home.
IVDR	the IVD regulation (EU 2017/217
LEI	Legal Entity Identifier
Listing	This listing of the Company's Shares on Oslo Børs
Management	The member of the senior management of the Company
NOK	Norwegian Kroner, the lawful currency of Norway
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Act on Overdue Payment	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100
Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*)
Norwegian Personal Shareholder	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Public Limited Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 No 45
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007, no. 75 (Nw.: *verdipapirhandelloven*)
Prospectus	This Prospectus dated 24 June 2021
Regulation S	Regulation S under the U.S. Securities Act.
Rule 144A	Rule 144A under the U.S. Securities Act
SEC	U.S. Securities and Exchange Commission
Shares	The Company's shares
UK	The United Kingdom
U.S. Exchange Act	U.S. Securities Exchange Act of 1934, as amended
U.S. or United States	The United States of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
VPS or Verdipapirsentralen	The Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*)
VPS account	An account with VPS for the registration of holdings of securities
VPS Registrar	DNB Bank ASA

APPENDIX A

ARTICLES OF ASSOCIATION OF THE COMPANY

(Unofficial translation. The official language of these articles is Norwegian. In the event of any discrepancies between the English and Norwegian text, the Norwegian text shall prevail.)

VEDTEKTER FOR GENTIAN DIAGNOSTICS ASA

4. mai 2021

1 SELSKAPETS FIRMA

Selskapets firma er Gentian Diagnostics ASA. Selskapet er et allmennaksjeselskap.

2 FORRETNINGSKONTOR

Selskapets forretningskontor er i Moss kommune.

3 SELSKAPETS VIRKSOMHET

Selskapets virksomhet er: Utvikling og markedsføring av analysesystemer for medisinsk in vitro diagnostikk og i den forbindelse salg av konsulenttjenester samt ved aksjetegning eller på annen måte delta i andre selskaper eller andre foretagender med økonomisk formål.

4 SELSKAPETS AKSJEKAPITAL

Selskapets aksjekapital er kr. 1.541.188,9, fordelt på 15.411.889 aksjer, hver pålydende kr. 0,10.

Selskapets aksjer skal registreres i VPS.

5 STYRE

Medlemmene og leder av styret velges av generalforsamlingen, etter forslag fra valgkomiteen, inkludert eventuelle varamedlemmer.

Selskapets styre skal ha fra 3 til 7 aksjonærvalgte styremedlemmer.

Medlemmene av styret velges for ett år. Tjenesteperioden kan bli kortere dersom det er tilleggsvalg.

6 VALGKOMITÉ

Selskapet skal ha en valgkomité, som velges av generalforsamlingen.

Valgkomitéen skal bestå av to til fire medlemmer som utnevnes av

ARTICLES OF ASSOCIATION OF GENTIAN DIAGNOSTICS ASA

4 May 2021

1 COMPANY NAME

The name of the company is Gentian Diagnostics ASA. The company is a public limited liability company.

2 FORRETNINGSKONTOR

The company's registered business office is in the municipality of Moss, Norway.

3 BUSINESS OF THE COMPANY

The company's business is: Development and marketing of analysis systems for in vitro medical diagnostics and in this connection the sale of consulting services as well as by subscription for shares or otherwise participating in other companies or other entities with financial purposes.

4 THE COMPANY'S SHARE CAPITAL

The company's share capital is NOK 1,541,188.9 divided into 15,411,889 shares, with a nominal value of NOK 0.10 each.

The shares of the company shall be registered in the VPS.

5 BOARD OF DIRECTORS

Members and chair of the board of directors are elected by the general meeting, after proposal from the nomination committee, including any deputy members.

The board of directors shall consist of between 3 and 7 shareholder elected board members.

Members of the board are elected for a period of one year. The service period may be shorter if there is supplementary election.

6 NOMINATION COMMITTEE

The company shall have a nomination committee, elected by the general meeting.

The nomination committee shall consist of two to four members elected by the general

generalforsamlingen, hvor flertallet av medlemmene skal være uavhengige av styret og ledende ansatte. Medlemmene i valgkomitéen, inkludert valgkomitéens leder, utnevnes av generalforsamlingen for en periode på et år med mindre generalforsamlingen beslutter å fravike denne ved utnevnelsen.

Valgkomitéen fremmer forslag til generalforsamlingen om (i) valg av styrets leder, aksjonærvalgte styremedlemmer og eventuelle varamedlemmer, og (ii) valg av medlemmer til valgkomitéen.

Valgkomitéen fremmer videre forslag til generalforsamlingen om honorar til styret og valgkomitéen, som fastsettes av generalforsamlingen.

Generalforsamlingen kan fastsette instruks for valgkomitéen.

meeting, where the majority of the members shall be independent of the board and the management. The members of the nomination committee, including the chairperson, will be elected by the general meeting for a term of one year unless the general meeting decides otherwise in connection with the election.

The nomination committee shall present proposals to the general meeting regarding (i) election of chair of the board, shareholder elected board members and any deputy members, and (ii) election of members to the nomination committee.

The nomination committee shall also present proposals to the general meeting for remuneration of the board and the nomination committee, which is to be determined by the general meeting.

The general meeting may adopt instructions for the nomination committee.

7 GENERALFORSAMLINGEN

Den ordinære generalforsamling skal behandle:

- Godkjennelse av årsregnskap og årsberetning, herunder utdeling av utbytte.
- Andre saker som i henhold til lov eller selskapets vedtekter hører under generalforsamlingen.

Generalforsamlingen skal holdes i Moss eller Oslo kommune. Er det av særlige grunner nødvendig, kan generalforsamlingen holdes et annet sted.

Retten til å delta og stemme på generalforsamlinger kan bare utøves for aksjer som er ervervet og innført i aksjeeierregisteret den femte virkedagen før generalforsamlingen.

Aksjeeiere som vil delta i en generalforsamling i selskapet, skal melde dette til selskapet innen en frist som angis i innkallingen til generalforsamlingen, og som ikke kan utløpe tidligere enn fem dager før generalforsamlingen. Aksjeeier som ikke har meldt fra innen fristens utløp, kan nektes adgang.

Vedlegg til saker som skal behandles på generalforsamlingen og som er gjort tilgjengelig for aksjonærene på selskapets nettside, trenger ikke å sendes ut til aksjonærene. Dette inkluderer også dokumenter som ved lov skal inngå i eller være vedlagt innkallingen til generalforsamlingen. En aksjonær kan allikevel be om å motta vedlegg til saker som skal behandles på generalforsamlingen, uten å måtte betale for det.

7 THE GENERAL MEETING

The annual general meeting shall resolve:

- The approval of the annual accounts and annual report, as well as distribution of dividends.
- Other matters that the general meeting is required by law or the articles of association of the company to resolve.

The general meeting shall be held in the municipality of Moss or Oslo. If it is necessary for special reasons, the general meeting may be held elsewhere.

The right to participate and vote at general meetings of the company can only be exercised for shares which have been acquired and registered in the shareholders register on the fifth business day prior to the general meeting.

Shareholders who intend to attend a general meeting shall give the company written notice of their intention within a time limit given in the notice of the general meeting, which cannot expire earlier than five days before the general meeting. Shareholders, who have failed to give such notice within the time limit, can be denied admission.

Appendices relating to matters to be dealt with by the general meeting and that are made available for the shareholders on the company's website, do not need to be sent to the shareholders. This shall also apply to documents that by law are required to be included in or attached to the notice to the general meeting. A shareholder may nevertheless request that documents relating to

Aksjonærer kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere instruks for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

matters to be dealt with at the general meeting, is sent to him/her, without consideration.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set.

8 OVERDRAGELSE AV AKSJER

Erverv av aksjer er ikke betinget av samtykke fra selskapet. Ingen av selskapets aksjer er underlagt forkjøpsrett.

8 TRANSFER OF SHARES

Acquisition of shares is not subject to approval by the company. None of the company's shares is subject to a right of first refusal.

APPENDIX B

THE COMPANY'S INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

First quarter 2021 results

WE INNOVATE DIAGNOSTIC EFFICIENCY

invest@gentian.com • www.gentian.com

We innovate diagnostic efficiency

GENTIAN DIAGNOSTICS

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

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

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

Gentian Diagnostics' PETIA products and product pipeline

Gentian specialises in making highly relevant biomarkers available on the PETIA technology platform. Our current and future portfolio of diagnostic reagents spans areas of inflammations, severe infections, kidney failures and congestive heart failures and veterinary healthcare. The product lines of laboratory tests provide high accuracy and fast results and contribute to increased laboratory efficiency and improved outcomes for patients.

Gentian's current portfolio includes Cystatin C (CE marked, FDA-510(k) cleared), the calprotectin immunoassay GCAL® (CE marked) and Canine CRP.

In addition, Gentian is the sole reagent provider and manufacturer for the faecal calprotectin immunoassay fCAL® turbo (CE marked, FDA-510(k) cleared) and the pancreatic elastase immunoassay fPELA® turbo (CE marked, FDA exempt). These immunoassays are sold exclusively by Gentian's partner BÜHLMANN Laboratories AG.

Gentian is developing an innovative NT-proBNP immunoassay, which will be the first cardiac marker designed specifically for high volume clinical chemistry platforms. Due to an expanded development scope in order to enable industry standardization, expected to positively impact adoption rates, the launch date has been pushed to 1Q22 from 4Q21.

Gentian's high throughput turbidimetric SARS-CoV-2 Total Antibody assay is on a fast track development plan and is expected to be launched in 2H21.

Illustration of product categories and indicative market potential (USD)

HIGHLIGHTS

- Record sales revenue of MNOK 19.6 in 1Q21, a 33 % organic growth. Reported growth of 24 % on a currency neutral basis as 1Q20 includes revenues from the subsidiary Pretect AS, which was divested in 2H20.
- Growth of 60 % versus Q1 last year in fCAL® turbo sales.
- Increased commercial momentum for GCAL®, displaying early signs of the next revenue level, with new routine users in several European countries and new distribution contracts.
- Expanded NT-proBNP development scope in order to enable industry standardisation, expected to positively impact adoption rates. New launch date set to 1Q22.
- Decision to apply for a listing of the shares at Oslo Børs Main market. It is envisaged that a transfer of the listing from Euronext Growth to the main market will take place towards the latter part of 1H21.

OPERATIONAL SUMMARY

Sales

Sales revenue grew 33 % organically in 1Q21 ending the quarter at MNOK 19.6, a new record level. Reported growth was 21 % measured in NOK and 24 % on a constant currency basis as 1Q20 numbers included revenues from Pretect AS which as divested in 2H20.

Sales of Cystatin C was MNOK 7.4 for the quarter, an increase of 12 % compared to 1Q20. Sales in Asia continue to grow and was up by 23 % compared to 1Q20. Sales of Cystatin C in Europe and the US was somewhat lower than anticipated. Our Swedish subsidiary, Gentian Diagnostics AB, has established a successful cooperation with one of the major platform providers for a regional supply agreement for Cystatin C in the South-West region of Sweden. This collaboration shows the Gentian advantage of offering platform independent assays.

Sales of fCAL® turbo has gradually recovered after being negatively impacted by COVID-19 priorities. For 1Q21 sales reached a record high of MNOK 8.5 corresponding to an encouraging growth of 60 % versus 1Q20. The sales growth in 1Q21 was driven by increased demand for both kit and bulk segments. Although underlying growth prospects remain positive, we may experience negative effects on sales if countries continue to impose strict measures due to COVID-19.

Our Swedish distribution subsidiary, Gentian Diagnostics AB (GAB), continues to show a positive sales development for third party products totalling MNOK 1.6 in 1Q21, a 36 % increase compared to 1Q20. Further profitable growth is expected going forward.

The current outbreak of COVID-19 has had relatively limited effect on Gentian to date. Gentian has robust business continuity plans in place, and production has been maintained at normal levels with staff working under enhanced safety conditions. The company has also been able to deliver to its customers on time and anticipates for this to continue.

Market development

GCAL®

The GCAL® Immunoassay is a novel biomarker for the early detection and risk stratification of inflammation and severe infections. Recent studies publications confirm promising results in the field of sepsis, COVID-19 and rheumatoid arthritis.

The interest in serum and plasma calprotectin has increased in 1Q21 with new customers implementing GCAL® in routine testing in Sweden, France and in the Czech Republic. Although still at low levels, the consistent and growing monthly sales for GCAL® demonstrate significant commercial progress and a positive market acceptance.

So far, Gentian has entered into distribution agreements with six partners in Europe and Asia to accelerate market penetration and awareness of the product. Additional distribution agreements are being finalised. Gentian also maintains dialogue with several potential OEM partners with an aim to secure high volume agreements. Due to the complex nature of such OEM agreements the exact timing will be difficult to predict.

A new review article by Udeh et al.[1] confirmed plasma and serum calprotectin as an emerging biomarker of interest in COVID-19 patient management. In addition, new studies were initiated with university hospitals in UK, France and Canada.

A webinar with Gentian's VP Clinical Affairs, Dr Aleksandra Havelka, on the role of calprotectin in COVID-19, is available at: www.gentian.com.

Product development

NT-proBNP

The Gentian NT-proBNP Immunoassay is positioned an aid in the diagnosis, monitoring and assessment of severity in individuals suspected of having congestive heart failure (CHF). Gentian's proprietary technology will allow for comparable, consistent, biotin interference-free measurement of clinically relevant concentrations of NT-proBNP on high volume and easily accessible clinical chemistry analysers. The assay seeks to enable improvement of laboratory productivity based on higher throughput in comparison to currently used assays. It may also have the potential to contribute to the harmonisation and standardisation of the NT-proBNP assays, which is one of the major concerns stated by clinicians and laboratory managers in a company funded market sensing project. Based on this, the company has decided to expand the NT-proBNP development scope to enable industry standardisation, which is expected to positively impact the adoption rates. Therefore, a new launch date is moved to 1Q22 from 4Q21.

The first patent application was published in February 2021 by the World Intellectual Property Organization (PCT Application No. PCT/EP2020/072720) with WIPO number WO2021/028520. The technology described in the patent application enables Gentian to develop and commercialise an automated and fast NT-proBNP assay for open turbidimetric clinical chemistry platforms. Additional freedom-to-operate investigations were carried out to monitor existing 3rd party rights using NT-proBNP in the cardiac field. To date there are no negative findings.

SARS-CoV-2 Total Antibody Immunoassay

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

The assay is currently transferred into the verification phase and the launch is planned for 4Q21.

[1] Udeh, R.; Advani, S.; de Guadiana Romualdo, L.G.; Dolja-Gore, X. Calprotectin, an Emerging Biomarker of Interest in COVID-19: A Systematic Review and Meta-Analysis. J. Clin. Med. 2021, 10, 775. https://doi.org/10.3390/jcm10040775

FINANCIAL PERFORMANCE

Comparative numbers for Gentian 2020 in ()

Sales, Geographic Split and Product Split

Total operating revenue ended at MNOK 24.2 (MNOK 12.1) for 1Q21.

Sales revenue in 1Q21 ended at a record high of MNOK 19.6 (MNOK 16.2), a 21 % increase compared to 1Q20. Adjusted for currency effects sales growth was 24 % for the full year. Currency neutral growth, excluding sales from the divested subsidiary Pretect in 1Q20, ended at 33 %.

Geographic split:

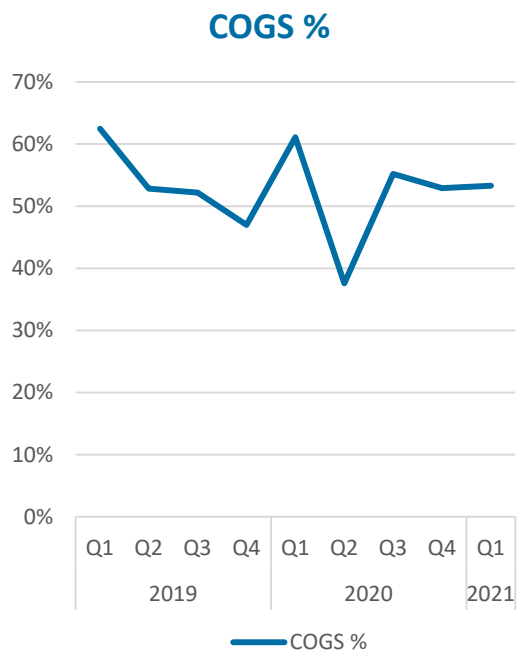
MNOK	1Q21	1Q20
US	0.4	0.7
Europe	14.0	11.2
Asia	5.2	4.3
Total	19.6	16.2

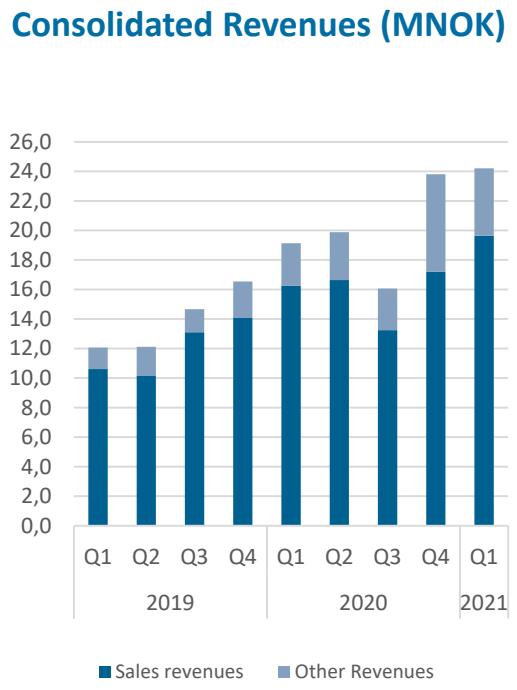
Product Split

MNOK	1Q21	1Q20
Cystatin C	7.4	6.6
fCAL®turbo	8.5	5.3
Other*	3.7	4.4
Total	19.6	16.2

**Other revenues include sales from the subsidiary Pretect that was successfully divested in end of 3Q20.*

Other operating revenue ended at MNOK 2.6 (MNOK 2.9) for 1Q21.





Cost of Goods Sold

COGS ended at MNOK 10.5 (MNOK 9.9) in 1Q21, which represents 53 % (61 %) of sales revenue.

We continue to see quarterly variations but expect to see COGS declining as a percentage of sales over time.

Total Other Operating Expenses

Total other operating expenses before capitalization of R&D expenses ended at MNOK 17.2 (MNOK 14.2) in 1Q21.

Other operating expenses include salary and social expenses of MNOK 10.3 (MNOK 9.1) and other expenses of MNOK 6.8 (MNOK 5.1) for 1Q21. SG&A also include a share-based compensation of MNOK 1.0 (MNOK 0.9) for 1Q21 with no cash effect.

R&D expenses amounted to 45 % (39 %) of total other operating expenses before capitalization for 1Q21 and increase of 36 % compared to 1Q20. Capitalization of R&D expenses was MNOK 1.5 (MNOK 0.1) in 1Q21.

Total other operating expenses after capitalization of R&D expenses ended at MNOK 15.7 (MNOK 14.1) in 1Q21.

Earnings

Operating profit before depreciation and amortization (EBITDA) ended at MNOK -1.9 (MNOK -4.9) for 1Q21. Net profit ended at MNOK -4.9 (MNOK -5.5) for 1Q21.

Balance Sheet

Cash and cash equivalents as of 31.03.2021 were MNOK 146.1 (MNOK 161.4). The cash is placed in both savings accounts and current accounts.

Accounts receivables as of 31.03.2021 were MNOK 7.9 (MNOK 9.9). Inventory as of 31.03.2021 were MNOK 21.5 (MNOK 18.5).

OUTLOOK

With Gentian's customers having adapted to the COVID-19 outbreak measures and experiencing a positive business sentiment towards 2021, Gentian targets double digit sales growth on its established product line in 2021 versus 2020. Much focus will be on intensifying commercial efforts and distribution channels for GCAL® in Europe, but also taking advantage of the positive momentum for Gentian's Cystatin C product, especially in Asia and the US and for fCAL® turbo in Europe.

For cystatin C, increasing demand is foreseen in Asia as well as in the US as a result of targeted commercial and marketing initiatives from both Gentian and (its) partners. Double digit growth is anticipated for the remainder of 2021.

Continued customer and regional expansion of fCAL® turbo is expected in 2021, fuelling growth. In addition to continued competitive conversions the co-positioning with fPELA® turbo, which was introduced in 2020, will strengthen the market position for the product combination versus other suppliers.

For GCAL®, the company expects further product acceptance and new customer implementations across Europe, both in hospital as well as in private laboratories. Additional distribution channels will also be implemented in selected countries in Europe. While the already initiated collaborations with both clinicians and researchers in France, Germany, UK, Sweden, Spain are expected to demonstrate the important role of calprotectin in COVID-19, sepsis and severe infections with associated positive patient outcomes, additional co-operations are planned to start, including in the US.

COVID-19

At Gentian, the health and safety of our employees, as well as our customers and partners, is our primary concern. Gentian has robust business-continuity plans in place and will be able to maintain production even if the situation would deteriorate. Gentian abides by policies of the health authorities in all countries in which it operates whilst it seeks to continue to seamlessly support our customers. Gentian may be affected by the COVID-19 outbreak by reduced demand for diagnostic services, especially for outpatient markers, and we expect some delays with our R&D programs. The length of potential delays will depend on the duration of the outbreak.

CORPORATE

The board of directors intend to apply for a listing of the Company's shares at the Oslo Stock Exchange main market, provided that a positive decision to transform the Company into an "ASA" (Public limited liability company) at the upcoming Annual General Meeting on May 4th 2021. It is envisaged that a transfer of the listing from Euronext Growth to the main market will take place towards the end of 1H21.

EVENTS AFTER THE BLANCE SHEET DATE

There are no events to report after the balance sheet date.

SHAREHOLDER INFORMATION

20 largest shareholders in Gentian Diagnostics AS as of 31.03.2021 according to VPS and disclosures from investors:

Shareholder	No of Shares	%
Vatne Equity AS	2 010 224	13.04%
Norda ASA	1 250 068	8.11%
Holta Life Sciences AS	1 214 702	7.88%
Safrino AS	1 050 000	6.81%
Salix AS	834 136	5.41%
Skandinaviska Enskilda Banken AB	762 510	4.95%
Verdipapirfondet Delphi Nordic	743 420	4.82%
Verdipapirfondet Storebrand Vekst	430 148	2.79%
Verdipapirfondet DNB SMB	408 632	2.65%
Equinor Pensjon	337 320	2.19%
Portia AS	300 000	1.95%
Cressida AS	235 000	1.52%
Lioness AS	220 000	1.43%
Silvercoin Industries AS	214 257	1.39%
Marstal AS	212 407	1.38%
Mutus AS	210 465	1.37%
Vingulmork Predictor AS	184 083	1.19%
Bård Sundrehagen	181 645	1.18%
OM Holding AS	179 000	1.16%
Viola AS	170 916	1.11%
Other Shareholders	4 262 956	27.66%
Total Shares	**15 411 889**	100.00%

Statement of Comprehensive Income Gentian Group

(figures in NOK thousands)	2021 Q1	2020 Q1	2020 01.01-31.12
Operating Revenue			
Sales revenue	19 642	16 247	63 327
Other operating revenue	4 560	2 884	15 554
Total Operating Revenue	**24 202**	**19 131**	**78 881**
Operating Expenses/Costs			
Cost of goods sold	-10 464	-9 926	-32 586
R&D costs	-7 657	-5 638	-27 308
Selling, general & administrative costs	-9 514	-8 521	-33 606
Capitalization	1 489	65	3 421
Total Operating Expenses/Costs	**-26 146**	**-24 021**	**-90 080**
EBITDA	**-1 945**	**-4 889**	**-11 199**
Depreciation	-1 971	-1 567	-6 630
Impairment	-	-	-
EBIT	**-3 916**	**-6 456**	**-17 829**
Financial income/expense	-1 006	921	361
Tax	-	-	-
Net Profit	**-4 922**	**-5 535**	**-17 468**

1st quarter Statement of Comprehensive Income is not audited

Statement of Financial Position Gentian Group

	2021	2020	2020
(figures in NOK thousands)	31.03	31.12	31.03
Assets			
Non-Current Assets			
Property, plants and equipment	5 421	5 136	4 283
Right-of-use asset	19 467	20 417	2 528
Capitalized development costs	16 514	15 610	13 919
Other intangible assets	-	-	34
Financial assets	333	337	335
Total Non-Current Assets	**41 735**	**41 500**	**21 099**
Current Assets			
Inventory	21 541	20 876	18 453
Accounts receivables	7 883	7 633	9 926
Other receivables	9 959	7 608	9 161
Cash and cash equivalents	145 722	157 648	161 072
Total Currents Assets	**185 105**	**193 764**	**198 611**
Total Assets	**226 841**	**235 265**	**219 711**
Equity and Liabilities			
Equity			
Net profit	4 922	17 468	5 535
Other equity	-195 418	-212 047	-209 186
Equity	**-190 496**	**-194 579**	**-203 651**
Non-Current Liabilities			
Interest-bearing loans and debt	-1 206	-1 303	-1 022
Lease liability	-20 821	-20 972	-2 686
Total Non-Current Liabilities	**-22 027**	**-22 275**	**-3 709**
Current liabilities			
Accounts payable	-4 038	-5 808	-3 964
Public debt	-2 537	-3 127	-2 342
Accrued expenses	-7 742	-9 476	-6 045
Total Current Liabilities	**-14 318**	**-18 411**	**-12 351**
Total Equity and Liabilities	**-226 841**	**-235 265**	**-219 711**

1st quarter Statement of Financial Position is not audited

Cash Flow Statement

(figures in NOK thousands)	2021 Q1	2020 01.01 - 31.12	2020 Q1
Cash Flow from Operating Activities			
Net profit (loss)	-4 922	-17 468	-5 535
Depreciation	1 971	6 630	1 567
Impairment	-	-	-
Change Inventory	-665	-2 652	-229
Change Accounts Receivables	-250	860	-1 433
Change Accounts Payables	-1 770	1 202	-642
Change in other short-term receivables/ liabilities	-3 804	1 740	-3 438
Net Cash Flow from Operating Activities	**-9 439**	**-9 688**	**-9 710**
Cash Flows from Investment Activities			
Acquisition of Property, plant and equipment	-738	-2 730	-63
Investment in intangible assets	-1 489	-3 733	-377
Investment in other companies	-	1 893	-
Net Cash Flow from Investment Activities	**-2 227**	**-4 570**	**-440**
Cash Flow from Financial Activities			
New debt	-	497	-
Downpayment of loans	-98	-287	-70
Cash flows from share issues	-	462	-
Dividend payment	-	-	-
Net Cash Flow from Financial Activities	**-98**	**672**	**-70**
Net Change in Cash and Cash Equivalents	-11 763	-13 585	-10 221
Cash and cash equivalents at beginning of period	157 985	171 567	171 567
Currency adjustment	-167	3	62
Net Cash and Cash Equivalents	**146 055**	**157 985**	**161 407**

1st quarter Cash Flow Statement is not audited

Statement of Changes in Equity

(figures in NOK thousands)

	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 01.01.2020	**1 540**	**292 780**	**4 031**	**-90 112**	**208 240**
Net result for the year				-17 468	-17 468
Other comprehensive income					
Proceeds from share issue	1	461			462
Cost of share issue					
Share based payments			3 278		3 278
Other changes in equity				68	68
Equity at 31.12.2020	**1 541**	**293 241**	**7 309**	**-107 512**	**194 579**
Equity at 01.01.2021	**1 541**	**293 241**	**7 309**	**-107 512**	**194 579**
Net result for the year				-4 922	-4 922
Other comprehensive income					
Proceeds from share issue					
Cost of share issue					
Share based payments			971		971
Other changes in equity				-133	-133
Equity at 31.03.2021	**1 541**	**293 241**	**8 280**	**-112 566**	**190 496**

1st quarter Statement of Changes in Equity is not audited

NOTES

Accounting Principles

The interim report for 1Q21 has been prepared in accordance with IAS 34 Interim Reporting. The accounting policies applied in the interim report corresponds to what was used in preparing the annual financial statements for 2020.

Currency

The company uses currency rates given by DNB ASA.

Capitalized R&D

The Gentian group is currently capitalising R&D expenses for three projects.

BDO AS
Bernt Ankers gate 17
1534 Moss

Report on Review of Interim Financial Information

To the Board of Directors of Gentian Diagnostics AS

Introduction

We have reviewed the accompanying balance sheet of Gentian Diagnostics AS as of March 31, 2021 and the related statements of income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at March 31, 2021, and of its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU.

BDO AS

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

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Per Harald Eskedal
Partner
På vegne av: BDO AS
Serienummer: 9578-5999-4-2409404
IP: 188.95.xxx.xxx
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bankID

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APPENDIX C

THE COMPANY'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020, 2019 and 2018

20 YEARS ANNIVERSARY gentian

WE INNOVATE DIAGNOSTIC EFFICIENCY

Annual Report 2020

WE INNOVATE DIAGNOSTIC EFFICIENCY

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WE INNOVATE DIAGNOSTIC EFFICIENCY

ANNUAL REPORT 2020

Contents

WE INNOVATE DIAGNOSTIC EFFICIENCY

gentian

LETTER FROM THE CEO

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

Hilja Ibert
CEO, Gentian Diagnostics AS

Dear shareholders,

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

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

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

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

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

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

Hilja Ibert

MAIN ACHIVEMENTS IN 2020

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

GENTIAN DIAGNOSTICS IN BRIEF

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

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

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

20 years of innovating diagnostic efficiency

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

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

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

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

Gentian Diagnostics' employees

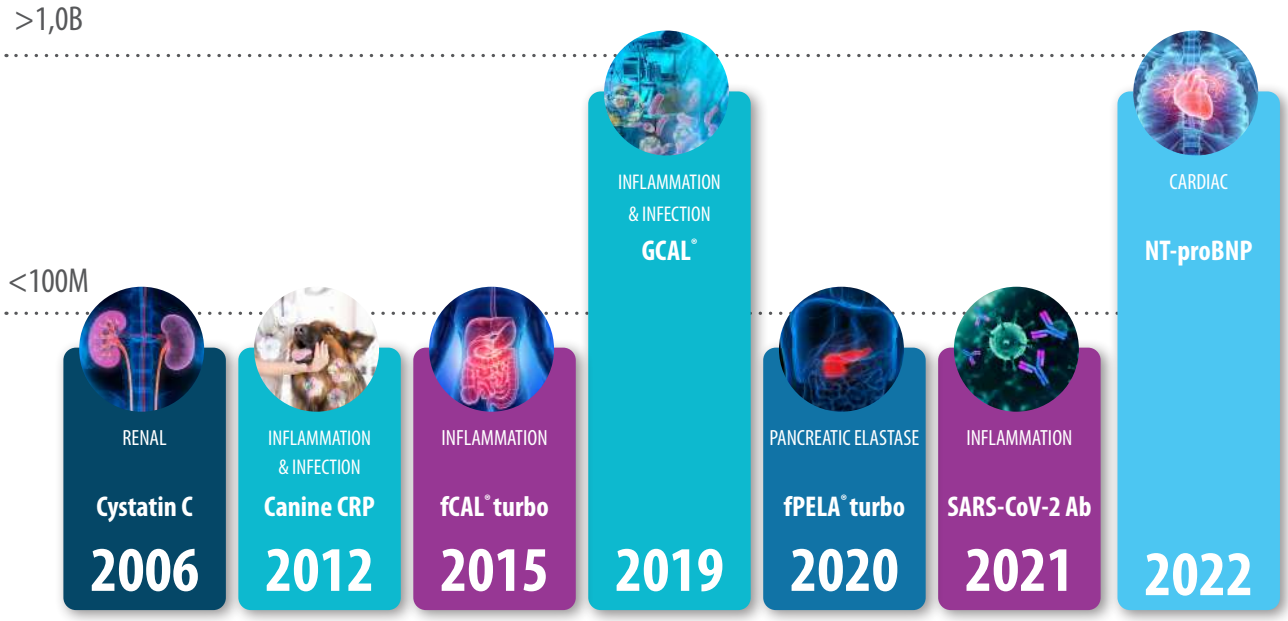
50 employees globally convert knowledge and research into immunoassays that improve diagnostic efficiency. Our international team continuously pursue scientific knowledge combined with business and product development skills that will contribute to improved solutions and diagnostic efficiency. The management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

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

Gentian Diagnostics' products and product pipeline

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

Illustration of product categories and indicative market potential (USD)



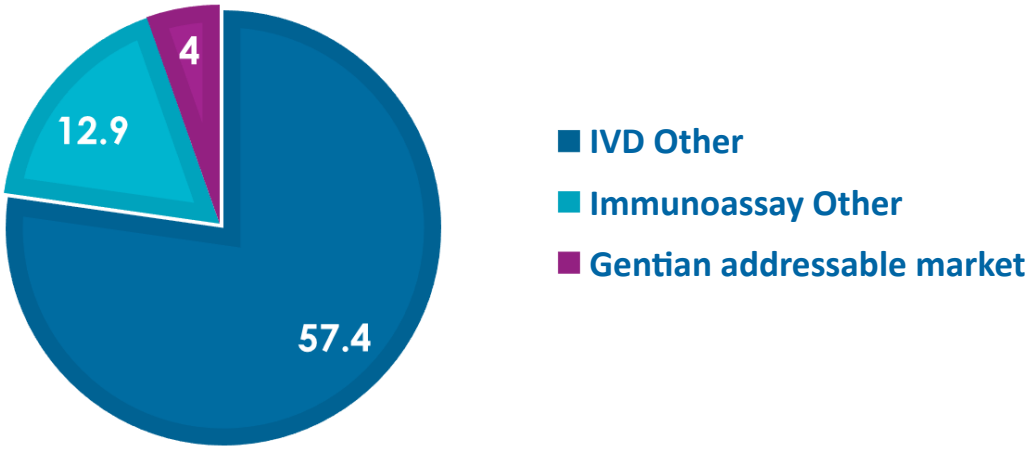
The current portfolio includes Gentian Cystatin C Immunoassay (CE marked and FDA-510(k) cleared), plasma and serum calprotectin immunoassay GCAL®(CE marked) and Gentian Canine CRP. Gentian is the sole reagent provider and manufacturer for the faecal calprotectin immunoassay fCAL® turbo (CE marked and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

Gentian Diagnostics' target market

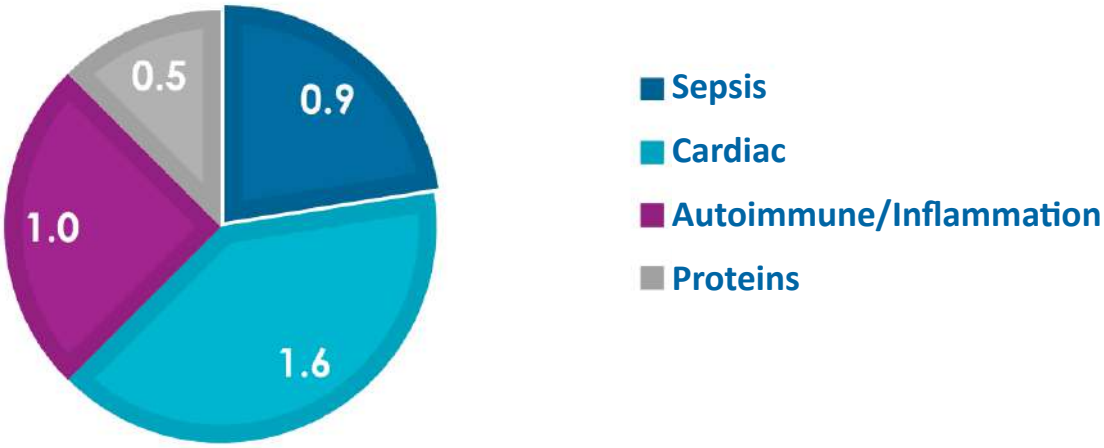
Gentian is dedicated to the In Vitro Diagnostics market with a focus on the immunoassay segment where the company possesses leading expertise. The global IVD market size (excluding COVID testing) was BUSD 74.3 in 2020 and the immunoassay segment represents approximately 23 % of this market at BUSD 16.9.

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

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

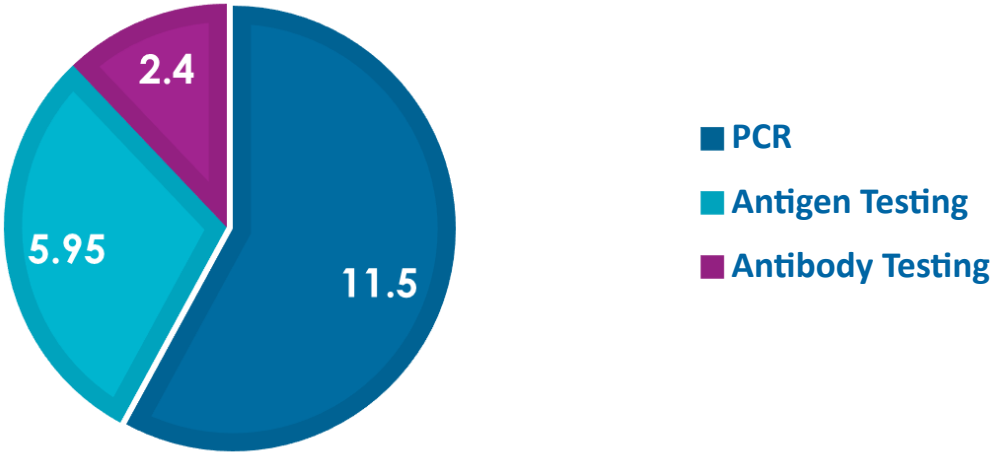


Gentian addressable market BUSD 4.0 (2020)[1]:



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

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



Gentian Diagnostics' customers

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

Global diagnostics companies

OEM partnerships to secure broad roll-out and product acceptance

Distributors

In selected markets we do not serve directly

Healthcare providers

Key relationships and larger institutions in selected markets

Customer testimonials:

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

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

Thomas Hafen, CEO, BÜHLMANN Laboratories, Switzerland

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

Joonseok Park, CEO, Hanmi Healthcare, Korea

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

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

Gentian in preparation for IVDR

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

COVID-19

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

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

20 YEARS ANNIVERSARY

gentian

WE INNOVATE DIAGNOSTIC EFFICIENCY

2001

Gentian Diagnostics AS commenced operations

2006

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

2008

Cystatin C recieved FDA 510(k) clearance

2009

Beijing Repr. office established

2012

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

2015

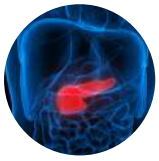
The faecal calprotectin assay fCAL® launched in partnership with BÜHLMANN Laboratories

2016

Admitted to the Oslo Stock Exchange list Euronext Growth

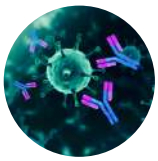
2019

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



2020

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



2021

Planned launch Gentian SARS-CoV-2 Total Antibody Immunoassay

2022

Planned launch of Gentian NT-proBNP Immunoassay

PRODUCTS

INFLAMMATION & INFECTION

GCAL®

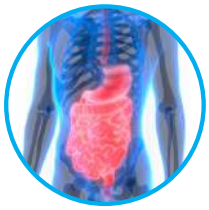
Plasma and serum calprotectin: Sensitive and early biomarker in detection and risk stratification of inflammation and severe infection

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

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

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

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



fCAL® turbo

Automated analysis of faecal calprotectin, reducing the need of colonoscopy

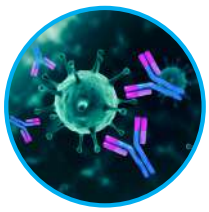
The faecal calprotectin immunoassay fCAL® turbo provides clinicians with fast results of calprotectin in stool supporting diagnosis of inflammatory bowel disease (IBD), while also reducing the need of costly and invasive colon endoscopic examinations.

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

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

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

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



SARS-CoV-2 TOTAL ANTIBODY IMMUNOASSAY

Planned launch 2021

Long-term monitoring and community management of COVID-19

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

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

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

Canine CRP

Sensitive inflammation biomarker for systemic inflammation

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

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

RENAL

Cystatin C

Preventing severe kidney failure

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

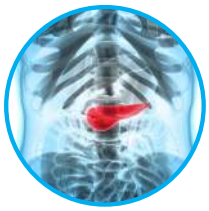
The Gentian Cystatin C Immunoassay saw growth across all sales channels in 2020, with an overall growth of 37 % in 2020 vs 2019. The increased focus on cystatin C is driven by cystatin C's ability to provide a significant clinical relevant alternative to creatinine. In the US for example, the uncertainty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

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

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

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

PANCREATIC



fPELA® turbo

Aid in determination of pancreatic exocrine insufficiency (PEI)

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

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

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

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

CARDIAC - PLANNED LAUNCH 2022

NT-proBNP

First NT-proBNP on clinical chemistry analysers

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

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

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

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

CORPORATE GOVERNANCE REPORT

Gentian Diagnostics (the "**company**" or "**Gentian**") and its subsidiaries seeks to comply with the principles on corporate governance set out in the Norwegian Code of Practice for Corporate Governance (the "**Code**" or the "**Code of Practice**"). This report sets out Gentian's main corporate governance policies and practices. The application of the Code is based on the "comply or explain" principle.

Good corporate governance is important for Gentian, and Gentian continuously work on its corporate governance principles and documents in order to ensure alignment of its practices with the Code. Like most companies Gentian is dependent upon good relations with its contacts to succeed and this is a priority for the company. A good reputation and solid financial development over time are important in order to build and maintain trust and confidence towards important contacts like customers, investors, suppliers, employees, partners and public authorities. This requires good control of the business with an open and honest communication. Equal treatment of shareholders is also important to increase share value and achieve investor confidence. Gentian is also aware of its responsibility in society towards anticorruption, working environment, discrimination, environment and human rights.

Business

The purpose of the company is, as defined in its articles of association, development and marketing of analysis systems for in vitro medical diagnostics and in this connection the sale of consulting services as well as by subscription for shares or otherwise participating in other companies or other entities with financial purposes. The articles are available at www.gentian.com.

The Board of Directors sets the direction for the company by determining the objectives, strategy and risk profile of the business within the parameters of the articles of association such that the company creates value for shareholders in a sustainable manner and takes into account financial, social and environmental considerations. These objectives, strategies and risk profiles are evaluated on an annual basis by the Board of Directors through a designated strategy process. Information concerning the objectives and principal strategies of the company and changes thereto as well as business risks aspects are disclosed to the market in the context of the company's annual report, its quarterly reporting, market presentations and on the company's website.

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

Independency and neutrality

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

Equal treatment of shareholders and free trade of shares

Gentian strives to ensure that all shareholders shall be treated equally. There is one class of shares and one share has one vote at the shareholders meeting. All shares are freely negotiable with no form of restriction. Shareholders are treated equally in relation to dividend. There is no restriction related to the ownership of shares and there are no shareholder agreements that the company is aware of. Sales and purchases of own shares are done at the Oslo Stock exchange.

All existing shareholders have pre-emptive rights to subscribe for shares in the event of share capital increases. The general meeting may by a qualified majority set aside the pre-emptive rights of existing shareholders. Any deviations from such rights must be justified by the common interest of the company and the shareholders. Explanation of the justification by the Board of Directors shall be included in the agenda for the shareholders meeting. Where the Board of Directors has authorisations to increase the company's share capital and waive the pre-emption rights of existing shareholders, a stock exchange notice will be issued containing the reasoning for the deviation.

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

The company will establish related party transaction procedures to ensure that all transactions with related parties are premised on commercial terms and structured in line with arm's length principles and further detail how the board and executive management should handle agreements with related parties. Such procedures will supplement the procedures set out in applicable law and may amongst other things lead to arrangement of independent assessments of the related party transactions. It is the board members and key employees' responsibility to give notice to the Board of Directors, if they directly or indirectly have interests in any agreements the company is about to enter. Information on relevant related party transactions are included in the notes to the financial statements.

General assembly

The General Assembly is open to all shareholders and the Board of Directors strive to ensure that as many as possible of the company's shareholders participate in the General Assembly. The company will send out a notice of the General Assembly in accordance with the applicable law. An agenda, documents and information about the matters to be resolved will be included in the notice so that the shareholders can be prepared on the issues treated at the General Assembly. Shareholders are able to vote in each individual matter, and shareholders who are unable to attend in the meeting in person may vote by proxy. A proxy form is included in the notice convening the General Assembly.

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

A shareholder may be represented through power of attorney. The Board of Directors and the chairperson of the nomination committee will attend the meeting.

Equity and Dividends

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

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

Gentian has ambitious goals for future growth and the overall objective is to create long-term value for its owners. To reach the goals the company will endeavor to have an optimal capital structure. For the time being, this means that the Board of Directors is currently not proposing annual dividends.

Board of Directors

The articles of association stipulate that the Board of Directors shall consist of between 3 and 7 shareholder elected board members, who are elected by the General Assembly for a period of one year. The composition of the Board of Directors aims to ensure that the interests of all shareholders are attended, and meet the company's need for expertise, capacity and diversity, and at the same time function effectively as a collegiate body. A majority of the shareholder elected board members are independent of executive personnel, material business contacts and major shareholders. The Board of Directors does not include any executive personnel.

Members of the Board of Directors are encouraged to own shares in the company. The Board of Directors has a fixed yearly compensation decided by the General Assembly and reflecting the Board's responsibilities, competence, time use and the complexity of the company. The remuneration of the Board of Directors is not dependent on results and no options have been issued to the board members. Board members or companies they are affiliated with do not normally assume tasks for the company in addition to the Board position. If such a commitment were to be established, the entire Board would be informed and the fee for the engagement will be approved by the Board. If remuneration is given to the members of the Board beyond the Board fee, this will be stated in the annual report. The shareholdings and remuneration of the Board of Directors are set out in the notes to the financial statements of the company.

The Work of the Board of Directors

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

Board Committees

Audit Committee

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

Remuneration Committee

A remuneration committee is established to ensure that remuneration arrangements support the strategic aims of a business and enable the recruitment, motivation and retention of senior executives while also complying with the requirements of regulation. The remuneration committee is responsible for, amongst other, to prepare the Board's proposal to the guidelines for remuneration for key personnel and yearly remuneration report.

Science and Strategy Committee

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

Risk management and internal control

The Board of Directors has a yearly meeting to set the strategy for the company and identify important risk factors. The Board of Directors receives updated financial information at every Board meeting. The financial position is analysed and compared against budget, strategic plans and last year's performance. The Board of Directors reviews the quarterly reports and risk factors for the company are discussed and evaluated. The Board of Directors has an annual review together with the auditor before approving the annual report. Risk factors are also reviewed.

Nomination committee

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

Compensation to management

It is important for Gentian to be an attractive employer. The company strives to attract competent employees with relevant experience and give the opportunity for further development. The compensation to management will at all times be at market terms.

The company has adopted guidelines for the remuneration of the executive management which are presented to the General Assembly. The principles presented in these guidelines provide the framework for the remuneration of key personnel in Gentian, and aim to support the company's business strategy and long-term interests.

The company has established both short-term and long-term incentives for key personnel. The short-term incentive includes bonus arrangement and the long-term incentive includes a performance-based share option program which both are based on defined measurable goals. Key personnel is included in the same pension and insurance plan as other employees.

The Board of Directors set terms and conditions for the CEO. The CEO determines the remuneration of executive personnel on the basis of the guidelines laid down by the Board of Directors, reflecting the overall guidelines adopted by the General Assembly. Terms and conditions are set at market terms and are evaluated on a yearly basis. It is company policy to reflect the average level in the market.

Information and communication

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

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

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

Auditor

The group uses the same auditor for all companies within the group. The auditor is used as a consultant in accounting issues, tax calculation and tax issues. The auditor is not used when making the company strategy or in other operational matters. Only the CEO or the CFO hires services from the auditor.

The auditor is participating in the Board meeting approving the annual report. In this meeting, the auditor is describing its views on accounting matters and principles, risk areas and internal control. The auditor participates in other board meetings on request from the Board when the Board wants to get the auditors view on a specific matter.

Compensation to the auditor is set by the General Assembly and is described in the notes to the financial statement.

Company take-overs

The Board of Directors will implement guidelines for takeover situations and how it will act in the event of a take-over bid in accordance with applicable law and recommendations. In a potential offer where the effect of the transaction is a take-over, the Board of Directors will handle the matter in a professional manner, and ensure equal information and treatment of all shareholders. The Board will not hinder or obstruct take-over bids for the company's activities or shares. The Board will consider to actively seek other offers upon the receipt of a take-over bid when it is considered to be in the best common interest of the company and its shareholders. Any agreements entered into between the company and a bidder, or significant terms and conditions thereof, that are material to the market's evaluation of a bid shall be publicly disclosed no later than at the same time as the announcement that the bid will be made is published. In the event of a take-over bid for the company's shares, the Board should not exercise mandates or pass any resolutions with the intention or effect of a disposal of the company's activities, or material parts thereof, or otherwise obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid. Furthermore, the Board and management shall refrain from implementing any measures intended to protect their personal interests at the expense of the interests of shareholders following an intention to make a take-over bid or announcement of a bid.

If an offer is made for the company's shares, the Board shall consider issuing a statement making a recommendation as to whether shareholders should or should not accept the offer in accordance with applicable law. Furthermore, the Board shall consider arranging for a valuation of the company from an independent expert for publication together with its statement.

Composition of the Board of Directors and independence

The Board of Directors consists of the following seven members:

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

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

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

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

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

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

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

Corporate Social Responsibility in Gentian (CSR)

In general

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

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

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

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

Ethical guidance in Gentian group

Employees of Gentian perform work of great importance to health care providers, laboratories and patients. To succeed with the company's vision and goals it is essential that work and behavior is based on values that provide credibility, trust and respect among customers, employees and others that employees associate with through his/her work.

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

Scope and responsibility

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

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

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

Basic expectations for employees are:

- They are familiar with Gentian's values and use them as the basis for their work.
- Act professionally and with care, integrity and objectivity.
- Abstain from actions that could undermine confidence in Gentian.
- Treat everyone they meet through their work with courtesy and respect.
- Be aware of ethical issues in business, including human rights, labor rights, environment and anti-corruption in line with Gentian's Anticorruption Policy.
- In his/her work seeks to influence Gentian's employees and partners to maintain high ethical standards in their way of conducting businesses.

Gentian's anti-corruption policy

Corruption stand in the way of economic development, is anti-competitive and undermine both the rule of law and the democratic process. Gentian's worldwide operations are subject to national and international law prohibiting Gentian and Gentian's employees to take part in corruption, such as bribery of public officials or employees in the private sector. The fact that many corruption rules also apply outside the territory of each country, shows that it is not sufficient to follow the local national law when operating abroad.

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

There is a requirement for all Gentian's employees that they at all times fully comply with Gentian's anti-corruption policy, and no Gentian employee can give another Gentian employee authorization to deviate from this. Any violation of applicable anti-corruption legislation will be considered a serious violation of the employee's duties to Gentian and will most likely result in termination of employment or other appropriate sanctions.

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

GENTIAN DIAGNOSTICS AS
DIRECTORS REPORT
2020

Overview

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

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

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

Group Results

The Group accounts are made up in accordance with IFRS.

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

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

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

Liquidity totaled MNOK 158.0 per 31.12.2020, which is satisfactory.

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

Total assets per 31.12.2020 was MNOK 235.3.

Company Results

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

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

Going Concern

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

Events after the balance sheet date

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

Outlook

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

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

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

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

COVID-19

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

Corporate

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

Working environment and equal opportunities

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

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

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

External environment

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

Moss, 15. April 2021

for Gentian Diagnostics AS

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

The Financial Statements 2020

gentian

Statement of Profit and Loss - Group

(NOK 1000)

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

Statement of Financial Position - Group as of 31.12

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

Statement of Financial Position - Group as of 31.12

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

Moss, 15. April 2021
For Gentian Diagnostics AS

Tomas Settevik
Chairperson
Sign.

Kari E. Krogstad
Board member
Sign.

Espen Tidemann Jørgensen
Board member
Sign.

Susanne Stuffers
Board member
Sign.

Ingrid Teigland Akay
Board member
Sign.

Runar Vatne
Board member
Sign.

Tomas Kramar
Board member
Sign.

Hilja Ibert
CEO
Sign.

Statement of changes in equity

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

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

Cash Flow Statement

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

GENTIAN DIAGNOSTIC AS - GROUP

Notes to the consolidated financial statements 2020

Note 1 - General Information

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

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

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

Note 2 - Summary of the most important accounting principles

2.1 Basis for the preparation of the annual accounts

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

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

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

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

2.2 Changes in accounting principles

There has been no changes to accounting principles in 2020.

2.3 Principles for consolidation

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

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

2.4 Currency

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

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

2.5 Segments

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

2.6 Revenue from contracts with customers

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

Sale of goods

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

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

License revenue

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

2.7 Public grants

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

2.8 Leases

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

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

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

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

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

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

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

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

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

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

2.9 Pension costs and bonuses for employees

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

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

Share based payments

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

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

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

2.10 Tangible fixed assets

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

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

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

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

2.11 Intangible assets

Research and development, patents and licenses

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

2.12 Goodwill

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

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

2.13 Impairment of non-financial assets

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

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

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

2.14 Financial instruments

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

Financial Assets

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

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

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

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

Financial assets at amortised cost

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

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

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

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

Financial liabilities

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

Loans, borrowings and payables

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

2.15 Classification of assets and liabilities

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

2.16 Inventory

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

2.17 Accounts receivable

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

2.18 Cash and cash equivalents

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

2.19 Share capital and share premium

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

2.20 Interest bearing loans and borrowings

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

2.21 Taxes

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

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

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

2.22 Provisions

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

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

2.23 Payables and other current liabilities

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

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

2.24 Distribution of dividends

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

2.25 Contingent liabilities and assets

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

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

2.26 Events after the balance sheet date

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

Note 3 - Significant estimates and uncertainties

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

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

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

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

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

Note 4 - Financial risk management

Credit risk

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

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

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

Liquidity risk

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

Currency risk

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

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

Interest rate risk

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

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

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

Note 5 - Group companies and changes in the Group

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

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

Note 6 - Operating revenue

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

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

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

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

Note 7 - Public grants

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

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

Note 8 - Operating expenses by function

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

Note 9 - Costs of goods sold

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

Note 10 - Employee benefit expenses

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

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

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

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

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

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

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

The outstanding options are subject to the following conditions:

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

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

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

Salary Management*

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

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

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

** Mandatory occupational pension (Norway)

Board remuneration	2020	2019
Remuneration to the Board	763	692

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

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

Note 11 - Other operating expenses

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

Auditor

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

Note 12 - Research and development expenses

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

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

Note 13 -Finance income and finance cost

Finance income

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

Finance cost

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

Note 14 – Taxes

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

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

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

Note 15 - Property, plant and equipment

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

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

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

Note 16 - Leases/right-of-use assets

Right-of-use assets

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

Lease liabilities

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

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

Note 17 - Intangible assets

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

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

These impairments did not have any cash effect.

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

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

The Group has no financial instruments as at 31.12.2020.

Fair value of financial instruments accounted for at amortised cost

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

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

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

Note 19 – Inventory

Inventory as at 31.12. consists of the following:

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

Note 20 - Accounts receivables and other receivables

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

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

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

Note 21 - Cash and cash equivalents

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

Note 22 - Share capital, shareholders and equity

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

Changes in share capital and share premium:

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

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

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

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

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

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

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

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

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

Note 23 - Interest-bearing debt

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

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

Average interest cost	2020	2019
Leases	6.28 %	6.28 %

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

Note 24 - Account payables and other current liabilities

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

Note 25 - Provisions, contingent assets and contingent liabilities

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

Note 26 - Transactions with related parties

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

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

Note 27 - Events after the balance sheet date

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

GENTIAN DIAGNOSTIC AS - COMPANY

(NOK 1000)

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

GENTIAN DIAGNOSTIC AS - COMPANY

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

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

Moss, 15. April 2021
For Gentian Diagnostics AS

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

GENTIAN DIAGNOSTIC AS – COMPANY

Notes to the financial statement 2020

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

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

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

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

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

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

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

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

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

conditions causing the write-down are no longer present.

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

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

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

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

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

GENTIAN DIAGNOSTIC AS – COMPANY

Notes to the financial statement 2020

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

Payroll expenses	2020	2019
Salaries/wages	4 041	2 567
Social security fees	103	98
Pension expenses	-	-
Other remuneration	-	-
Total	**4 144**	**2 664**
Average number of employees during the accounting year	0	0
Remuneration to the Board of Directors	763	692
Remuneration to the Chief executive officer	-	-

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

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

Note 2 Intangible Assets

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

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

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

Notes to the financial statement 2020

Note 4 Shareholders

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

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

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

Dividend

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

Notes to the financial statement 2020

Note 5 Tax

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

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

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

Deferred tax not included in the balance sheet.

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

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

Notes to the financial statement 2020

Note 7 Shares in subsidiaries

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

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

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

Note 8 Bank deposits

Pledge account	-
Deposit for office rent	265
Tax withheld	57

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1534 Moss
www.bdo.no

Independent Auditor's Report

To the General Meeting in Gentian Diagnostics AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gentian Diagnostics AS.

The financial statements comprise:

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

In our opinion:

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

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements for the parent company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the parent company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Moss, 14 April 2021
BDO AS

Per Harald Eskedal

Per Harald Eskedal
State Authorised Public Accountant

gentian

Annual Report 2019

WE INNOVATE DIAGNOSTIC EFFICIENCY

invest@gentian.com • www.gentian.com

We innovate diagnostic efficiency

ANNUAL REPORT 2019

Contents

WE INNOVATE DIAGNOSTIC EFFICIENCY

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LETTER FROM THE CEO

Hilja Ibert
CEO, Gentian Diagnostics

We innovate diagnostic efficiency

Dear all,

2019 was another remarkable year for Gentian. We have supported healthcare professionals all over the world by improving diagnostic efficiency within a resource constrained environment. The introduction of our products in high volume to clinical laboratories has improved their capacity and workflow efficiency. We estimate that our high throughput products have produced more than 3 million test results, which provided urgently needed information to physicians and nurses within a short time frame, in order to ensure patient treatment decisions with the best possible outcome.

We are extremely encouraged by the acceptance of our product solutions in the market. With a sales growth rate of 20%, we have continued the double-digit sales growth trajectory of former years. The successful collaboration with our commercial partners was also further strengthened in 2019.

Furthermore, we have achieved significant milestones with our product development efforts. With our strong product pipeline, we are now on a good track to launch one new product every year.

The recent SARS-CoV-2 outbreak highlights again the importance of our role as a health care supplier. Constant investments in technological innovation and reliable supply processes have proven to be essential in a changing world. All employees at Gentian are proud to contribute to the health of people all over the world.

Dr. Hilja Ibert
CEO, Gentian Diagnostics AS

"We are proud for having delivered double digit sales growth. The acceptance of our product solutions by health care providers all over the world is so encouraging. With passion, we continue to innovate diagnostic efficiency with new products in 2020 and beyond."

gentian

GENTIAN DIAGNOSTICS IN BRIEF

Overview

Gentian Diagnostics AS is a medical diagnostics company listed on the Oslo Stock Exchange, Merkur Market. The company performs production, R&D, marketing and distribution of immunoassays at our headquarters in Norway and we are supported globally by our distribution subsidiaries in Sweden, the USA and a representative office in China.

Through in-depth research into Particle-Enhanced Turbidimetric Immunoassays (PETIA), and the development of proprietary antibody and nano particle technology, Gentian's immunoassays enable users to move assays from low volume immunology platforms to fully automated, high throughput instruments with shorter turnaround times, better workflow and improved cost efficiency. Gentian's value proposition of diagnostic innovation, and by moving assays over to PETIA, offers efficient and accurate reagents within the areas of kidney disease, cardiac disease, inflammation and veterinary medicine.

In addition, the subsidiary PreTect AS develops and manufactures molecular diagnostic tests to detect oncogenic activity in cervical samples. The products PreTect SEE and PreTect HPV-Proofer contribute to earlier detection of cervical cancer.

Gentian Diagnostics' history

Gentian was started by brothers Erling and Bård Sundrehagen in 2001. Having originally worked together during the founding of Axis (later Axis-Shield ltd, Alere inc. and now Abbott), they were eager to start a new, innovative venture together in the diagnostics field. The Gentian Cystatin C Immunoassay was launched in 2006 and after fast uptake in Sweden, a FDA-510(k) clearance was achieved in 2008. The Beijing representative office was opened in 2010 and Gentian USA Inc. was established in 2012 to expand the global reach. In 2016, a Swedish subsidiary Gentian Diagnostics AB was established to take charge of the Swedish distribution.

On 14th December 2016, Gentian Diagnostics AS was admitted to the Oslo Stock Exchange list 'Merkur Market' and has currently more than 800 shareholders.

Gentian Diagnostics' employees

Our people convert knowledge and research into products that improve diagnostic efficiency.

At Gentian Diagnostics we combine interdisciplinarity and experience with scientific knowledge. Our international team continuously pursuit scientific knowledge combined with business and product development skills that will contribute to improved solutions and diagnostic efficiency.

Gentian Diagnostics' products and product pipeline

Gentian develops and manufactures high quality, in vitro diagnostic (IVD) reagents for a wide range of clinical chemistry analysers. Our product lines of laboratory tests, for diverse diagnostic targets, provide high accuracy and fast results for both human and veterinary healthcare. Current and pipeline products contribute to improved diagnostics and cost reductions in treatment of renal, inflammation and cardiovascular diseases and cancer.

The current portfolio includes cystatin C (CE marked and FDA-510(k) cleared), plasma calprotectin (CE marked, US research use only), canine CRP, faecal calprotectin assays and molecular diagnostic assays to detect cervical cancer, with more under development.

GENTIAN DIAGNOSTICS' PRODUCTS

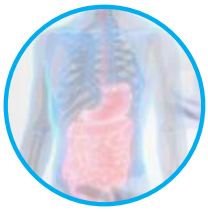
INFLAMMATION

GCAL®

Contributes to early detection of severe bacterial infections and sepsis
Assessment and monitoring of disease activity and treatment response in rheumatoid arthritis

GCAL® is a novel biomarker in the market development phase. Together with national and international research institutes and hospitals Gentian Diagnostics is performing several clinical studies to prove clinical utility of calprotectin. The study results indicate that calprotectin is a promising early biomarker for detection of systemic inflammation, bacterial infections and sepsis. Furthermore, calprotectin can be used for differentiation between bacterial and viral infections, improving diagnosis of bacterial infections and allowing more selective use of antibiotics. Reported infectious diseases market value is $4.0B (BCC Research, 2018).

Calprotectin is also an established biomarker for assessment and monitoring of disease activity and treatment response in rheumatoid arthritis.



fCAL®turbo

Reduces the need of colon endoscopic examination

The faecal calprotectin immunoassay fCAL®turbo was launched in the end of 2015. The product supports diagnosis of inflammatory bowel disease (IBD), by testing of faecal samples on clinical chemistry analysers providing significantly faster results to clinicians. The product is sold exclusively through BÜHLMANN, a European diagnostic company, and under their brand. The product has been FDA-510(k) cleared in 2019. The main market is currently in Europe followed by the USA and the rest of the world. The estimated market value is >$50M, with continuing growth due to increasing demand and competitive conversions. The product is sold directly to end customers and as bulk to OEM partners.

In August 2019 Gentian Diagnostics became the sole reagent supplier in a sales channel agreement between Roche Diagnostics and Gentian's sales, marketing and development partner BÜHLMANN.

RENAL

Cystatin C

Preventing severe kidney failures

The Gentian Cystatin C Immunoassay (CE marked and FDA-510(k) cleared) is an 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 is sold both directly to customers and via distributors and OEM partners. The estimated global market value is $0.5B.

In July 2019 the company signed a 6-year extension to the global reagent supply agreement with Beckman Coulter for the Gentian Cystatin C Immunoassay. The companies have together provided this test globally for 10 years, with consistent sales growth. The agreement with Beckman Coulter will continue to drive sales growth together with Gentian's direct sales efforts in key countries like the USA.

VETERINARY

Canine CRP

Sensitive inflammation biomarker for systemic inflammation

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

The companion animal diagnostic market reached $1.3B in 2018, with the USA as the biggest market (Kalorama 2018, The World Market for Veterinary Diagnostics). The main market is currently Europe, but in 2019 Gentian has actively started to promote the canine CRP assay in the USA and globally.

CERVICAL CANCER

PreTect HPV-Proofer

Designed to minimise unnecessary referral and over-treatment of harmless infections

Gentian Diagnostics` subsidiary PreTect AS has since 2003 manufactured molecular diagnostic assays to be used in prevention of cervical cancer, a disease largely preventable by HPV-testing and HPV-vaccination. PreTect`s technology detects oncogene activity caused by the virus, hereby identifying the few women at highest risk among all the women carrying a harmless infection.

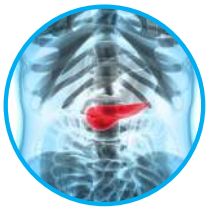
PreTect HPV-Proofer is a diagnostic kit for the qualitative detection of E6/E7 mRNA from HPV 16, 18, 31, 33 and 45, providing a unique risk stratification by identifying the women at highest risk of future disease. The PreTect HPV-Proofer enables accurate patient management, discriminating between transient and persistent HPV-infections.

PreTect SEE

Higher individual safety for younger women, reducing current cervical screening failure rate

PreTect SEE is a diagnostic kit for the qualitative detection of E6/E7 mRNA from HPV 16, 18 and 45, focusing on the most aggressive HPV strains associated with the highest risk of cervical cancer among younger women. Published research show that about 90% of the cervical cancer cases in younger women are caused by only these 3 HPV strains. This makes the test an ideal safety net for cytology screening of young women, identifying 20% more cases of abnormalities that require treatment and reducing the number of missed cases. The diagnostic kit is also ideal as a test and treat in low income countries.

PANCREATIC - PLANNED LAUNCH 2020



fPELA®

Biomarker to test for Pancreatic Exocrine Insufficiency (PEI)

This faecal pancreatic elastase immunoassay is planned to be launched in 2020. The product supports the diagnosis of Pancreatic Exocrine Insufficiency (PEI), by testing of faecal samples on clinical chemistry analysers, providing significantly faster results to clinicians. The product will be sold exclusively through BÜHLMANN, the same European diagnostic company distributing fCAL®turbo.

The primary targeting strategy is to offer fPELA® in combination with fCAL®turbo since IBD and PEI share symptoms and underlying causes. The main market is currently in Europe. Annual test volume could reach 5-10M tests per year globally (ex. USA). The main market consisting of patients with chronic pancreatitis, bowel diseases and diabetes. Current estimates forecast 20-25% of the faecal calprotectin samples will also be subject to fPELA® testing.

CARDIAC - PLANNED LAUNCH 2021

G-1001

Pushing the boundaries of PETIA with a low-concentration cardiac biomarker

Gentian Diagnostics' planned cardiac marker provides the same accurate diagnostic results as separation-based tests on immunochemical analysers. This new product offers for the first time, a low-concentration cardiac biomarker on fast, cost-effective and high-volume clinical analysers. A short market ramp-up time is expected, as the biomarker is already well established in medical routine. The global cardiac testing market has been estimated to $1.6B for all cardiac biomarker diagnostic test kit segments in 2018 and has been projected to grow in value to more than $2.5B by 2028 (2018 Future Market Insights).

"Research and Development is the heart of Gentian Diagnostics AS and the company's future depends greatly on the success of its R&D team. The company has therefore re-structured its R&D organisation with two separated teams, to function as efficiently as possible. The respective Research and Development teams focus on their particular technical fields and functions, but both teams work in concert together to cultivate ideas, and further to develop and rapidly commercialise immunoassays in fields identified with high growth potential."

Torsten Knüttel , VP R&D

2019 HIGHLIGHTS

GCAL - clinical results

In 2019 Gentian has initiated several clinical studies to prove clinical utility of calprotectin. The study results indicate that calprotectin is a promising early biomarker for detection of systemic inflammation, bacterial infections and sepsis.

fCAL®turbo

fCAL®turbo has been FDA-510(k) cleared in 2019, and this opens up for the US market. In addition, the sole reagent supplier sales channel agreement between Roche Diagnostics and Gentian's partner BÜHLMANN lays a base for strong growth in 2020 and beyond in all geographical markets.

Double digit growth

Gentian Diagnostics has continued its double-digit growth in 2019 and expects to continue the growth in 2020. The growth in 2020 is expected to come in China for cystatin C and Europe for fCAL®turbo.

Beckman Coulter: 6-year extension agreement

Gentian Diagnostics signed of a 6-year extension to the global reagent supply agreement with Beckman Coulter for the Gentian Cystatin C Immunoassay. The companies have provided this test together globally for 10 years, with consistent sales growth.

DIRECTORS REPORT 2019

Overview

Gentian Diagnostics AS is the mother company in the Gentian Group consisting of the subsidiaries Gentian AS, Gentian USA Inc, Gentian Diagnostics AB and PreTect AS. The group develops and produces in-vitro diagnostic tests (IVD tests) for the use in medical diagnostics and research. The shares of Gentian Diagnostics AS is listed on the Oslo Stock Exchange, Merkur Market, under the ticker "GENT-ME".

Gentian Diagnostics' headquarters are located in Moss and the group also have a representative office in China, and distribution companies in Sweden and USA.

Gentian AS designs, develops and markets in vitro diagnostic reagents (IVD) based on its proprietary Nanosense™ technology. Through in-depth research into Particle-Enhanced Turbidimetric Immunoassays (PETIA), Gentian developed Nanosense™. Nanosense™ is our proprietary antibody and nanoparticle-based technology. This technology creates highly sensitive PETIA and has been used in most of our products to date. The goal is to offer efficient and accurate reagents within the areas of kidney disease, cardiac disease, inflammation and veterinary medicine. The Nanosense™ technology will enable users to move assays from low volume immunology platforms to fully automated, high throughput instruments with shorter turnaround times, better workflow and improved cost efficiency.

PreTect AS develops and manufactures molecular diagnostic tests to detect oncogenic activity in cervical samples. The products PreTect SEE and PreTect HPV-Proofer contribute to earlier detection of cervical cancers.

The group's operations are primarily conducted the locations at Bjørnåsveien 5 in Moss and Ustadhagan 8 in Hurum.

Group results

The group accounts are made up in accordance with IFRS.

Total revenues in 2019 was MNOK 55,4 versus MNOK 52,0 in 2018. Net loss for 2019 was MNOK 39,9, versus a net loss of MNOK 19,8 in 2018.

Total research and development spending in 2019 were MNOK 22,3 of which MNOK 3,1 is activated and the remaining MNOK 19,2 treated as operating expenses in the profit and loss statement.

Cash flow from operations for the group was MNOK – 23,1, while the operating loss for the group totaled MNOK -39,9. The difference between operating cashflow and the operating loss is primarily due to depreciation, impairment and timing differences.

Liquidity totaled MNOK 171,6 per 31.12.2019, which is satisfactory.

The group has made one share issue in the mother company in 2019, through a share purchase program for the group's employees (ESPP). Total equity was increased by MNOK 0,3, and the use of proceeds are for general corporate purposes. No other share issues were conducted in 2019.

Total assets per 31.12.2019 was MNOK 227,2.

Company results

Net loss was MNOK 19,2. Total assets per 31.12.2019 was MNOK 282,4 compared to MNOK 304,3 per 31.12.2018. Equity ratio (equity over total assets) per 31.12.2019 was 98,9 %. The liquidity situation is satisfactory.

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

As a result of the termination of the CD Card /CD4 project and a decision to discontinue the sales of our NGAL product, the company decided to write down the intangible assets with MNOK 14.1.

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 eventsafter the balance sheet date.

Outlook

Gentian Diagnostics has continued its double-digit growth in 2019 and expects to continue the growth in 2020. The growth in 2020 is expected to come in China for cystatin C and Europe for fCAL®turbo.

In addition, the market development efforts for calprotectin as a biomarker for severe infections, sepsis and rheumatoid arthritis will continue with presentations at scientific congresses and articles in international journals.

Within R&D, Gentian AS expects to launch Fecal Pancreatic Elastase in 2020 and the development of G-1001 is on track for launch in 2021.

The current outbreak of COVID-19 may affect Gentian Diagnostics. The impact will depend on the length of the outbreak. Hospitals and laboratories may have to prioritise acute situations to diagnose and treat patients affected by the outbreak. The company is well positioned regarding it's inventory situation and many of the company functions can be effectively handled through the use of home office. However, for production the company is dependent upon its employees physically being present at the production facilities. Gentian Diagnostics has robust business-continuity plans in place, and production has so far been maintained at normal levels. The company has been able to make deliveries to its customers on time. The company has a solid cash position with good liquidity and remains fully financed for 2020. The current weaking of the Norwegian krone (NOK) is also favourable for the company.

Working environment and equal opportunities

The group is an equal opportunity employer. The group has 46 employees, of which 30 are women. The working environment is good. As of 31.12.2019, the Board of Directors has 6 members of which 3 are men and 3 are women.

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

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

External environment

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

Moss, 23. April 2020

for Gentian Diagnostics AS

Tomas Settevik
Chairperson
Sign.

Kari E. Krogstad
Board member
Sign.

Espen Tidemann Jørgensen
Board member
Sign.

Susanne Stuffers
Board member
Sign.

Ingrid Teigland Akay
Board member
Sign.

Runar Vatne
Board member
Sign.

Hilja Ibert
CEO
Sign.

The Financial Statements 2019

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GENTIAN DIAGNOSTIC AS - GROUP

Financial numbers in NOK 1000

Statement of Profit and Loss - Group

	Note	2019	2018
Revenue from contracts with customers	6	47 952	39 912
Other operating revenue	7	7 433	12 108
Total revenue		**55 384**	**52 020**
Cost of goods sold	9	-25 449	-22 576
Employee benefit expenses	10	-29 691	-22 438
Depreciation and amortisation	15	-6 132	-3 897
Impairment	16	-14 086	-5 040
Other operating expenses	11	-21 267	-18 754
Total operating expenses		**-96 625**	**-72 706**
Operating result		**-41 241**	**-20 686**
Finance income	13	2 083	1 296
Finance costs	13	-636	-345
Net financial items		**1 447**	**951**
Profit before tax		-39 794	-19 735
Income tax expense	14	-63	-64
Profit for the year		**-39 857**	**-19 798**
Other comprehensive income			
Exchange differences		-	0
Total other comprehensive income		**-**	**0**
Total comprehensive income for the year		**-39 857**	**-19 798**
Earnings per share			
Basic EPS from net profit/loss		-2,59	-1,29
Diluted EPS from net profit/loss		-2,59	-1,29

GENTIAN DIAGNOSTIC AS - GROUP

Financial numbers in NOK 1000

Statement of Financial Position - Group as of 31.12

	Note	2019	2018
Assets			
Non-current assets			
Goodwill	**17**	-	-
Intangible assets	**17**	14 111	27 574
Property, plant and equipment	**15**	3 644	4 736
Right-of-use assets	**15**	4 133	-
Other financial assets	**21**	329	329
Total non-current assets		**22 216**	**32 640**
Current assets			
Inventory	**19**	18 224	13 098
Accounts receivables and other receivables	**20**	15 505	13 937
Cash and cash equivalents	**21**	171 238	198 305
Total current assets		**204 967**	**225 340**
Total assets		**227 183**	**257 980**

GENTIAN DIAGNOSTIC AS - GROUP

Financial numbers in NOK 1000

Statement of Financial Position - Group as of 31.12

	Note	2019	2018
Equity and Liabilities			
Paid-in equity			
Share capital	**22**	1 540	1 540
Share premium	**22**	292 780	292 522
Other paid-in equity		4 031	2 162
Total paid-in equity		**298 351**	**296 224**
Retained earnings			
Retained earnings		-90 111	-50 350
Total retained equity		**-90 111**	**-50 350**
Total equity		**208 240**	**245 873**
Liabilities			
Leasing	**23**	1 980	698
Total non-current liabilities		**1 980**	**698**
Current liabilities			
Total current liabilities		**16 962**	**11 409**
Total liabilities		**18 943**	**12 107**
Total equity and liabilities		**227 183**	**257 980**

Moss, 23. April 2020
For Gentian Diagnostics AS

Tomas Settevik
Chairperson
Sign.

Kari E. Krogstad
Board member
Sign.

Espen Tidemann Jørgensen
Board member
Sign.

Susanne Stuffers
Board member
Sign.

Ingrid Teigland Akay
Board member
Sign.

Runar Vatne
Board member
Sign.

Hilja Ibert
CEO
Sign.

GENTIAN DIAGNOSTIC AS - GROUP

Financial numbers in NOK 1000

Statement of changes in equity

	Note	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 01.01.2018		**1 400**	**224 143**	**1 467**	**-30 534**	**196 475**
Net result for the year					-19 798	-19 798
Other comprehensive income					0	0
Proceeds from share issue	**22**	140	69 841			69 981
Cost of share issue	**22**		-1 462			-1 462
Share based payments				695		695
Other changes in equity					-18	-18
Equity at 31.12.2018		**1 540**	**292 522**	**2 162**	**-50 350**	**245 873**

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

GENTIAN DIAGNOSTIC AS - GROUP

Financial numbers in NOK 1000

Cash Flow Statement

	Note	2019	2018
Operating activities			
Net profit (loss)		-39 857	-19 798
Depreciation and amortisation	**16/17**	6 132	3 897
Impairment	**17**	14 086	5 040
Change in inventory	**19**	-5 126	-2 006
Change in accounts receivables	**20**	792	-2 476
Change in accounts payables	**24**	1 310	-253
Cost of options		1 869	1 869
Change in other assets and liabilities		-690	2 831
Net cash flow from operating activities		**-21 483**	**-10 897**
Investing activities			
Payments of property, plant and equipment	**16**	-967	-610
Investment in intangible assets	**17**	-3 071	-5 165
Other changes financial assets		-	-
Investment in other companies		-	-
Net cash flow from investing activities		**-4 038**	**-5 774**
Financing activities			
New debt	**23**	-	-
Loan instalments	**16**	-1 837	-147
Proceeds from issue of share capital	**22**	259	68 519
Net cash flow from financing activities		**-1 577**	**68 372**
Net change in cash and cash equivalents		**-27 098**	**51 701**
Cash and cash equivalents at beginning of period		198 634	146 951
Effect of currency translation of cash and cash equivalents		31	-18
Net cash and cash equivalents at period end		**171 567**	**198 634**

GENTIAN DIAGNOSTIC AS - GROUP

Notes to the consolidated financial statements 2019

Financial numbers in NOK 1000

Note 1 - General Information

Gentian Diagnostics AS is registered in Norway and listed on the Oslo Stock Exchange, Merkur Market. The company's headquarters are in Bjørnåsveien 5, 1596 Moss, Norway. The company is a research and development-based company that develops and manufactures biochemical reagents for use in medical diagnostics and research. The customers are medical laboratories and universities worldwide. The group consists of the parent company Gentian Diagnostics AS and the two wholly owned subsidiaries Gentian AS and PreTect AS.

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

The annual accounts were approved for publication by the board on 23.04.2020.

Note 2 - Summary of the most important accounting principles

2.1 Basis for the preparation of the annual accounts

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

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

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

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

2.2 Changes in accounting principles

The following new and amended standards and interpretations have been implemented for the first time in 2019:

IFRS 16 Leases

Effective 1 January 2019 the group adopted IFRS 16 using the modified retrospective approach and accordingly comparative information has not been restated. The user rights in lease agreements are recognised as assets with a corresponding liability. The impact of changes in accounting policies and impact of the initial application is disclosed in note 16.

COGS (Cost of goods sold)

In the 2018 annual report COGS comprised only of material cost, but as of the 2019 annual report COGS will also include other production costs. 2018 numbers in the report have been adjusted to be comparable.

2.3 Principles for consolidation

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

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

2.4 Currency

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

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

2.5 Segments

For management reporting purposes and due to the size of the business, the group comprises only one segment.

2.6 Revenue from contracts with customers

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

Sale of goods

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

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

License revenue

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

2.7 Public grants

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

2.8 Leases

The group has applied IFRS 16 using the modified retrospective approach. The impact of changes in accounting policies and impact of the initial application is disclosed in note 16.

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

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

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

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

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

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

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

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

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

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

2.9 Pension costs and bonuses for employees

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

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

Share based payments

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

The long-term incentives of Gentian («LTI») consist of a share price-related option program for key personnel. Under the share option program, options may be allocated to the key personnel. The options entitle the option holder to purchase a defined number of shares to a pre-defined value after a specific period. The company may decide settlement in cash. Settlement in shares is conditional upon an authorisation from the general meeting for a share issue.

2.10 Tangible fixed assets

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

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

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

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

2.11 Intangible assets

Research and development, patents and licenses

Development costs on products are classified as intangible assets when it is likely that the product will provide future economic benefits. Prerequisite for capitalisation is that the product can be commercialised, it is possible to use or sell the product and that the cost can be measured reliably. Other development costs are recognised in the income statement when accrued. Development costs previously expensed are not capitalised in

subsequent periods. Capitalised development costs are amortised on a straight-line basis from the date they are capitalised and over the period expected to give economic benefits. Capitalised development costs are tested annually by indication of impairment in accordance with IAS 36.

2.12 Goodwill

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

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

2.13 Impairment of non-financial assets

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

Tangible fixed assets and intangible assets depreciated are assessed for impairment when there are indicators that future earnings can't defend the asset's capitalised amount. The difference between the carrying amount and the recoverable amount is recognised as an impairment loss. The recoverable amount is the highest of fair value less sales costs and value in use. When assessing impairment, assets are grouped at the lowest level where it is possible to distinguish independent cash flows (cash-generating units). At each reporting date, the possibilities for reversal of previous write-downs on non-financial assets (except goodwill) are considered.

2.14 Financial instruments

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

Financial Assets

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

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

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

Financial assets at amortised cost

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

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

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

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

Financial liabilities

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

Loans, borrowings and payables

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

2.15 Classification of assets and liabilities

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

2.16 Inventory

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

2.17 Accounts receivable

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

2.18 Cash and cash equivalents

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

2.19 Share capital and share premium

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

2.20 Interest bearing loans and borrowings

Loan and loan expenses is recorded in the balance sheet and expensed in the P & L at amortised cost. If a loan and loan expenses is related to an asset, and the real value of the asset is lower, the asset is written down to its real value. There was no value adjustment of assets in 2019.

2.21 Taxes

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

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

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

2.22 Provisions

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

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

2.23 Payables and other current liabilities

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

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

2.24 Distribution of dividends

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

2.25 Contingent liabilities and assets

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

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

2.26 Events after the balance sheet date

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

Note 3 - Significant estimates and uncertainties

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

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

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

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

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

Note 4 - Financial risk management

Credit risk

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

Financial numbers in NOK 1000

The maximum credit exposure as of 31.12.2019 amounts to:	
Accounts receivables and other receivables	13 936 982
Cash and cash equivalents	198 634 265
Total	212 571 247

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

Liquidity risk

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

Market risk

May cause changes in the group's financial position.

Currency risk

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

As at 31.12.2019; the group has limited exposure to currency risks on assets and liabilities.

Interest rate risk

The group has outstanding interest-bearing debt of MNOK 4.3 as of 31 December 2019.

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

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

Note 5 - Group companies and changes in the group

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

Financial numbers in NOK 1000

Note 6 - Operating revenue

Revenue by classification	2019	2018
Sales revenue	47 952	39 912
Royalties / License revenue*	-	6 196
Public grants	7 433	5 912
Total	**55 384**	**52 020**

* The group has received a one-off royalty license fee of MNOK 6,2 in 2018.

Geographical split	2019	2018
Europe	34 133	27 045
Asia	11 840	10 648
USA	1 979	2 218
Total	**47 952**	**39 912**

Sales by product	2019	2018
Renal diagnostic products	19 669	21 720
Inflammation diagnostic products	20 856	11 531
Other diagnostic products	7 426	6 661
Total	**47 952**	**39 912**

Timing of revenue recognition	2019	2018
Goods transferred at a point in time	47 952	39 912
Goods and services transferred over time	-	-
Total	**47 952**	**39 912**

Note 7 - Public grants

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

	2019	2018
Norwegian Research Council and Eurostars	3 800	2 462
SkatteFUNN	3 633	3 450
Total	**7 433**	**5 912**

Financial numbers in NOK 1000

Note 8 - Operating expenses by function

	2019	2018
Sales and marketing expenses	12 648	7 594
Administration expenses	19 098	19 856
Research and development expenses	19 212	13 893
Total	**50 958**	**41 342**

Note 9 - Costs of goods sold

	2019	2018
Change in inventory of goods under manufacture and finished goods	-4 471	-3 203
Other costs of goods sold	14 671	12 172
Production salary	12 536	11 398
Other production expense	2 712	2 210
Total	**25 449**	**22 576**

In the 2018 annual report COGS comprised only of material cost, but as of the 2019 annual report COGS will also include other production costs. 2018 numbers in the report have been adjusted to be comparable.

Note 10 - Employee benefit expenses

	2019	2018
Wages and salaries	33 402	27 353
Payroll tax	5 243	4 191
Pension costs (mandatory occupational pension)	787	742
Share based payments	1 869	695
Other expenses	927	855
Transfer to COGS	-12 536	-11 398
Total	**29 691**	**22 438**

The company has a share option program covering certain key employees. As at 31.12.2019, eight employees were included in the option program.

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

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

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

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

	2019	2018
Outstanding options 01.01	174 954	-
Options granted	279 962	174 954
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
Outstanding options 31.12	454 916	174 954

The outstanding options are subject to the following conditions:

Expiry date	Average strike price	Number of share options
2020 - 8	65,24	58 318
2021 - 8	65,24	58 318
2021-11	47,51	93 321
2022 - 8	65,24	58 318
2022-11	47,51	93 321
2023-11	47,51	93 321
		454 916

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

In November 2019, Gentian Diagnostics AS launched a share purchase program for the group's employees (ESPP). Under the terms of the ESPP, all employees have been given the opportunity to subscribe for shares up to a maximum amount of NOK 15,000. The company decided to award a 20 % discount to the volume weighted average price between 7 November and 20 November, resulting in a subscription price of NOK 38.10 per share. A total of 6797 shares were subscribed for under the program.

Salary CEO*	2019	2018
Wages and salaries	2 443	1 882
Pension costs (mandatory occupational pension)	-	23
Other remuneration	108	70

CEO has been granted 139 962 options in 2019.

Financial numbers in NOK 1000

* The CEO is employed in the subsidiary Gentian AS and salary / remuneration are expensed in the subsidiary. The CEO has an agreement which provides the right to a compensation after termination of employment before retirement. If the company terminates the employment during the first 6 months after commencement, the CEO shall receive a settlement pay equivalent to 3 months' basic salary. If the company terminates the employment after the first 6 months after commencement, the CEO shall receive a settlement pay equivalent to 6 months' basic salary.

Board remuneration	**2019**	**2018**
Remuneration to the Board	692	647

Pension costs

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

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

Note 11 - Other operating expenses

	2019	**2018**
Marketing	2 009	1 579
Purchase of external services	9 436	6 116
Patent, certification and license costs	2 352	2 945
Costs premises and office costs	2 182	3 273
Laboratory costs	3 275	4 773
Travel expenses	2 753	1 726
Meetings, courses and updates	297	274
Other	434	446
Capitalised other expenses	-1 471	-2 379
Total	**21 267**	**18 754**

Auditor

The remuneration to the auditor is distributed as follows:	**2019**	**2018**
Audit fee	360	209
Other attestation services	90	57
Tax advisory services	27	13
Other services non-audit related	15	47
Total (ex. VAT)	**492**	**326**

Financial numbers in NOK 1000

Note 12 - Research and development expenses

The Gentian Group had in 2019 nine ongoing R & D projects. Costs related to the projects consist of salary, external procurement of services, and other operating expenses. Two of the projects went over in the development phase in 2016 and one in 2018, and consequently the capitalisation of the costs in these projects was started. One of the projects (CD Card) was terminated in 2019 and has been written-off in 2019.

Recognised research and development expenses	2019	2018
Purchase of external services	4 812	3 854
Other operating expenses	17 471	15 203
Capitalised research and development expenses	-3 071	-5 165
Total	**19 212**	**13 893**

Note 13 -Finance income and finance cost

Finance income

	2019	2018
Interest income	1 995	701
Net foreign exchange gains	49	562
Other finance income	39	33
Total finance income	**2 083**	**1 296**

Finance cost

	2019	2018
Interest expenses from loans measured at amortised cost	-	-
Foreign exchange loss	-273	-280
Interest leasing liabilities etc	-362	-64
Total finance cost	**-636**	**-345**
Net financial items	**1 447**	**951**

Financial numbers in NOK 1000

Note 14 – Taxes

Reconciliation of effective tax rate	**2019**	**2018**
Net result before taxes	-39 794	-19 735
Calculated tax expense/(income)	-8 755	-4 539
Permanent differences	-3 621	-1 027
Tax depretiation on intangible assets	-	-
Change in temporary differences	-	-
Change in non-recognised deferred tax asset	12 376	5 566
Calculated tax expense	-	-
Tax payable (USA)	63	64

Calculation of deferred tax/deferred tax benefit

	2019	**2018**
Tangible assets	-3 410	2 850
Receivables	42	0
Tax losses carried forward	-136 470	-100 656
Basis for deferred tax/deferred tax benefit (gross)	-139 838	-97 806
Unrecognised temporary differences	139 838	97 806
Basis for deferred tax/deferred tax benefit (net)	-	-
Deferred tax benefit	-	-

The group excluded from the financial position deferred tax asset of NOK 30,7 mill related to temporary differences and tax loss carryforwards, as the group did not meet the criteria for capitalisation under IAS 12. The group is in a growth phase and there is uncertainty regarding when the group will be profitable.

Financial numbers in NOK 1000

Note 15 - Property, plant and equipment

	2018		
Acquisition costs	**Laboratory equipment**	**Leasing**	**Total**
Carrying value at 01.01	7 999	466	8 465
Additions during the year	609	379	989
Grants received	-	-	-
Disposals during the year	-	-	-
Accumulated cost as at 31.12	**8 609**	**845**	**9 454**
Depreciation and amortisation			
Carrying value at 01.01	3 368	-	3 368
Depreciation during the year	1 199	150	1 349
Amortisation during the year	-	-	-
Accumulated depreciation as at 31.12	4 567	150	4 717
Value in balance sheet as at 31.12	**4 041**	**695**	**4 736**

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

On January 1. 2019, Gentian Diagnostics AS and its subsidiaries implemented IFRS 16 “Leases”. This means that some operating expenses with longer commitments need to be valued over the lifetime of the contract and featured on the asset side of the balance sheet. This asset is then depreciated over the lifetime of the contract.

For Gentian Diagnostics this has the effect that leased property and IT expenses are moved from operating expenses and are depreciated.

Right-of-use interest rate 6,28 %.

Note 16 - Leases/right-of-use assets

Impact of IFRS 16	31.12.18	Impact IFRS 16	01.01.19
Right-of-use assets	695	5 136	5 831
Equity	245 873	-	245 873
Lease liabilities	698	5 136	5 834

The yearly impact on EBITDA is estimated to MNOK 1.9.

Right-of-use assets
The group leases a few offices and IT equipment and are presented in line with other equipment.

Lease liabilities

Undiscounted lease liabilites and maturity of cash outflows	Total
Less than 1 year	2 315
1-2 years	1 631
3-5 years	464
Total undiscounted lease liabilities at 31.12.2019	**3 945**

Summary of lease liabilities	
At initial application 01.01.2019	6 455
New lease liabilites recognised in the year	
Cash payments for the principal portion of the lease liability	-1 837
Cash payments for the interest portion of the lease liability	-324
Interest expense on lease liabilites	
Total lease liabilities at 31.12.2019	**4 295**
Current lease liabilities	2 315
Non-current lease liabilites	1 980

Reconciliation	
Operating lease obligations at 31.12.2018	5 617
Minimum lease payments on finance lease liabilities at 31.12.2018	5 617
Relief options for short-term leases	-
Relief options for leases of low-value assets	-
Other	-
Gross lease liabilities at 1.1.2019	5 617
Discounting	-481
Lease liabilities at 1.1.2019	**5 136**

GENTIAN DIAGNOSTIC AS - GROUP

Notes to the consolidated financial statements 2019

Financial numbers in NOK 1000

Note 17 - Intangible assets

	2018		
Acquisition costs	**Research and development**	**Goodwill**	**Total**
Carrying value at 01.01	24 957	5 040	29 998
Additions during the year	5 165		5 165
Grants received	-		-
Impairment	-	-5 040	-5 040
Accumulated cost as at 31.12	**30 122**	**-**	**30 122**
Depreciation and amortisation			
Carrying value at 01.01			-
Depreciation during the year	2 548		2 548
Amortisation during the year	-		-
Accumulated depreciation as at 31.12	2 548	-	2 548
Value in balance sheet as at 31.12	**27 574**	**-**	**27 574**

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

After careful review and optimization of the product and R&D portfolios, Gentian decided to discontinue specific activities in order to be in alignment of current strategy of allocating resources and capacity to more high impact tests.

The company decided to terminate the CD Card /CD4 project. During the spring of 2019, the first clinical trial with 50 patients being treated and monitored at Oslo University Hospital was performed. The trial revealed that the number of CD4 receptors per cell varied more in patients than in healthy volunteer donors. Neither Gentian nor its scientific advisors were aware of this biological variance between HIV infected patients and healthy donors. Although the CD Card can successfully measure the number of CD4 receptors, the product will not have clinical value due to the lack of correlation between CD4 receptors and the number of CD4 cells.

As a result of the above-mentioned termination and a decision to discontinue the sales of our NGAL product, the company decided to write down the intangible assets with MNOK 14.1.

These impairments did not have any cash effect.

Note 18 - The valuation hierarchy of financial instruments accounted for at fair value
The group has no financial instruments as at 31.12.2019.

Fair value of financial instruments accounted for at amortised cost

	Accounted value	Fair value
Receivables	15 505	15 505
Cash and cash equivalents	171 567	171 567
Total	187 072	187 072

	Accounted value	Fair value
Other debt and liabilities	4 295	4 295
Total	4 295	4 295

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

Note 19 – Inventory
Inventory as at 31.12. consists of the following:

	2019	2018
Raw materials	3 441	2 787
Goods in process	11 919	9 140
Finished goods	2 863	1 171
Total	**18 224**	**13 098**

GENTIAN DIAGNOSTIC AS - GROUP

Notes to the consolidated financial statements 2019

Financial numbers in NOK 1000

Note 20 - Accounts receivables and other receivables

	2019	2018
Accounts receivables	8 493	9 285
Claims on government grants	5 769	3 753
Public receivables (VAT, etc.)	818	682
Other receivables / Prepayments	425	218
Total	**15 505**	**13 937**

	2019	2018
Provision for loss of claims at the beginning of the year		
Provision for loss for the year	-	-
This year's recorded loss	226	-
Reversed deposition	-226	-
Provision for loss at the end of the year	**-**	**-**

Due accounts receivables

	2019	2018
Not due and within <30 days	4 910	5 327
30-60d	1 295	67
60-90d	1 786	3 108
>90d	503	783
Total	**8 493**	**9 285**

Note 21 - Cash and cash equivalents

	2019	2018
Cash and bank deposits	169 805	196 927
Withhold tax account	1 433	1 378
Deposit account	329	329
Total	**171 567**	**198 634**

Financial numbers in NOK 1000

Note 22 - Share capital, shareholders and equity

	Number of shares	Nominal value	Share capital
Ordinary shares	15 402 718	0,10	1 540

Changes in share capital and share premium:

Change in share capital	**2019**	**2018**
Share capital at period start	1 540	1 400
Share capital increase	1	140
Share capital at period end	**1 540**	**1 540**

Change in share premium	**2019**	**2018**
Share premium at period start	292 522	224 143
Share premium increase	258	69 841
Cost of share issue	-	-1 462
Share premium at period end	**292 780**	**292 522**

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

GENTIAN DIAGNOSTIC AS - GROUP

Notes to the consolidated financial statements 2019

Financial numbers in NOK 1000

Overview of the parent company's shareholders as at 31.12.19:	Number of shares	Ownership share
Holta Life Sciences AS	2 014 702	13,08 %
Vatne Equity AS	2 010 224	13,05 %
Safrino AS	1 100 000	7,14 %
Salix AS	1 092 543	7,09 %
Norron Sicav - Target	629 228	4,09 %
Norda ASA	549 186	3,57 %
Storebrand Vekst	481 064	3,12 %
Portia AS	425 000	2,76 %
Equinor Pensjon	381 320	2,48 %
Verdipapirfondet DNB SMB	376 630	2,45 %
Bård Sundrehagen	307 010	1,99 %
Silvercoin Industries AS	288 281	1,87 %
Cressida AS	235 000	1,53 %
Vingulmork Predictor AS	224 083	1,45 %
Lioness AS	220 000	1,43 %
Mutus AS	210 465	1,37 %
Marstal AS	206 752	1,34 %
Strawberry Capital AS	200 300	1,30 %
Viola AS	199 990	1,30 %
Borgano AS	186 499	1,21 %
Top 20 shareholders	**11 338 277**	**73,61 %**
Total other shareholders	4 064 441	26,39 %
Total number of shares	**15 402 718**	**100,00 %**

Shares controlled by board members and the CEO		
Tomas Settevik (Mutus AS)	210 465	1,37 %
Espen Tidemann Jørgensen (Private)	17 000	0,11 %
Ingrid Teigland Akay (Teakay Invest AS)	60 779	0,39 %
Kari E. Krogstad (Private)	2 325	0,02 %
Runar Vatne (Vatne Equity and associated companies)	2 230 224	14,48 %
Susanne Stuffers (Ubiquity AS)	3 500	0,02 %
Hilja Ibert (Private)	6 128	0,04 %

Financial numbers in NOK 1000

Dividend

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

Earnings per share

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

	2019	2018
Profit from continued operations	-39 857	-19 798
Weighted average number of shares issued	15 403	15 396
Earnings per share	**-2,59**	**-1,29**

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

Note 23 - Interest-bearing debt

Interest-bearing debt	**2019**	**2018**
Leases	4 295	698
Total interest-bearing debt	**4 295**	**698**

Interest expense	**2019**	**2018**
Leases	324	45
Total	**324**	**45**

Average interest cost	**2019**	**2018**
Leases	6,28 %	6,49 %

Book value of assets, pledged for debt as at 31.12	**2019**	**2018**
Fixed assets	1 071	845
Total pledged assets	**1 071**	**845**

Note 24 - Account payables and other current liabilities

	2019	2018
Current leasing liability	2 315	
Account payables	4 606	3 295
Public taxes, duties etc.	2 501	2 176
Other short-term liabilities	7 541	5 937
Total	**16 962**	**11 409**

Notes to the consolidated financial statements 2019

Financial numbers in NOK 1000

Note 25 - Provisions, contingent assets and contingent liabilities
The company has no significant provisions, or contingent liabilities or contingent assets.

Note 26 - Transactions with related parties
The company has no significant transactions with related parties in 2019.

Note 27 - Events after the balance sheet date
The Board of directors has no knowledge about other events after 2019 that will affect the annual report and financial statement for 2019. See the Director's report under Outlook regarding the Corona virus situation.

Gt m s m o m Bo m

Operating income and operating expenses	Note	2019	2018
Personnel expenses	1, 3	2 664 039	1 784 171
Depreciation of operating and intangible assets	2	239 844	479 688
Write-downs of tangible and intangible assets	2	7 834 890	0
Other operating expenses	1	890 905	1 466 167
Total operating expenses		**11 629 679**	**3 730 026**
Operating profit		**-11 629 679**	**-3 730 026**
Financial income and expenses			
Interest income from group companies		701 446	376 955
Other financial income		1 952 875	704 596
Write-downs of long-term investments	8	10 095 547	0
Interest expense to group companies		86 086	278 887
Other financial expenses		0	3 372
Net financial items		**-7 527 311**	**799 292**
Operating result before tax		**-19 156 990**	**-2 930 734**
Annual net profit	**3**	**-19 156 990**	**-2 930 734**
Brought forward			
Transferred from other equity		19 156 990	2 930 734
Net brought forward		**-19 156 990**	**-2 930 734**

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Assets	Note	2019	2018
Fixed assets			
Intangible assets			
Research and development	2	0	8 842 330
Total intangible fixed assets		**0**	**8 842 330**
Tangible assets			
Financial fixed assets			
Investments in subsidiaries	8	114 865 368	74 960 915
Loan to group companies	6	3 496 640	26 870 252
Total financial fixed assets		**118 362 008**	**101 831 166**
Total fixed assets		**118 362 008**	**110 673 496**
Current assets			
Debtors			
Other short-term receivables		69 502	312 728
Total receivables		**69 502**	**312 728**
Cash and bank deposits			
Cash and bank deposits	9	163 990 684	193 357 297
Total cash and bank deposits		**163 990 684**	**193 357 297**
Total current assets		**164 060 186**	**193 670 025**
Total assets		**282 422 194**	**304 343 521**

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Equity and liabilities	Note	2019	2018
Equity			
Paid-up equity			
Share capital	4	1 540 272	1 539 592
Share premium reserve		301 214 159	300 955 879
Other paid-up equity		118 779	118 779
Total paid-up equity		**302 873 210**	**302 614 250**
Retained earnings			
Other equity		-23 680 238	-6 392 160
Total retained earnings		**-23 680 238**	**-6 392 160**
Total equity	**3**	**279 192 972**	**296 222 090**
Liabilities			
Other long-term liabilities			
Other long term liabilities	6	3 160 599	7 945 014
Total of other long term liabilities		**3 160 599**	**7 945 014**
Current debt			
Trade creditors		6 852	125 345
Public duties payable		61 771	51 071
Total current liabilities		**68 623**	**176 416**
Total liabilities		**3 229 222**	**8 121 431**
Total equity and liabilities		**282 422 194**	**304 343 521**

Moss, 23.04.2020
The board of Gentian Diagnostics AS

Tomas Settevik
Chairperson
Sign.

Espen Tidemann Jørgensen
Board member
Sign.

Ingrid Teigland Akay
Board member
Sign.

Kari E. Krogstad
Board member
Sign.

Susanne Stuffers
Board member
Sign.

Runar Vatne
Board member
Sign.

Hilja Ibert
CEO
Sign.

Accounting principles

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

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

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

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

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

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

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

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

Impairment of intangible and fixed assets
Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.
Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

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

reflected as financial income when the dividends are approved. Investments are written down to fair value if the fair value is lower than the carrying amount.

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

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

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

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

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

Payroll expenses	2019	2018
Salaries/wages	2 566 510	1 692 972
Social security fees	97 529	91 199
Pension expenses	0	0
Other remuneration	0	0
Total	**2 664 039**	**1 784 171**
Average number of employees during the accounting year	0	0
Remuneration to the Board of Directors	691 698	646 802
Remuneration to the Chief executive officer	0	0

Expensed salaries relate to the employee option program in Gentian AS and board of director's fee. The CEO is employed in the subsidiary Gentian AS and salary / remuneration are expensed in the subsidiary. The company has a share option programme covering certain key employees. As at 31.12.2019, eight employees were included in the option programme.

Expensed audit fee
Expenses paid to the auditor for 2019 amounts to NOK 233 088 of which NOK 58 088 relates to other services.

Note 2 Intangible Assets

	Total
Purchase cost as of 01.01.19	10 361 342
+ Inflow purchased fixed assets	0
- Outflow this year	767 596
= Acquisition cost 31.12.19	9 593 746
Accumulated depreciation 31.12.19	1 758 856
+ Accumulated write-down 31.12.19	7 834 890
Accumulated depreciations and write-down 31.12.19	9 593 746
= Book value 31.12.19	**0**
This year's ordinary depreciations	239 844
This year's write-downs	7 834 890
Economic life	0

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

Note 3 Equity capital

	Share capital	Share premium	Other paid-in equity capital	Other equity capital	Total equity capital
As at 31.12.2018	**1 539 592**	**300 955 879**	**118 779**	**-6 392 160**	**296 222 090**
Result for the year				-19 156 990	-19 156 990
Procees from share issue	680	258 286			258 966
Cost of share issue				0	0
Employee option program				1 868 912	1 868 912
As at 31.12.2019	**1 540 272**	**301 214 165**	**118 779**	**-23 680 238**	**279 192 978**

Note 4 Shareholders

	Number of shares	Nominal value	Share capital
Ordinary shares	15 402 718	100	1 540 272

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

Overview of the parent company's shareholders as at 31.12.19:	**Number of shares**	**Ownership share**
Holta Life Sciences AS	2 014 702	13,08%
Vatne Equity AS	2 010 224	13,05%
Safrino AS	1 100 000	7,14 %
Salix AS	1 092 543	7,09 %
Norron Sicav - Target	629 228	4,09 %
Norda ASA	549 186	3,57 %
Storebrand Vekst	481 064	3,12 %
Portia AS	425 000	2,76 %
Equinor Pensjon	381 320	2,48 %
Verdipapirfondet DNB SMB	376 630	2,45 %
Bård Sundrehagen	307 010	1,99 %
Silvercoin Industries AS	288 281	1,87 %
Cressida AS	235 000	1,53 %
Vingulmork Predictor AS	224 083	1,45 %
Lioness AS	220 000	1,43 %
Mutus AS	210 465	1,37 %
Marstal AS	206 752	1,34 %
Strawberry Capital AS	200 300	1,30 %
Viola AS	199 990	1,30 %
Borgano AS	186 499	1,21 %
Top 20 shareholders	11 338 277	73,61 %
Total other shareholders	4 064 441	26,39 %
Total number of shares	15 402 718	100 %

Shares controlled by board members and the CEO		
Tomas Settevik (Mutus AS)	210 465	1,37%
Espen Tidemann Jørgensen (Private)	17 000	0,11%
Ingrid Teigland Akay (Teakay Invest AS)	60 779	0,39%
Kari E. Krogstad (Private)	2 325	0,02%
Runar Vatne (Vatne Equity AS and associated companies)	2 230 224	14,48%
Susanne Stuffers (Ubiquity AS)	3 500	0,02%
Hilja Ibert (Private)	6 128	0,04%

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

Note 5 Tax

This year's tax expense	2019	2018
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deffered tax assets	0	0
Tax expense on ordinary profit/loss	**0**	**0**
Taxable income:		
Ordinary result before tax	-19 156 990	-2 930 734
Permanent differences	10 095 547	-1 729 706
Changes in temporary differences	2 300 196	-516 944
Taxable income	**-6 761 247**	**-5 177 384**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**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 advantages, specified on type of temporary differences:

	2019	2018	Difference
Tangible assets	-98 754	2 201 442	2 300 196
Total	**-98 754**	**2 201 442**	**2 300 196**
Accumulated loss to be brought forward	-33 364 843	-26 603 596	6 761 247
Not included in the deferred tax calculation	33 463 598	24 402 154	-9 061 443
Basis for deferred tax assets	**0**	**0**	**0**
Deferred tax assets (22 %)	**0**	**0**	**0**

Deferred tax is not booked to the balance sheet

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

	2019	2018
Receivables		
Loans to companies in the same group	3 496 640	26 870 252
Liabilities		
Loans from companies in the same group	3 160 599	7 945 014

Note 7 Government grants

The company has received 0 in research and development grants in 2019.

Note 8 Shares in subsidiaries

	Ownership/ voting interest	Office location	Result 2019	Equity capital 31.12.2019
Gentian AS	100%	Moss	-24 992 987	44 986 753
Pretect AS	100%	Hurum	-3 812 537	5 239 434

The book value of shares in Pretect AS has been written down by NOK 10 095 547 in 2019

Note 9 Bank deposits

Pledge account	1 647 108
Deposit for office rent	263 326
Tax withheld	46 533

BDO AS
Bernt Ankers gate 17
1534 Moss

Independent Auditor's Report

To the General Meeting in Gentian Diagnostics AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gentian Diagnostics AS.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2019, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2019, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements are prepared in accordance with the law and regulations. • The accompanying financial statements give a true and fair view of the financial position of Gentian Diagnostics AS as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the group Gentian Diagnostics AS as at 31 December 2019, 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.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial

Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Moss, 23 April 2020
BDO AS

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

Annual Report

2018

GENTIAN DIAGNOSTICS AS
DIRECTORS REPORT
2018

Overview

Gentian Diagnostics AS is the mother company in the Gentian Group consisting of the subsidiaries Gentian AS, Gentian USA Inc, Gentian Diagnostics AB and PreTect AS. The Group develops and produces in-vitro diagnostic tests (IVD tests) for the use in medical diagnostics and research.

The shares of Gentian Diagnostics AS is traded on Merkur Market at Oslo Børs under the symbol "GENT-ME"

Gentian's headquarters are located in Moss and the Group also have a representative office in China, and distribution companies in Sweden and USA.

Gentian designs, develops and markets in vitro diagnostic reagents (IVD) based on its proprietary Nanosense™ technology. Through in-depth research into Particle-Enhanced Turbidimetric Immunoassays (PETIA), Gentian developed Nanosense™. Nanosense™ is our proprietary antibody and nanoparticle-based technology. This technology creates highly sensitive Particle-Enhanced Turbidimetric Immunoassays (PETIA) and has been used in most of our products to date. The goal is to offer efficient and accurate reagents within the areas of kidney disease, cardiac disease, inflammation and veterinary medicine. The Nanosense™ technology will enable users to move assays from low volume immunology platforms to fully automated, high throughput instruments with shorter turnaround times, better workflow and improved cost efficiency.

PreTect AS develops and manufactures molecular diagnostic tests to detect oncogenic activity in cervical samples. The products PreTect SEE and PreTect HPV Proofer contribute to earlier detection of cervical cancers.

The Group's operations are primarily conducted the locations at Bjørnåsveien 5 in Moss and Industriveien 8 in Hurum.

Group Results

The Group accounts are made up in accordance with IFRS.

Total revenues in 2018 was MNOK 52,0 versus MNOK 35,0 in 2017. Net loss for 2018 was MNOK 19,8, versus a net loss of MNOK 15,1 in 2017.

Total research and development spending in 2018 was MNOK 19,1 of which MNOK 5,2 is activated and the remaining MNOK 13,9 treated as operating expenses in the profit and loss statement.

Cash flow from operations for the group was MNOK – 10,9, while the operating loss for the group totaled MNOK -19,8. The difference between operating cashflow and the operating loss is primarily due to depreciation, impairment of goodwill and timing differences.

Liquidity totaled MNOK 198,6 per 31.12.2018, which is satisfactory.

The Group has made one share issue in the mother company in 2018. Total equity was increased by MNOK 69,8, and the use of proceeds are for general corporate purposes.

Total assets per 31.12.2018 was MNOK 258,0.

Company Results

Net loss was MNOK 2,9. Total assets per 31.12.2018 was MNOK 304,3 compared to MNOK 248,8 per 31.12.2017. Equity ratio (equity over total assets) per 31.12.2017 was 97,3 %. The liquidity situation is satisfactory.

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

Going Concern

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

Events after the balance sheet date

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

Outlook

For Cystatin C the company expects continued growth, primarily driven by increased demand in China and an increased focus on the US market. The company expects continued sales growth in Europe for fCAL®turbo.

The market development efforts for calprotectin as a biomarker for severe infections, sepsis and rheumatoid arthritis will continue with presentations at scientific congresses and articles in international journals. In addition, the company will intensify its efforts to engage with key opinion leaders.

Within R&D, Gentian expects to achieve the validation phase for Fecal Pancreatic Elastase with the aim to launch in 2020. The development of G-1001 is on track for launch in 2021. Gentian is preparing for a new Proof of Concept within 2019.

Working environment and equal opportunities

The Group is an equal opportunity employer. The Group has 44 employees, of which 32 are women. The working environment is good. As of 31.12.2018, The Board of Directors has 6 members of which 4 are men and 2 are women.

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

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

External environment

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

Moss, 8. May 2019

for Gentian Diagnostics AS

Kari E. Krogstad Board member	Tomas Settevik Chairman	Espen Tidemann Jørgensen Board member
Bendik Sundrehagen Board member	Ingrid Teigland Akay Board member	Henrik Krefting Board member

Hilja Ibert
CEO

GENTIAN DIAGNOSTICS AS

Consolidated Annual Accounts

2018

Gentian Diagnostics AS - Group

Statement of Comprehensive Income - Group

	Note	2018	2017
Sales revenue	6	39 911 903	27 941 064
Other operating revenue	6/13	12 108 251	7 047 895
Total operating revenue		**52 020 154**	**34 988 959**
Cost of goods sold	8	-8 968 837	-7 262 695
Employee benefit expenses	9	-33 836 047	-24 386 402
Depreciation and amortisation	16/17	-3 897 032	-3 015 537
Impairment of Goodwill	17	-5 040 382	-
Other operating expenses	10	-20 963 797	-16 525 845
Total operating expenses		**-72 706 095**	**-51 190 479**
Operating result		**-20 685 942**	**-16 201 520**
Finance income	14	1 295 945	1 468 233
Finance cost	14	-344 676	-403 749
Net financial items		**951 269**	**1 064 484**
Net result before taxes		-19 734 672	-15 137 036
Income tax expense	15	-63 682	-32 870
Net result		**-19 798 354**	**-15 169 906**
Other comprehensive income			
Exchange differences		235	35 018
Total other comprehensive income		**235**	**35 018**
Total comprehensive income for the year		**-19 798 119**	**-15 134 888**
Earnings per share			
Basic EPS from net profit/loss		-1,29	-1,08
Diluted EPS from net profit/loss		-1,29	-1,08

Gentian Diagnostics AS - Group

Statement of Financial Position - Group as of 31.12

	Note	2018	2017
Assets			
Non-current assets			
Goodwill	**17/27**	-	5 040 382
Intangible assets	**17**	27 574 214	24 957 496
Property, plant and equipment	**16**	4 736 483	5 096 925
Other financial assets	**21**	329 256	1 948 509
Total non-current assets		**32 639 953**	**37 043 312**
Current assets			
Inventory	**19**	13 097 975	11 092 093
Accounts receivables and other receivables	**20**	13 936 982	12 091 814
Cash and cash equivalents	**21**	198 305 009	145 002 752
Total current assets		**225 339 967**	**168 186 658**
Total assets		**257 979 919**	**205 229 970**

Gentian Diagnostics AS - Group

Statement of Financial Position - Group as of 31.12

	Note	2018	2017
Equity and Liabilities			
Paid-in equity			
Share capital	**22**	1 539 592	1 399 629
Share premium	**22**	292 521 992	224 142 533
Other paid-in equity		2 161 990	1 467 131
Total paid-in equity		**296 223 574**	**227 009 293**
Retained earnings			
Retained earnings		-50 350 335	-30 533 929
Total retained equity		**-50 350 335**	**-30 533 929**
Total equity		**245 873 239**	**196 475 364**
Liabilities			
Financial leasing	**23**	697 996	466 146
Total long term liabilities		**697 996**	**466 146**
Short term liabilities			
Accounts payables and other current liabilities	**24**	11 408 684	8 288 440
Total short term liabilities		**11 408 684**	**8 288 440**
Total liabilities		**12 106 680**	**8 754 586**
Total equity and liabilities		**257 979 919**	**205 229 950**

Moss, 8. May 2019
for Gentian Diagnostics AS

Kari E. Krogstad
Board member

Tomas Settevik
Chairman

Espen Tidemann Jørgensen
Board member

Bendik Sundrehagen
Board member

Ingrid Teigland Akay
Board member

Henrik Krefting
Board member

Hilja Ibert
CEO

Gentian Diagnostics AS - Group

Statement of changes in equity

	Note	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 01.01.2017		**1 113 915**	**128 359 331**	**1 467 131**	**-15 399 041**	**115 541 336**
Net result for the year					-15 169 906	-15 169 906
Other comprehensive income					35 018	35 018
Proceeds from share issue	**22**	285 714	99 714 291			100 000 005
Cost of share issue			-3 931 089			-3 931 089
Other changes in equity						
Equity at 31.12.2017		**1 399 629**	**224 142 533**	**1 467 131**	**-30 533 929**	**196 475 364**

Equity at 01.01.2018		**1 399 629**	**224 142 533**	**1 467 131**	**-30 533 929**	**196 475 364**
Net result for the year					-19 798 354	-19 798 354
Other comprehensive income					235	235
Proceeds from share issue	**22**	139 963	69 841 437			69 981 400
Cost of share issue	**22**		-1 461 978			-1 461 978
Share based payments				694 859		694 859
Other changes in equity					-18 287	-18 287
Equity at 31.12.2018		**1 539 592**	**292 521 992**	**2 161 990**	**-50 350 335**	**245 873 239**

Gentian Diagnostics AS - Group

Cash Flow Statement

	Note	2018	2017
Operating activities			
Net profit (loss)		-19 798 354	-15 169 906
Depreciation and amortisation	**16/17**	3 897 032	3 015 537
Impairment of Goodwill	**17**	5 040 382	-
Change in inventory	**19**	-2 005 883	-3 545 678
Change in accounts receivables	**20**	-2 476 050	-3 953 794
Change in accounts payables	**24**	-253 312	29 248
Change in other assets and liabilities		4 699 532	991 708
Net cash flow from operating activities		**-10 896 653**	**-18 632 886**
Investing activities			
Payments of property, plant and equipment	**16**	-988 630	-1 374 802
Investment in intangible assets	**17**	-5 164 678	-5 534 040
Other changes financial assets	**17**		
Investment in other companies			
Net cash flow from investing activities		**-6 153 308**	**-6 908 842**
Financing activities			
New debt	**23**	379 240	466 146
Loan instalments	**23**	-147 390	-
Proceeds from issue of share capital	**22**	68 519 422	96 068 916
Net cash flow from financing activities		**68 751 272**	**96 535 062**
Net change in cash and cash equivalents		**51 701 311**	**70 993 334**
Cash and cash equivalents at beginning of period		146 951 261	75 957 906
Effect of currency translation of cash and cash equivalents		-18 307	20
Net cash and cash equivalents at period end		**198 634 265**	**146 951 261**

Notes to the consolidated financial statements 2018

Note 1 - General Information
Gentian Diagnostics AS is registered in Norway, and listed at Merkur Market on Oslo Børs. The company's headquarters are located in Bjørnåsveien 5, 1596 Moss, Norway. The company is a research and development based company that develops and manufactures biochemical reagents for use in medical diagnostics and research. The customers are medical laboratories and universities worldwide. The group consists of the parent company Gentian Diagnostics AS and the two wholly owned subsidiaries Gentian AS and Pretect AS.
In addition, Gentian AS has a wholly owned subsidiary, registered in Florida, USA, named Gentian USA Inc, and a wholly-owned subsidiary in Sweden, Gentian Diagnostics AB.

The annual accounts were approved for publication by the Board on 08.05.2019.

Note 2 - Summary of the most important accounting principles

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

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

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

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

2.2 Changes in accounting principles

The following new and amended standards and interpretations have been implemented for the first time in 2018:

IFRS 15 Revenue from contracts with customers
IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into
consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Notes to the consolidated financial statements 2018

The effect of the transition to IFRS 15 on the current period has not been disclosed as the optional practical expedient in IFRS 15.C4 has been applied. The Group did not apply any of the other available optional practical expedients. The implementation of IFRS 15 did not have any impact on previous reported statements.

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has applied IFRS 9 retrospectively. The Group has not adjusted the comparative information for the period beginning 1 January 2017.

The implementation of IFRS 9 has not had any impact on previous reported statements.

New and changed standards not implemented by the Group
A number of new and changes in standards and interpretations are published by the IASB with effect from accounting periods beginning after January 1, 2019. None of these have been used by the company in connection with the preparation of the annual accounts for 2018. The most central new standards and changes in existing standards are:

None of these new standards or changes to existing standards are expected to cause significant changes in relation to the Gro IFRS 16 Leases

The implementation of IFRS 16 will increase tangible assets with MNOK 5.0. The yearly impact on EBITDA is estimated to MNOK 2.2.

2.3 Consolidation and business combinations
Subsidiary
When the Group has control over an investee, the investee is classified as a subsidiary. The Group controls an investee if all the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date control ceases.

Acquisition of subsidiaries / business combinations
Purchases of companies or other activities that are considered as a business, are accounted for in accordance with the acquisition method. Acquired assets and liabilities of business combinations are capitalized at fair value at the time the group obtains control. Deferred tax is calculated on the difference between fair value and tax value of assets and liabilities.

Goodwill is calculated as the difference between net assets (fair value of assets and liabilities incl. deferred income tax) and the sum of the consideration, previous ownership interests valued at fair value and minority interest share. Minority interest is assessed either at fair value or at minority interest net assets.
When investing in affiliated companies, goodwill is included in the investment's capitalized assets value. Goodwill is recognized in the balance sheet at cost less any accumulated write-downs.

Notes to the consolidated financial statements 2018

Goodwill is not amortized but is tested at least annually for impairment. Negative goodwill is recognized at the acquisition date.

Elimination of transactions by consolidation
Intercompany transactions and intra-group transactions, including internal earnings and unrealized gains and losses have been eliminated. Unrealized gains related to transactions with affiliates are eliminated with the Group's share in the company / business. Correspondingly, unrealized losses are eliminated, but only insofar as there are no indications of impairment of the asset sold internally.

2.4 Currency
The accounts of the individual entities in the group are measured in the currency used in which the entity mainly operates (functional currency). The consolidated financial statements are presented in Norwegian kroner (NOK) which is both the functional currency of the parent company and the presentation currency of the Group.

Transactions in foreign currency are entered in the functional currency at the exchange rate at the transaction date. Monetary items in foreign currency are translated at the exchange rate on the balance sheet date. All effects of currency conversions are recognized in the income statement if they are not included as part of net investment in foreign units.

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

2.5 Segments
For management reporting purposes and due to the size of the business, the Group comprises only one segment.

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

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

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

Notes to the consolidated financial statements 2018

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

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

2.8 Lease agreements
Leases where the major part of the risk and return on ownership remains with another party, the lessor is classified as operating leases. Payments, including prepayments, under operating leases are classified as operating expenses and are recognized on a straight-line basis over the duration of the lease. Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

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

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

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

The long-term incentives of Gentian («LTI») consist of a share price-related option program for key personnel. Under the share option program, options may be allocated to the key personnel. The options entitle the option holder to purchase a defined number of shares to a pre-defined value after a specific period. The Company may decide settlement in cash. Settlement in shares is conditional upon an authorization from the general meeting for a share issue.

Notes to the consolidated financial statements 2018

2.10 Tangible fixed assets
The Group's long-term assets consist mainly of production equipment and fixtures. The operating assets are recognized 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 capitalized separately when it is probable that future economic benefits associated with the expense will flow to the Group and the expense can be measured reliably. Other repair and maintenance costs are charged to the profit and loss account during the period incurred. The operating assets are depreciated using the straight-line method, so that the acquisition cost of the assets is depreciated at residual value over the expected useful life that is:

- Machinery/ equipment 10-15 years
- Vehicles 3-5 years
- Fixtures 3-8 years

The useful life of the assets, as well as residual value, are reviewed on each balance sheet date and changed if necessary. When the carrying amount of an asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount. See note 2.12 in this connection.

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

2.11 Intangible assets
Research and development, patents and licenses
Development costs on products are classified as intangible assets when it is likely that the product will provide future economic benefits. Prerequisite for capitalization is that the product can be commercialized, it is possible to use or sell the product and that the cost can be measured reliably. Other development costs are recognized in the income statement when accrued. Development costs previously expensed are not capitalized in subsequent periods. Capitalized development costs are amortized on a straight-line basis from the date of commercialization over the period expected to give economic benefits. Capitalized development costs are tested annually by indication of impairment in accordance with IAS 36.

2.12 Goodwill
Goodwill is calculated as the difference between net assets (fair value of assets and liabilities including deferred tax) and the sum of the consideration, previous ownership interests measured at fair value and the minority interest.

For subsequent impairment testing, goodwill is assigned to cash-generating units or groups of cash-generating units that are expected to receive benefits from the acquisition where goodwill occurred. Each entity or group of entities where goodwill has been allocated represents the lowest level in the entity where goodwill is followed up for internal management purposes. Goodwill is followed up for each operating segment.

Impairment is assessed annually, or more often if there are events or changed circumstances indicating a possible fall in value. The carrying amount is compared to the recoverable amount, which is the higher of value in use and fair value less sales expenses. Any impairment loss is expensed and will not be reversed in subsequent periods.

Notes to the consolidated financial statements 2018

2.13 Impairment of non-financial assets
Intangible assets with indefinite useful lives and goodwill are not amortized but tested annually for impairment. Tangible fixed assets and intangible assets depreciated are assessed for impairment when there are indicators that future earnings can not defend the asset's capitalized amount. The difference between the carrying amount and the recoverable amount is recognized as an impairment loss. The recoverable amount is the highest of fair value less sales costs and value in use. When assessing impairment, assets are grouped at the lowest level where it is possible to distinguish independent cash flows (cash-generating units). At each reporting date, the possibilities for reversal of previous write-downs on non-financial assets (except goodwill) are considered.

2.14 Financial instruments
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has applied IFRS 9 retrospectively. The Group has not adjusted the comparative information for the period beginning 1 January 2017.

The implementation of IFRS 9 has not had any impact on previous reported statements.

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

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

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

The Group classified its financial assets in four categories (of which only “Financial assets at amortised cost” is applicable for 2018):
- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Equity instruments designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition

Financial assets at amortised cost
The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

Notes to the consolidated financial statements 2018

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

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

Loans, borrowings and payables
Payables are measured at their nominal amount when the effect of discounting is not material.

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

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

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

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

2.19 Share capital and share premium
Ordinary shares are classified as equity. Costs directly related to the issue of new shares or options are shown as deductions in equity, net of tax, from proceeds. Own equity instruments that are repurchased (own shares) are recognized at cost and are presented as a reduction of equity. Gains or losses are not recognized in profit or loss as a consequence of the purchase, sale, issue or deletion of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if issued again, is

recognized in other equity. Voting rights related to own shares are canceled and no dividends are distributed to own shares.

2.20 Loans

Loans are accounted for at fair value when payment of the loan takes place, minus transaction costs. In subsequent periods, loans at amortized cost are calculated using effective interest rates. The difference between the loan amount paid (less transaction costs) and the redemption value is recognized in the income statement over the term of the loan as part of the effective interest rate.

Costs related to the creation of drawing rights are capitalized pending borrowing if it is probable that loans will be withdrawn. The costs are subsequently deducted from the loan upon deduction. If it is not considered probable that all or part of the drawing entitlement is deducted, the fee is recognized as prepaid liquidity services and expensed over the period for which the rights apply.

2.21 Borrowing costs

Borrowing costs from general and specific financing related to the acquisition, construction or production of qualifying assets, which are assets that will take a considerable period of time to complete for intended use or sale, are capitalized as part of the cost of acquisition of the asset up to the date when the asset is ready for intended use or sale.

Any capital income from temporary investments of loan amount not yet used to acquire a qualifying asset shall be deducted from interest expenses that are capitalized as part of the acquisition cost of the asset.

All other interest expenses are expensed in the period in which they accrue.

2.22 Taxes

The tax expense for a period consists of tax payable and deferred taxes. Tax is recognized in the income statement, except when it relates to items that are charged directly to equity. If that is the case, the tax is also charged against extended earnings or directly against equity.

Tax effects on other income and expenses are separated and presented over other income and expenses. These include currency differences on net investments in foreign companies.

Tax payable for the period is calculated in accordance with the tax laws and regulations that have been adopted, or largely approved by the tax authorities at the balance sheet date. It is the law of the countries in which the Group's subsidiaries or affiliates operate and generate taxable income that is applicable to the calculation of taxable income. Management assesses the position that has been claimed in the tax returns, where current tax breaks are subject to interpretation. Based on management's assessment, provisions are made for expected tax payments where this is deemed necessary.

Using the debt method, deferred tax is applied to all temporary differences between tax and consolidated accounting values of assets and liabilities. If deferred taxes arise upon initial recognition of a debt or asset in a transaction that is not a business combination and which, at the time of the transaction, does not affect accounting or taxation, it will not be capitalized. Deferred tax is determined using tax rates and tax laws that

have been adopted or are substantially adopted at the balance sheet date and are expected to be used when the deferred tax asset is realized or when the deferred tax is settled. Deferred tax assets are capitalized to the extent that future taxable income is likely and the temporary differences can be deducted from this income.

Deferred tax is calculated on temporary differences from investments in subsidiaries and affiliates, except when the Group has control of the date of reversal of the temporary differences and it is likely that they will not be reversed in the foreseeable future. Deferred tax assets and deferred taxes shall be offset if there is a legally enforceable right to offset assets of payable tax against liabilities payable and deferred tax assets and deferred taxes relate to income taxes imposed by the same tax authority for either the same taxable enterprise or different taxable enterprises as intends to settle liabilities and assets of net tax payable.

2.23 Provisions

The Group accounts for provisions for environmental reversals, restructuring and legal requirements when there is a legal or self-imposed obligation as a result of past events, it is probable that the liability will be settled by a transfer of financial resources and the amount of the liability can be estimated to a sufficient extent of reliability. Provisions for restructuring costs include termination fees on leases and severance pay to employees. It is not intended for future operating losses.

In cases where there are several obligations of the same nature, the likelihood that the obligations will be settled will be determined by assessing obligations of this type in one. Therefore, a provision is made even if the probability of settlement related to the individual relationship may be low.

Provisions are measured at the present value of expected payments to meet the obligation. A discount rate is applied before tax reflecting the current market situation and risk specific to the liability. The increase in the liability as a result of changed time value is recorded as a financial expense.

2.24 Payables and other current liabilities

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

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

2.25 Distribution of dividends

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

2.26 Contingent liabilities and assets

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

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

Notes to the consolidated financial statements 2018

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

Note 3 - Significant estimates and uncertainties
Estimates and discretionary assessments are evaluated continuously and are based on historical experience and other factors including expectations of future events that are considered likely under current circumstances.

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

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

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

Changes in accounting estimates / provisions are recognized in the period during which changes occur. If the changes also apply to future periods, the effect is distributed over current and future periods. A provision is recognized when the Group has a liability (legal or self-imposed) as a result of an earlier event, it is likely (more likely than not) that an economic settlement will be due to this obligation and the amount of the amount can be measured reliably. See also Note 23.

Note 4 - Financial risk management
Credit risk
Credit risk is the risk that the counterparty will incur a loss on the Group by failing to settle the Group's receivables. Credit exposure is primarily related to accounts receivable and other receivables. There are also credit risks related to financial derivatives and cash and cash equivalents.

The maximum credit exposure as of 31.12.2018 amounts to:	
Accounts receivables and other receivables	13 936 982
Cash and cash equivalents	198 634 265
Total	212 571 247

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

Notes to the consolidated financial statements 2018

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.

Market risk
May cause changes in the Group's financial position.

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

As at 31.12.2018; the Group has limited exsposures to currency risks on assets and liabilities.

Interest rate risk
The Group has outstanding interest-bearing debt of less than MNOK 1.0 as of 31 December 2018

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

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

Note 5 - Group companies and changes in the Group

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

Notes to the consolidated financial statements 2018

Note 6 - Operating revenue

Revenue by classification	2018	2017
Sales revenue	39 911 903	27 844 746
Royalties / License revenue*	6 196 317	96 318
Public grants	5 911 934	7 047 895
Total	**52 020 154**	**34 988 959**

* The Group has received a one-off royalty licence fee of MNOK 6,2 in 2018.

Geographical split	2018	2017
Europe	27 045 110	17 093 589
Asia	10 648 375	9 411 860
USA	2 218 417	1 339 297
Total	**39 911 903**	**27 844 746**

Sales by product	2018	2017
Renal diagnostic products	21 720 014	16 335 151
Inflammation diagnostic products	11 530 898	5 510 722
Other diagnostic products	6 660 991	5 998 873
Total	**39 911 903**	**27 844 746**

Timing of revenue recognition	2018	2017
Goods transferred at a point in time	39 911 903	27 844 746
Goods and services transferred over time	-	-
Total	39 911 903	27 844 746

Note 7 - Operating expenses by function

	2018	2017
Production expenses*	10 916 783	8 889 617
Sales and marketing expenses	7 593 607	5 954 769
QA/RA expenses	2 540 734	1 971 504
Administration expenses	19 856 217	13 077 794
Research and development expenses	13 892 502	11 018 575
Total	**54 799 844**	**40 912 259**

**Production costs consist of labor costs in the department as well as materials used in production, but which are not part of the finished product.*

Note 8 - Costs of goods sold

	2018	2017
Change in inventory of goods under manufacture and finished goods	-3 202 882	-4 205 701
Other costs of goods sold	12 171 719	11 468 397
Total	**8 968 837**	**7 262 695**

Notes to the consolidated financial statements 2018

Note 9 - Employee benefit expenses

	2018	2017
Wages and salaries	27 353 319	19 418 468
Payroll tax	4 190 592	3 575 831
Pension costs (mandatory occupational pension)	742 286	612 291
Share based payments	694 859	
Other expenses	854 991	779 811
Total	**33 836 047**	**24 386 402**

Share based payments
The company has a share option programme covering certain key employees. As at 31.12.2018, two employees were included in the option programme.

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

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

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

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

	2018	2017
Outstanding options 01.01	-	-
Options granted	174 954	-
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
Outstanding options 31.12	174 954	-

The outstanding options are subject to the following conditions:

Expiry date	Average strike	Number of share
2019 - 8		
2020 - 8	65,24	58 318
2021 - 8	65,24	58 318
2022 - 8	65,24	58 318
		174 954

The fair value of the options has been calculated using Black - Scholes - Merton Option Pricing Model. The most important parameters are share price at grant date, exercise prices shown above, volatility (50 %), expected dividend

Notes to the consolidated financial statements 2018

yield (0 %), expected term of 4 years, annual risk free interest rate (1,4 %). The volatility is based on other comparable companies stock price volatility.

Salary CEO*	2018	2017
Wages and salaries	1 881 962	1 220 348
Pension costs (mandatory occupational pension)	23 469	32 534
Other remuneration	70 200	6 904

* The CEO is employed in the subsidiary Gentian AS and salary / remuneration are expensed in the subsidiary. The CEO has an agreement which provides the right to a compensation after termination of employment before retirement.If the Company terminates the employment during the first 6 months after commencement, the CEO shall receive a settlement pay equivalent to 3 months' basic salary. If the Company terminates the employment after the first 6 months after commencement, the CEO shall receive a settlement pay equivalent to 6 months' basic salary.

Board remuneration	2018	2017
Remuneration to the Board	646 802	307 494

Pension costs
The company is obliged to have a occupational pension scheme in accordance with the Act on Compulsory Occupational Pensions.
The company has a defined contribution scheme that complies with this Act.

Note 10 - Other operating expenses

	2018	2017
Marketing	1 577 164	831 975
Purchase of external services	6 421 931	5 958 272
Pantent, certification and license costs	3 451 409	1 636 849
Costs premises	3 137 816	1 648 961
R&D reagents / materials	3 795 081	3 938 419
Travel expenses	1 805 364	1 412 459
Shipping, telephone and internet	895 090	367 786
Meetings, courses and updates	424 591	359 526
Fixtures and lab equipment	1 713 856	459 339
Other	120 414	1 386 955
Capitalized other expenses	-2 378 920	-1 474 697
Total	**20 963 797**	**16 525 845**

Auditor

The remuneration to the auditor is distributed as follows:	2018	2017
Audit fee	209 000	247 000
Other attestation services	57 000	60 000
Tax advisory services	13 250	21 187
Other services non-audit related	47 050	87 508
Total (ex. VAT)	**326 300**	**415 695**

Notes to the consolidated financial statements 2018

Note 11 - Research and development expenses

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

Recognized research and development expenses	2018	2017
Purchase of external services	3 854 204	7 142 909
Other operating expenses	15 202 976	9 409 706
Capitalized research and development expenses	-5 164 678	-5 534 040
Total	**13 892 502**	**11 018 575**

Note 12 - Leases

The Group as a lessee – operating leases
The Group has entered into different operating leases for offices and other facilities.
Most of the leases contain an option for extension.

Rental costs in the statement include the following:

	2018	2017
Ordinary rent payments	1 517 376	1 487 580
Total	**1 517 376**	**1 487 580**

Future minimum rent associated with non-cancellable leases expires as follows:

	2018	2017
Within 1 year	1 558 345	1 514 356
1 to 5 years	2 669 680	4 163 032
After 5 years	-	-
Total	**4 228 025**	**5 677 389**

The Group as a lessee – finance leases
The Group's assets under finance lease agreements include machinery and equipment. For more information see Note 16 - Property, plant and equipment and Note 23 - Interest-bearing debt.

Note 13 - Public grants

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

	2018	2017
Norwegian Research Council and Eurostars	2 462 331	2 908 408
SkatteFUNN	3 449 603	4 139 487
Total	**5 911 934**	**7 047 895**

Notes to the consolidated financial statements 2018

Note 14 -Finance income and finance cost

Finance income

	2018	2017
Interest income	700 519	860 900
Net foreign exchange gains	562 221	589 174
Other finance income	33 206	18 158
Total finance income	**1 295 945**	**1 468 233**

Finance cost

	2018	2017
Interest expenses from loans measured at amortized cost		-12 182
Foreign exchange loss	-280 282	-383 988
Other financial costs	-64 395	-7 578
Total finance cost	**-344 676**	**-403 749**
Net financial items	**951 269**	**1 064 484**

Note 15 - Taxes

Reconciliation of effective tax rate	2018	2017
Net result before taxes	-19 734 672	-15 137 036
Calculated tax expense/(income)	-4 538 975	-2 142 477
Permanent differences	-1 027 388	-8 079 201
Change in non recognized deferred tax asset	5 566 362	10 221 678
Calculated tax expense	-	-
Tax payable (USA)	63 682	32 870

Calculation of deferred tax/deferred tax benefit

	2018	2017
Tangible assets	2 849 782	2 990 554
Receivables	438	514
Tax losses carried forward	-100 656 073	-82 784 778
Basis for deferred tax/deferred tax benefit (gross)	-97 805 853	-79 793 710
Unrecognised temporary differences	97 805 852	79 793 710
Basis for deferred tax/deferred tax benefit (net)	-	-
Deferred tax benefit	-	-

The Group excluded from the financial position deferred tax asset of NOK 21,5 mill related to temporary differences an tax loss carryforwards, as the Group did not met the criteria for capitalisation under IAS 12.

Notes to the consolidated financial statements 2018

Note 16 - Property, plant and equipment

	2017		
Acquisition costs	**Laboratory equipment**	**Other**	**Sum**
Carrying value at 01.01	7 090 476		7 090 476
Additions during the year	908 656		908 656
Financial leasing	466 146		466 146
Grants received	-		-
Disposals during the year	-		-
Accumulated cost as at 31.12	**8 465 278**		**8 465 278**
Depreciation and amortisation			
Carrying value at 01.01	2 347 372		2 347 372
Depreciation of financial leasing	-		-
Depreciation during the year	1 020 981		1 020 981
Amortisation during the year	-		-
Accumulated depreciation as at 31.12	3 368 353		3 368 353
Value in balance sheet as at 31.12	**5 096 925**		**5 096 925**

	2018		
Acquisition costs	**Laboratory equipment**	**Other**	**Sum**
Carrying value at 01.01	8 465 278		8 465 278
Additions during the year	609 390		609 390
Financial leasing	379 240		379 240
Grants received	-		-
Disposals during the year	-		-
Accumulated cost as at 31.12	**9 453 908**		**9 453 908**
Depreciation and amortisation			
Carrying value at 01.01	3 368 353		3 368 353
Depreciation of financial leasing			-
Depreciation during the year	1 349 072		1 349 072
Amortisation during the year	-		-
Accumulated depreciation as at 31.12	4 717 425		4 717 425
Value in balance sheet as at 31.12	**4 736 483**		**4 736 483**

Notes to the consolidated financial statements 2018

Note 17 - Intangible assets

		2017	
Acquisition costs	**Research and development**	**Goodwill**	**Sum**
Carrying value at 01.01	21 418 012	5 040 382	26 458 394
Additions during the year	5 534 040		5 534 040
Grants received	-		-
Disposals during the year	-		-
Accumulated cost as at 31.12	**26 952 052**	**5 040 382**	**31 992 434**
Depreciation and amortisation			
Carrying value at 01.01			-
Depreciation during the year	1 994 556		1 994 556
Amortisation during the year	-		-
Accumulated depreciation as at 31.12	1 994 556	-	1 994 556
Value in balance sheet as at 31.12	**24 957 496**	**5 040 382**	**29 997 878**

		2018	
Acquisition costs	**Research and development**	**Goodwill**	**Sum**
Carrying value at 01.01	24 957 496	5 040 382	29 997 878
Additions during the year	5 164 678		5 164 678
Grants received	-		-
Disposals during the year	-		-
Accumulated cost as at 31.12	**30 122 174**	**5 040 382**	**35 162 556**
Depreciation and amortisation			
Carrying value at 01.01			-
Depreciation during the year	2 547 960	5 040 382	7 588 342
Amortisation during the year	-		-
Accumulated depreciation as at 31.12	2 547 960	5 040 382	7 588 342
Value in balance sheet as at 31.12	**27 574 214**	**-**	**27 574 214**

Notes to the consolidated financial statements 2018

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

The group has no financial instruments as at 31.12.2018.

Fair value of financial instruments accounted for at amortized cost

	Accounted value	Fair value
Receivables	13 936 982	13 936 982
Cash and cash equivalents	198 634 265	198 634 265
Total	212 571 247	212 571 247

	Accounted value	Fair value
Other debt and liabilities	-	-
Total	-	-

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

Note 19 - Inventory

Inventory as at 31.12. consists of the following

	2018	2017
Raw materials	2 787 051	3 984 051
Goods in process	9 139 700	5 704 848
Finished goods	1 171 224	1 403 193
Total	**13 097 975**	**11 092 093**

Note 20 - Accounts receivables and other receivables

	2018	2017
Accounts receivables	9 285 013	6 808 963
Claims on government grants	3 752 603	4 286 906
Public receivables (VAT, etc.)	681 556	865 855
Other receivables / Prepayments	217 810	130 090
Total	**13 936 982**	**12 091 814**

	2018	2017
Provision for loss of claims at the beginning of the year		
Provision for loss for the year	-	-
This year's recorded loss	-	-
Reversed deposition	-	-
Provision for loss at the end of the year	**-**	**-**

Notes to the consolidated financial statements 2018

Due accounts receivables

	2018	2017
Not due and within <30 days	5 326 997	5 383 649
30-60d	66 671	830 290
60-90d	3 108 065	483 563
>90d	783 280	111 461
Total	**9 285 013**	**6 808 963**

Note 21 - Cash and cash equivalents

	2018	2017
Cash and bank deposits	196 926 573	143 995 987
Withhold tax account	1 378 437	1 006 764
Pledge account *	-	1 618 736
Deposit account	329 256	329 774
Total	**198 634 265**	**146 951 261**

** A seperate account has been set up to pledge for foreign exchange trading.*

Notes to the consolidated financial statements 2018

Note 22 - Share capital, shareholders and equity

	Number of shares	Nominal value	Share capital
Ordinary shares	15 395 921	0,10	1 539 592,1

Changes in share capital and share premium:

Change in share capital	2018	2017
Share capital at period start	1 399 629	1 113 915
Share capital increase	139 963	285 714
Share capital at period end	**1 539 592**	**1 399 629**

Change in share premium	2018	2017
Share premium at period start	224 142 533	128 359 331
Share premium increase	69 841 437	99 714 291
Cost of share issue	-1 461 978	-3 931 089
Share premium at period end	**292 521 992**	**224 142 533**

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

Overview of the parent company's shareholders as at 31.12.18:	Number of shares	Ownership share
Holta Life Sciences AS	2 014 702	13,09 %
Vatne Equity AS	1 735 340	11,27 %
Safrino AS	1 300 000	8,44 %
Salix AS	1 218 630	7,92 %
Norron Sicav - Target	812 366	5,28 %
Silvercoin Industries AS	564 181	3,66 %
Vingulmork Predictor AS	535 710	3,48 %
Storebrand Vekst	533 652	3,47 %
Portia AS	425 000	2,76 %
Statoil Pensjon	391 631	2,54 %
Verdipapirfondet DNB SMB	384 249	2,50 %
Bård Sundrehagen	307 010	1,99 %
Cressida AS	235 000	1,53 %
Norda ASA	225 447	1,46 %
OM Holding AS	209 000	1,36 %
Marstal AS	202 000	1,31 %
Strawberry Capital AS	200 300	1,30 %
Spar Kapital Investor AS	192 291	1,25 %
Mutus AS	187 210	1,22 %
Viola AS	174 990	1,14 %
Top 20 shareholders	**11 848 709**	**76,96 %**
Total other shareholders	3 547 212	23,04 %
Total number of shares	**15 395 921**	**100,00 %**

Notes to the consolidated financial statements 2018

Shares controlled by board members and the CEO		
Tomas Settevik (Mutus AS)	187 210	1,14 %
Espen Tidemann Jørgensen (Private)	17 000	0,11 %
Bendik Sundrehagen (Safrino AS)	1 300 000	8,44 %
Ingrid Teigland Akay (Teakay Invest AS)	58 454	0,38 %

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

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

	2018	**2017**
Profit from continued operations	-19 798 119	-15 134 888
Weighted average number of shares issued	15 395 921	13 996 293
Earnings per share	**-1,29**	**-1,08**

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

Note 23 - Interest-bearing debt

Interest-bearing debt	**2018**	**2017**
Financial lease	697 996	466 146
Total interest-bearing debt	**697 996**	**466 146**

Interest expense	**2018**	**2017**
Financial leases	45 328	-
Other interest rates	-	-
Total	**45 328**	**-**

Average interest cost	**2018**	**2017**
Financial leases	6,49 %	5,75 %
Other interest bearing debt	0,00 %	0,0 %

Book value of assets, pledged for debt as at 31.12	**2018**	**2017**
Fixed assets	845 386	466 146
Total pledged assets	**845 386**	**466 146**

Notes to the consolidated financial statements 2018

Note 24 - Account payables and other current liabilities

	2018	2017
Account payables	3 295 431	3 548 743
Public taxes, duties etc.	2 176 428	1 693 631
Other short-term liabilities	5 936 825	3 046 066
Total	**11 408 684**	**8 288 440**

Note 25 - Provisions, contingent assets and contingent liabilities

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

Note 26 - Transactions with related parties

In 2017 Gentian Diagnostics AS transferred intagible assets to Gentian AS following the requirements in the Companies Act § 3-8. The value ot the transaction was NOK 7 743 010.

Note 27 - Events after the balance sheet date

The Board is not familiar with other events of importance after the balance sheet date.

Annual Report 2018
Gentian Diagnostics AS

Org.no.: 983 860 516

Income statement

Operating income and operating expenses	Note	2018	2017
Other operating income	7	0	18 950
Total operating income		0	18 950
Personnel expenses	1	1 784 171	447 873
Depreciation of operating and intangible assets	2	479 688	1 652 340
Other operating expenses	1	1 466 167	1 615 429
Total operating expenses		3 730 026	3 715 642
Operating profit		-3 730 026	-3 696 692
Financial income and expenses			
Interest income from group companies		376 955	0
Other financial income		704 596	857 289
Interest expense to group companies		278 887	0
Other financial expenses		3 372	696
Net financial items		799 292	856 593
Operating result before tax		-2 930 734	-2 840 100
Annual net profit	3	-2 930 734	-2 840 100
Brought forward			
Transferred from other equity		2 930 734	2 840 100
Net brought forward		-2 930 734	-2 840 100

Balance sheet

Assets	Note	2018	2017
Fixed assets			
Intangible assets			
Research and development	2	8 842 330	8 554 422
Total intangible fixed assets		8 842 330	8 554 422
Tangible assets			
Financial fixed assets			
Investments in subsidiaries	8	74 960 915	87 610 188
Loan to group companies	6	26 870 252	10 028 265
Total financial fixed assets		101 831 166	97 638 453
Total fixed assets		110 673 496	106 192 875
Current assets			
Debtors			
Other short-term receivables		312 728	0
Total receivables		312 728	0
Cash and bank deposits			
Cash and bank deposits	9	193 357 297	140 753 485
Total cash and bank deposits		193 357 297	140 753 485
Total current assets		193 670 025	140 753 485
Total assets		304 343 521	246 946 360

Balance sheet

Equity and liabilities	Note	2018	2017
Equity			
Paid-up equity			
Share capital	4	1 539 592	1 399 629
Share premium reserve		300 955 879	231 114 442
Other paid-up equity		118 779	118 779
Total paid-up equity		302 614 250	232 632 850
Retained earnings			
Other equity		-6 392 160	-2 694 306
Total retained earnings		-6 392 160	-2 694 306
Total equity	3	296 222 090	229 938 544
Liabilities			
Other long-term liabilities			
Other long term liabilities	6	7 945 014	16 944 900
Total of other long term liabilities		7 945 014	16 944 900
Current debt			
Trade creditors		125 345	13 318
Public duties payable		51 072	49 599
Total current liabilities		176 417	62 916
Total liabilities		8 121 431	17 007 816
Total equity and liabilities		304 343 521	246 946 360

Moss, 08.05.2019
The board of Gentian Diagnostics AS

Tomas Settevik
Chairman of the board

Espen Tidemann Jørgensen
Board member

Bendik Holmsen Sundrehagen
Board member

Ingrid Helene Teigland Akay
Board member

Kari Eian Krogstad
Board member

Johan Henrik Krefting
Board member

Hilja Ibert
CEO

Notes to the financial statement 2018

Accounting principles

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

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

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

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

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

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

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

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

Impairment of fixed assets
Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.
Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

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

are reflected as financial income when the dividends are approved. Investments are written down to fair value if the fair value is lower than the carrying amount.

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

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

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

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

Notes to the financial statement 2018

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

Payroll expenses	2018	2017
Salaries/wages	1 692 972	401 185
Social security fees	91 199	42 301
Pension expenses	0	0
Other remuneration	0	0
Total	1 784 171	443 486

Average number of employees during the accounting year	0
Remuneration to the Board of Directors	646 802

Expensed salaries relates to charges for work performed on research & develpoment projects amounting to kr 101 175,- in addition to board of director's fee.

Expensed audit fee
Expenses paid to the auditor for 2018 amounts to NOK 191 563,- of which NOK 61 525 relates to other services.

Note 2 Intangible Assets

	Total
Purchase cost as of 01.01.18	9 593 746
+ Inflow purchased fixed assets	767 596
= Acquisition cost 31.12.18	10 361 342
Accumulated depreciation 31.12.18	1 519 012
= Book value 31.12.18	8 842 330
This year's ordinary depreciations	479 688
Economic life	20 years

Note 3 Equity capital

	Share capital	Share premium	Other paid-in equity capital	Other equity capital	Total equity capital
As at 31.12.2017	1 399 629	231 114 442	118 779	-2 694 306	229 938 544
Changes posted against equity				0	0
As at 01.01.2018	1 399 629	231 114 442	118 779	-2 694 306	229 938 544
Result for the year				-2 930 734	-2 930 734
				0	0
Procees from share issue	139 963	69 841 437			69 981 400
Cost of share issue				-1 461 978	-1 461 978
Employee option program				694 859	694 859
As at 31.12.2018	1 539 592	300 955 879	118 779	-6 392 160	296 222 090

Note 4 Shareholders

	Number of shares	Nominal value	Share capital
Ordinary shares	15 395 921	0,10	1 539 592

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

Overview of the parent company's shareholders as at 31.12.18:	Number of shares	Ownership share
Holta Life Sciences AS	2 014 702	13,09 %
Vatne Equity AS	1 735 340	11,27 %
Safrino AS	1 300 000	8,44 %
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Norron Sicav - Target	812 366	5,28 %
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Vingulmork Predictor AS	535 710	3,48 %
Storebrand Vekst	533 652	3,47 %
Portia AS	425 000	2,76 %
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Verdipapirfondet DNB SMB	384 249	2,50 %
Bård Sundrehagen	307 010	1,99 %
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Top 20 shareholders	11 848 709	76,96 %
Total other shareholders	3 547 212	23,04 %
Total number of shares	15 395 921	100,00 %

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Bendik Sundrehagen (Safrino AS)	1 300 000	8,44 %
Ingrid Teigland Akay (Teakay Invest AS)	58 454	0,38 %

Dividend

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

Note 5 Tax

This year's tax expense	2018	2017
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deffered tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary result before tax	-2 930 734	-2 840 100
Permanent differences	-1 729 706	-3 931 089
Changes in temporary differences	-510 547	639 411
Taxable income	-5 170 988	-6 131 778
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	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 advantages, specified on type of temporary differences:

	2018	2017	Difference
Tangible assets	2 195 045	1 684 498	-510 547
Total	2 195 045	1 684 498	-510 547
Accumulated loss to be brought forward	-26 597 199	-21 426 212	5 170 988
Not included in the deferred tax calculation	24 402 154	19 741 714	-4 660 440
Basis for calculation of deferred tax	0	0	0
Deferred tax assets (22 % / 23 %)	0	0	0
Effect of change in tax rate			

Deferred tax is not booked to the balance sheet

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

	2018	2017
Receivables		
Loans to companies in the same group	26 870 252	10 028 265
Liabilities		
Loans from companies in the same group	7 945 014	16 944 900

Note 7 Government grants

The company has received 0 in research and development grants.

Note 8 Shares in subsidiaries

	Ownership/ voting interest	Office location	Result 2018	Equity capital 31.12.2018
Gentian AS	100%	Moss	-13 429 402	19 979 740
Pretect AS	100%	Hurum	1 985 054	9 051 971

Note 9 Bank deposits

Pledge account *	1 628 081
Deposit for office rent	261 886

BDO AS
Bernt Ankers gate 17
1534 Moss

Uavhengig revisors beretning

Til generalforsamlingen i Gentian Diagnostics AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Gentian Diagnostics AS sitt årsregnskap.

Årsregnskapet består av:	Etter vår mening:
• Selskapsregnskapet, som består av balanse per 31. desember 2018, resultatregnskap avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og • Konsernregnskapet, som består av balanse per 31. desember 2018, resultatregnskap, oppstilling over endringer i egenkapital og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.	• Er årsregnskapet avgitt i samsvar med lov og forskrifter. • Gir selskapsregnskapet et rettvisende bilde av den finansielle stillingen til Gentian Diagnostics AS per 31. desember 2018 og av selskapets resultater for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. • Gir konsernregnskapet et rettvisende bilde av den finansielle stillingen til konsernet Gentian Diagnostics AS per 31. desember 2018 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med International Financial Reporting Standards som fastsatt av EU.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Ledelsen er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen, men inkluderer ikke årsregnskapet og revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke annen informasjon, og vi attesterer ikke den andre informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at annen informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde, for selskapsregnskapet i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for konsernregnskapet i samsvar med International Financial Reporting Standards som fastsatt av EU. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for selskapsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet. Forutsetningen om fortsatt drift skal legges til grunn for konsernregnskapet med mindre ledelsen enten har til hensikt å avvikle konsernet eller legge ned virksomheten, eller ikke har noe realistisk alternativ til dette.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
https://revisorforeningen.no/revisjonsberetninger

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen og i redegjørelsene om foretaksstyring og samfunnsansvar om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell

informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets og konsernets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Moss, 8. mai 2019
BDO AS

Per Harald Eskedal

Per Harald Eskedal
statsautorisert revisor

Gentian Diagnostics ASA

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