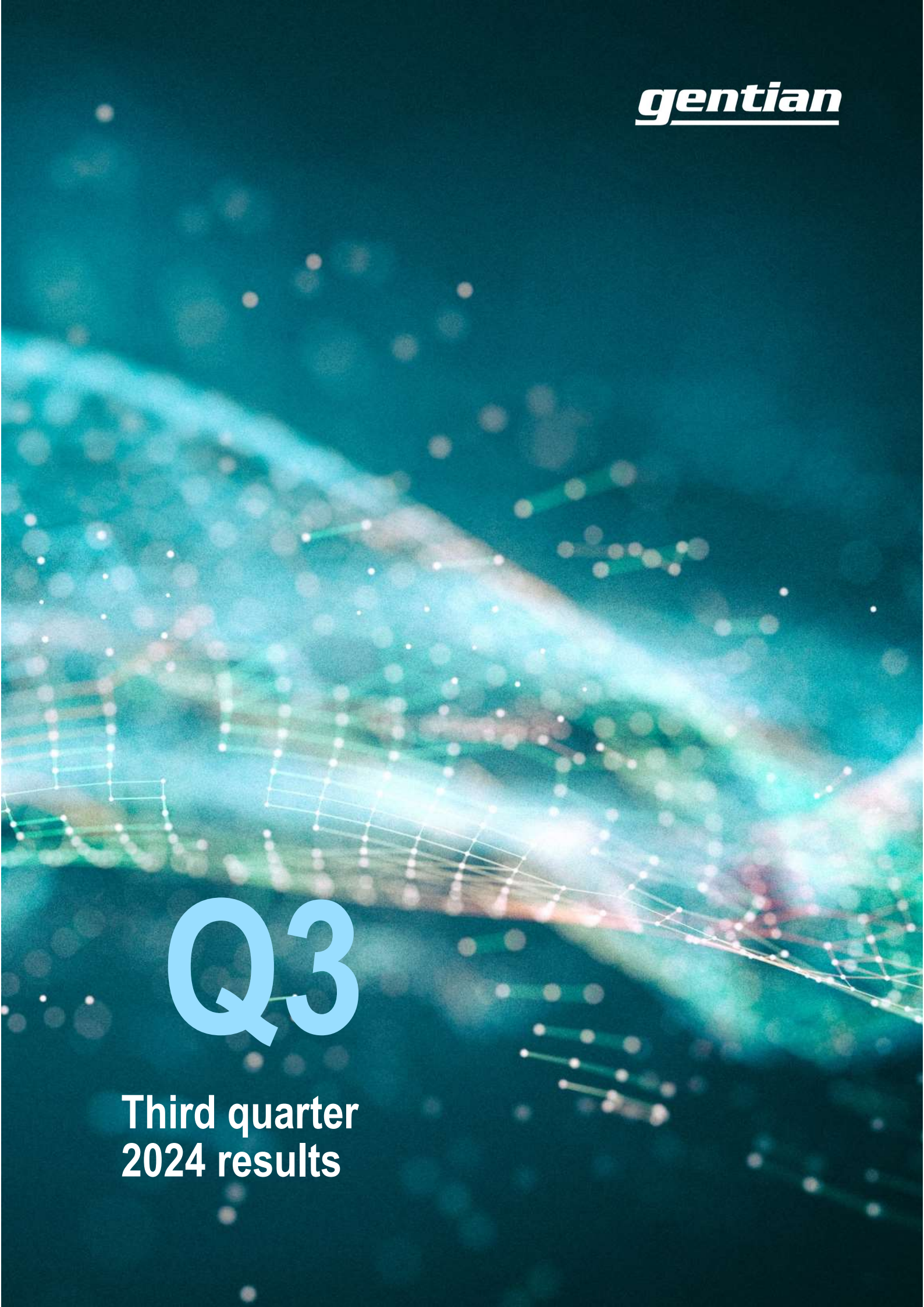

gentian
Q3
Third quarter
2024 results

Efficient diagnostics for better treatment decisions

www.gentian.com

Gentian Diagnostics

Third quarter 2024 highlights

- Sales of NOK 32.7 million in 3Q24, up 2% versus 3Q23 (5% organic growth). Revenue of NOK 109.5 million YTD 2024 up 12% versus first nine months of 2023 (12% organic growth).
- EBITDA of NOK 5.0 million in 3Q24 versus NOK 1.2 million in 3Q23. EBITDA of NOK 16.5 million in the first nine months of 2024 versus NOK 4.3 million in the same period last year.
- Gross margin of 52% (46%) positively influenced by favourable product mix.
- Cash position of NOK 93.8 million at the end of the quarter compared to NOK 76.4 million at the end of 3Q23.
- Sales of fCAL® turbo increased by 76% in 3Q24 compared to 3Q23.
- Bühlmann, Gentian's exclusive commercial partner for fCAL turbo and fPELA turbo, announced a worldwide collaboration with Beckman Coulter for both products
- Sales of Third-party products increased by 50% in 3Q24 compared to 3Q23.
- A significant milestone was achieved for the NT-proBNP assay with initial clinical evaluation on 220 patient samples in collaboration with leading Norwegian experts in Cardiology, indicating good clinical performance.
- Gentian was awarded a patent in Europe for a novel NT-proBNP reference method.

About Gentian Diagnostics

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

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

Gentian Diagnostic's purpose is to deliver efficient diagnostics for better treatment decisions.

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

Gentian's portfolio of high-impact diagnostic tests targets several large and growing disease areas such as infections and inflammation, kidney failure and congestive heart failure. The company has four established products – Cystatin C, fCAL® turbo, Canine CRP and fPELA turbo – that contributed to 30% annual revenue growth in 2019-2023. The most recent launch in 3Q 2023 of Retinol Binding Protein (RBP) will support growth for this category. In addition, GCAL® has been launched and is in market development while NT-proBNP is in the product development phase – both having potential to become growth accelerators. The company also has undisclosed projects in exploration and 'proof of concept' phases.

The company's roadmap for long-term growth and value creation is founded on six strategic pillars:

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

Demonstrate clinical relevance of GCAL® for the early detection of inflammation and inflammatory response to infections.

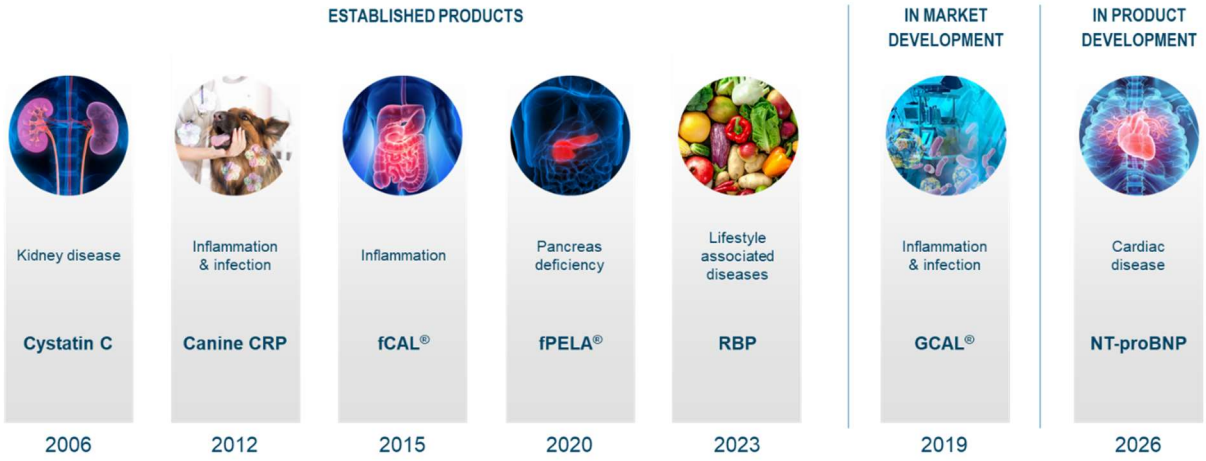
Bring a steady stream of new high-impact diagnostic tests to market.

Secure one new contract with a global commercial partner every year, building on already established partnerships with major diagnostic companies across products.

Grow gross margin from ~50% to 60%+ through economies of scale.

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

Illustration of product categories



Operational summary

Sales

In the third quarter of 2024, the company recorded sales of NOK 32.7 million, a 2% growth versus 3Q23, with 5% organic growth. In the third quarter we achieved strong sales growth in Europe and the US (+44% combined), and a significant decline in Asia of MNOK 8.5 vs 3Q23. Sales year to date showed double digit growth for all products except Cystatin C, which is exclusively attributed to the decline in Asia.

On product level, sales in 3Q24 were primarily driven by strong fCAL® turbo sales and robust Cystatin C sales growth in Europe and the US. Within the 'other' category, GCAL® continues to perform well recording high growth on a quarterly and year to date basis, still from a moderate base.

Sales of Cystatin C were NOK 9.0 million during 3Q24 and NOK 37.2 million during the first nine months this year, compared to NOK 16.5 million and NOK 42.3 million in the same periods last year. The significant decline in 3Q24 is entirely attributed to lower sales to Asia. Orders from China are impacted by the value-based-pricing tender implementation by the Chinese government, causing general market uncertainty in the country and resulting in cautious order behaviour by the entire market, including our business partners.

Demand in Europe and the US remains strong with continued growth in adoption of Cystatin C testing, following recently published guidelines with positive long-term outlook for Cystatin C with above average market growth. In China, the lower ordering patterns are expected to persist into early 2025.

Sales of fCAL® turbo reached a new third quarter record level with NOK 14.3 million in 3Q24 compared to NOK 8.1 million in 3Q23, a 76% increase in sales. For the first nine months of 2024, fCAL® turbo sales grew to NOK 43.0 million versus NOK 29.6 million, an increase of 45%. The strong growth is related to Bühlmann's expanding sales network and growing sales to existing large global partners. Recently, Bühlmann announced the worldwide collaboration with Beckman Coulter for the distribution of both fCAL® turbo and fPELA® turbo products on Beckman Coulter's entire suite of clinical chemistry instrument platforms. The commercial launch was initiated at the end of 3Q24. Bühlmann Laboratories is Gentian's exclusive commercial partner for both products.

The company's Swedish distribution subsidiary, Gentian Diagnostics AB (GAB), continues to demonstrate a positive sales trend for third party products with revenue totalling NOK 4.3 million in 3Q24. This represents an increase of 50% compared to 3Q23.

Market development GCAL®

There is an increased interest and growing evidence for the use of the calprotectin biomarker in autoimmune diseases, including rheumatic diseases in children and adults. Several studies have confirmed the role of calprotectin in estimation of disease activity and treatment monitoring in patients with rheumatoid arthritis and juvenile idiopathic arthritis (paediatric population). The value of calprotectin has also been described in other autoinflammatory diseases such as vasculitis in adults and in children.

The recently published recommendation from European Alliance of Associations for Rheumatology (EULAR) and The Pediatric Rheumatology European Society (PReS) highlights calprotectin as a valuable biomarker for the diagnosis of Still's disease (formerly known as systemic JIA and adult-onset Still's disease).

The diagnosis of Still´s disease is challenging since clinical symptoms may be heterogeneous and no symptom or biological feature is specific to the Still's disease. Early and sensitive biomarkers are required to facilitate rapid diagnosis and initiate early treatment in patients with suspected disease. The recommendation acknowledges that elevated levels of circulating calprotectin strongly support the diagnosis of Still´s disease and recommend measurement of this biomarker. Gentian has extended the network and collaboration with key opinion leaders (KOLs) engaged in autoimmune diseases, including council members of the Paediatric Rheumatology European Association (PRES).

One of the previously published GCAL studies, conducted in collaboration with Professor Anders Larsson from Akademiska Hospital in Uppsala has been nominated as one of three finalists for the Lorentz Eldjarn Prize Competition for Best Publication at the 39th Nordic Congress in Clinical Chemistry in Stockholm.

The nominated study, titled "Calprotectin is Superior to Procalcitonin as a Sepsis Marker and Predictor of 30-Day Mortality in Intensive Care Patients," was performed in severely ill patients admitted to intensive care unit (ICU).

The results presented by Professor Anders Larsson showed that calprotectin, measured at ICU admission, successfully distinguished sepsis patients from those with other severe conditions, while PCT was not able to distinguish between septic and non-septic patients. Additionally, calprotectin was superior to PCT in predicting 30-day mortality.

Product development

NT-proBNP

During the third quarter, Gentian continued its NT-proBNP assay development with verification studies proceeding as planned. A significant milestone was achieved by securing the availability of the first clinical cohort for testing through an agreement with one of Norway's leading hospitals in cardiology. An initial clinical evaluation on 220 patient samples in collaboration with leading Norwegian experts in Cardiology has been performed, indicating good clinical performance.

Additionally, the process of expanding collaboration and securing further clinical cohorts and additional sample material is ongoing to support the continued progression of the assay's verification and validation phases, including evaluation of the clinical performance of the assay.

Another key achievement this quarter is Gentian being granted a patent for its NT-proBNP reference method, which reinforces the company's intellectual property portfolio and highlights its commitment to developing harmonized NT-proBNP measurements, thereby strengthening its competitive position in the cardiovascular diagnostic space for this crucial biomarker.

As previously highlighted, the final calibration steps have been deferred to the verification phase to align with the availability of additional clinical data. Following successful completion of these phases, Gentian Diagnostics aims to introduce the assay as a research-use-only product in the second half of 2025. The timeline for a full commercial launch will be subject to capacity constraints with external regulatory clearance institutions, a process beyond the company's control. Typically, this regulatory clearance process takes 6-12 months.

Pipeline

Gentian has two proof-of-concept projects. One project carried out in close collaboration with a leading in vitro diagnostics (IVD) company has made further progress in the third quarter. The other project is currently at an early stage and further progress will depend on advancement in the NT-proBNP project which is the highest priority for the company.

Additionally, Gentian is exploring new and emerging technologies that align with its strategic vision. This ongoing exploration of external innovations supports the company's commitment to maintaining a leading edge in the in vitro diagnostics field.

Long-term outlook

Gentian targets disease groups that represent a total addressable market of around USD 6.1 billion globally and an estimated growth rate of 4-5% annually over the next 4-6 years, according to leading market data provider Kalorama (2022). From a macro perspective, key growth drivers include a growing and ageing population contributing to an increase in chronic and infectious diseases globally.

The specific segments targeted by Gentian's products add up to a total serviceable market of USD 1.8 billion (2022), with an estimated annual growth rate of 5-10% over the next 4-6 years. The key driver for the higher expected growth rate in the serviceable market is Gentian's selective approach to target attractive segments.

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

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

Gentian growth ambitions and revenue potential are set to be de-risked through several key milestones for the company's product portfolio over the coming 12 months.

The key milestones are:

Established products

- Targeting additional large and medium size commercial partners globally.
- Additional regulatory approvals to allow for geographical expansion.

GCAL® (in market development)

- Dissemination of results from performed clinical studies confirming improved patient outcomes and relevance for the early detection of infections and avoidance of sepsis. Support adoption of GCAL® assay in the diagnosis and assessment of severe infections.
- Support evidence and adoption of GCAL® assay for diagnosis, assessment of disease activity and treatment monitoring in autoimmune – and other inflammatory disorders.
- Securing endorsements from key opinion leaders and inclusion in clinical guidelines.
- Securing global commercial partnerships with phased regional rollout.

New products

NT-proBNP

- Successful technical and clinical verification and validation of the assay.
- Securing endorsements from key opinion leaders.
- Obtain progress on global commercial partnerships.

Pipeline

- Finalize proof-of-concept for two new pipeline projects.

Financial performance

Comparative numbers for Gentian in 2023 in ().

Revenue, geographic split and product split

Sales revenue increased by 2% to NOK 32.7 million in 3Q24 (NOK 32.1 million), with organic revenue growth of 5%.

Revenue from the US market was NOK 2.4 million for 3Q24 (NOK 1.9 million), and NOK 8.1 million for the first nine months of 2024 (NOK 6.7 million), representing a 28% growth for the quarter and 20% growth year to date compared to the same period last year. Europe recorded growth in revenues of 46% compared to the same quarter last year, increasing to NOK 27.3 million in 3Q24 (NOK 18.7 million), and 27% revenue growth year to date. Sales to Asia, which to some extent is dependent on the timing of large orders, was NOK 3.0 million 3Q24 (NOK 11.5 million) and NOK 17.6 million year to date (NOK 24.8 million) largely due to the weakened order patterns from China.

Geographic split

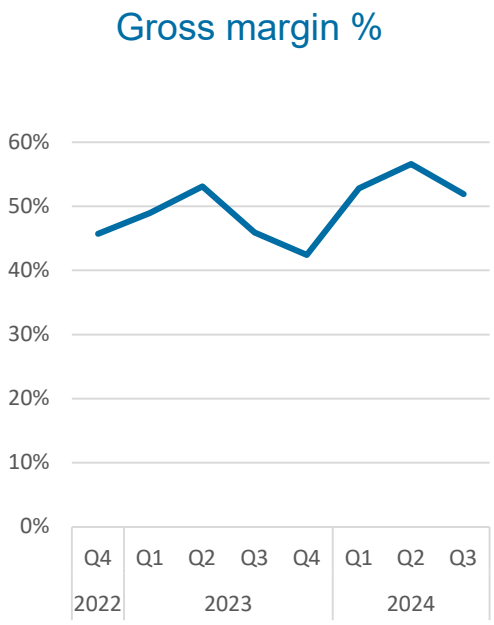
NOK million	3Q24	3Q23	YTD24	YTD23	2023
US	2.4	1.9	8.1	6.7	8.7
Europe	27.3	18.7	83.8	66.2	92.8
Asia	3.0	11.5	17.6	24.8	33.7
Total	32.7	32.1	109.5	97.7	135.2

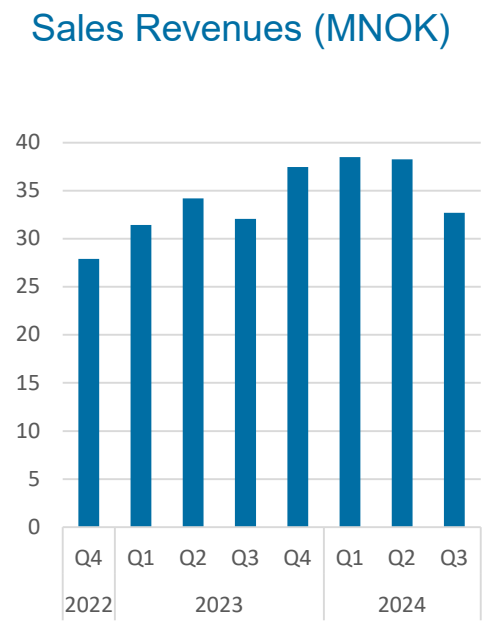
The portfolio of established products continues to grow according to Gentian's strategy and long-term growth plan in all markets with the exception of China. The sales of Cystatin C decreased by 45% in the third quarter of 2024. Sales of fCAL turbo experienced a 76% increase in sales for 3Q24 compared to 3Q23. The distribution of third-party products conducted by the Swedish subsidiary Gentian Diagnostics AB (GAB), experienced a strong performance with 50% sales growth in 3Q24 compared to 3Q23.

Product split

NOK million	3Q24	3Q23	YTD24	YTD23	2023
Cystatin C	9.0	16.5	37.2	42.3	56.3
fCAL®turbo	14.3	8.1	43.0	29.6	43.2
Third party products	4.3	2.9	13.6	12.2	17.0
Other	5.1	4.6	15.7	13.6	18.7
Total	32.7	32.1	109.5	97.7	135.2

Approximately 84% (81%) of the sales revenue in the quarter came from long-term contracts with established customers.





Gross margin

Gross margin was 52% (46%) of sales revenue in 3Q24. The improvement is mainly a result of a continued favourable product mix in the quarter, but also higher positive effects from the acquisition of Getica AB in 2023 than originally estimated. Gentian expects continued price increases in raw material prices and labour cost, but maintains its ambition that over time, the gross margin will continue to improve with increasing sales.

Operating expenses

Operating expenses ended at NOK 15.3 million (NOK 18.6 million) in 3Q24.

R&D expenses amounted to 36% (36%) of operating expenses in 3Q24. In addition, NOK 2.6 million (NOK 0.7 million) of the R&D expenses were capitalised in the quarter.

Earnings

Operating profit before depreciation and amortization (EBITDA) ended at NOK 5.0 million (NOK 1.2 million) for 3Q24 and NOK 16.5 million (NOK 4.3 million) for the first nine months of 2024. Net profit was NOK 3.4 million (NOK -0.8 million) for the quarter and NOK 12.3 million (NOK -0.6 million) year to date in September 2024.

Balance sheet

Cash and cash equivalents as of 30 September 2024 were NOK 93.8 million (NOK 76.4 million). The cash is placed in both savings accounts and current accounts.

Accounts receivables as of 30 September 2024 were NOK 1.6 million (NOK 16.5 million), and inventory NOK 42.6 million (NOK 41.1 million).

The equity ratio was 85.4% as of 30 September 2024.

Events after the balance sheet date

There are no events after the balance sheet date.

Statement of Profit and Loss – Gentian Diagnostics Group (unaudited)

	Note	2024	2023	2024	2023	2023
(Figures in NOK thousands)		Q3	Q3	01.01-30.09	01.01-30.09	01.01-31.12
Sales revenues	3	32 698	32 071	109 459	97 687	135 153
Cost of goods sold	4,7	-15 714	-17 354	-50 475	-49 362	-70 905
Gross profit		**16 984**	**14 717**	**58 984**	**48 325**	**64 248**
Other income	5,6	1 036	2 716	2 759	6 859	7 193
R&D expenses	7,8	-5 475	-6 743	-16 638	-21 432	-36 083
Sales and marketing expenses	7	-6 069	-5 548	-18 933	-16 985	-23 067
Administrative expenses	7	-3 760	-6 335	-16 339	-19 655	-25 054
Operating profit		**2 715**	**-1 193**	**9 833**	**-2 888**	**-12 762**
Finance income		1 457	1 217	4 445	4 726	5 807
Finance cost		-758	-840	-1 975	-2 404	-3 411
Net financial items		**698**	**376**	**2 470**	**2 322**	**2 396**
Profit (loss) before tax		**3 413**	**-816**	**12 303**	**-565**	**-10 366**
Tax expense		-	-	-	-	-282
Net profit (loss)		**3 413**	**-816**	**12 303**	**-565**	**-10 648**
Other comprehensive income *Items that will or may be reclassified to profit or loss:*						
Exchange differences		266	-38	73	-218	75
Total other comprehensive income		**266**	**-38**	**73**	**-218**	**75**
Total comprehensive income for the period		**3 679**	**-854**	**12 376**	**-784**	**-10 573**
Earnings per share						
Basic EPS from net profit/(loss)	12	0.22	-0.05	0.80	-0.04	-0.69
Diluted EPS from net profit/(loss)	12	0.21	-0.05	0.78	-0.04	-0.69

Statement of Financial Position – Gentian Diagnostics Group (unaudited)

	Note	2024	2023	2023
(Figures in NOK thousands)		30.09	30.09	31.12
Assets				
Non-current assets				
Intangible assets	9	26 026	27 075	21 158
Property, plant and equipment		6 716	9 287	7 751
Right-of-use assets		8 710	10 156	10 294
Financial assets		104	144	101
Total non-current assets		**41 555**	**46 662**	**39 304**
Current assets				
Inventory		42 618	41 146	37 116
Accounts receivables and other receivables		11 126	23 844	16 976
Cash and cash equivalents		93 797	76 393	87 642
Total currents assets		**147 542**	**141 384**	**141 734**
Total assets		**189 097**	**188 046**	**181 038**
Equity and liabilities				
Paid-in equity				
Share capital	11	1 542	1 542	1 542
Share premium		293 810	293 810	293 810
Other paid-in equity		20 770	17 577	18 332
Total paid-in equity		**316 122**	**312 929**	**313 684**
Retained earning				
Retained earning		-154 673	-157 260	-167 049
Total retained equity		**-154 673**	**-157 260**	**-167 049**
Total equity		**161 450**	**155 669**	**146 636**
Liabilities				
Lease liabilities	10	6 617	10 015	9 006
Deferred tax liabilities		75	-	73
Total non-current liabilities		**6 692**	**10 015**	**9 080**
Current liabilities				
Accounts payable and other current liabilities		20 955	22 361	25 323
Total current liabilities		**20 955**	**22 361**	**25 323**
Total liabilities		**27 647**	**32 377**	**34 402**
Total equity and liabilities		**189 097**	**188 046**	**181 038**

Statement of changes in equity (unaudited)

(figures in NOK thousands)

	Share capital	Share premium	Other paid-in capital	Retained earnings	Translation differences	Total equity
Equity at 01.01.2024	**1 542**	**293 810**	**18 332**	**-166 614**	**-435**	**146 636**
Net result for the year				12 303		12 303
Share based payments			2 438			2 438
Other comprehensive income					73	73
Equity at 30.09.2024	**1 542**	**293 810**	**20 770**	**-154 310**	**-363**	**161 450**
Equity at 01.01.2023	**1 542**	**293 810**	**15 294**	**-155 966**	**-511**	**154 170**
Net result for the year				-10 648		-10 648
Share based payments			3 038			3 038
Other comprehensive income					75	75
Equity at 31.12.2023	**1 542**	**293 810**	**18 332**	**-166 614**	**-435**	**146 636**
Equity at 01.01.2023	**1 542**	**293 810**	**15 294**	**-155 966**	**-511**	**154 170**
Net result for the year				-565		-565
Share based payments			2 283			2 283
Other comprehensive income					-218	-218
Equity at 30.09.2023	**1 542**	**293 810**	**17 577**	**-156 532**	**-729**	**155 669**

Cash Flow Statement (unaudited)

	2024	2023	2024	2023	2023
(Figures in NOK thousands)	Q3	Q3	01.01-30.09	01.01-30.09	01.01-31.12
Operating activities					
Net profit (loss)	3 413	-816	12 303	-565	-10 648
Depreciation and amortisation	2 236	2 374	6 705	7 147	9 566
Impairment	-	-	-	-	6 469
Gain on bargain purchase	-	-892	-	-892	-892
Change Inventory	-1 390	2 497	-5 502	-1 338	2 692
Change accounts receivables	13 873	-5 126	10 006	-6 105	-1 196
Change accounts payables	357	-3 693	251	-16	-878
Accrued cost of options	393	769	2 438	2 283	3 038
Change in other assets and liabilities	-2 452	2 850	-8 685	1 254	7 306
Net cash flow from operating activities	**16 431**	**-2 038**	**17 516**	**1 767**	**15 458**
Investing activities					
Payments of property, plant and equipment	-40	-39	-1 084	-733	-955
Investment in intangible assets	-2 639	-729	-6 573	-2 214	-3 532
Purchase of shares in other companies net of cash acquired	-	-390	-	-390	-390
Net cash flow from investing activities	**-2 679**	**-1 157**	**-7 656**	**-3 336**	**-4 877**
Financing activities	-	-	-	-	-
New debt	-	-	-	-	-
Lease payments	-1 218	-1 118	-3 760	-3 442	-4 598
Proceeds from issue of share capital	-	-	-	-	-
Net cash flow from financing activities	**-1 218**	**-1 118**	**-3 760**	**- 3 442**	**-4 598**
Net change in cash and cash equivalent	12 534	-4 313	6 099	-5 011	5 982
Cash and cash equivalents at beginning of period	81 015	80 727	87 642	81 599	81 599
Effect of currency translation of cash and cash equivalents	247	-21	56	-195	61
Net cash and cash equivalents at period end	**93 797**	**76 393**	**93 797**	**76 393**	**87 642**

Notes

1. General information

Gentian Diagnostics ASA is registered in Norway and listed on the Euronext Oslo Børs. The company's headquarters are in Bjørnåsveien 5, 1596 Moss, Norway. The company is a research and development-based company that develops and manufactures biochemical reagents for use in medical diagnostics and research. The customers are medical laboratories and universities worldwide. The group consists of the parent company Gentian Diagnostics ASA and the subsidiaries Gentian AS and Getica AB, located in Norway and Sweden.

In addition, Gentian AS has a wholly owned subsidiary, registered in Florida, USA, named Gentian USA Inc., and a wholly owned subsidiary in Sweden, Gentian Diagnostics AB.

2. Accounting principles

The interim consolidated financial statements for the group are prepared using the same accounting principles and calculation methods as used for the annual financial statements 2023 for Gentian Diagnostics ASA.

The accounting principles used have been consistently applied in all periods presented, unless otherwise stated. From 2024 the expenses are presented using the functional method. Comparable figures for previous periods have been prepared accordingly.

Amounts are in thousand Norwegian kroner unless stated otherwise. The groups presentation currency is NOK (Norwegian kroner). This is also the parent company’s functional currency. The company uses currency rates published by DNB ASA and the central bank of Norway (Norges Bank).

2.1. Basis of preparation

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

No new accounting standards and interpretations have been published that have been assessed to be of material impact for the group in 2024.

2.2. Basis of consolidation

The interim financial statements comprise the financial statements of the company and its subsidiaries. As of 30 September 2024, Gentian AS, located in Moss, Norway and Getica AB, located in Gothenburg, Sweden, are 100% owned and controlled subsidiaries.

3. Sales revenue

Sales revenue Geographical split	3Q24	3Q23	YTD24	YTD23	2023
Europe	27 288	18 671	83 815	66 207	92 757
Asia	2 977	11 497	17 558	24 759	33 673
USA	2 433	1 903	8 086	6 722	8 722
Total	**32 698**	**32 071**	**109 459**	**97 687**	**135 153**

Sales revenue by product category	3Q24	3Q23	YTD24	YTD23	2023
Renal diagnostic products	8 995	16 498	37 172	42 359	56 321
Inflammation diagnostic products	16 939	10 328	50 694	35 890	51 770
Other diagnostic products	6 765	5 244	21 594	19 438	27 062
Total	**32 698**	**32 071**	**109 459**	**97 687**	**135 153**

4. Cost of goods sold

(NOK 1000)	3Q24	3Q23	YTD24	YTD23	2023
Change in inventory of goods under manufacture and finished goods	610	-1 382	3 562	-1 770	-2 410
Purchase of goods	5 537	9 872	17 660	27 516	39 971
Other manufacturing expenses	9 567	8 865	29 253	23 617	33 344
Total	**15 714**	**17 354**	**50 475**	**49 362**	**70 905**

5. Other income

(NOK 1000)	3Q24	3Q23	YTD24	YTD23	2023
Public grants	1 036	1 824	2 759	5 967	6 154
Other income	-	892	-	892	1 040
Total	**1 036**	**2 716**	**2 759**	**6 859**	**7 193**

6. Public Grants

In some cases, Gentian is eligible for tax deductions (SkatteFUNN) for some of the ongoing projects. The company also from time to time is rewarded with other grants from national and international programs.

(NOK 1000)	3Q24	3Q23	YTD24	YTD23	2023
SkatteFUNN	1 035	513	2 581	1 981	2 202
Other research programs	1	1 311	178	3 986	3 952
Total	**1 036**	**1 824**	**2 759**	**5 967**	**6 154**

7. Expenses by nature

(NOK 1000)	3Q24	3Q23	YTD24	YTD23	2023
Cost of materials	6 147	8 489	21 222	25 746	37 561
Employee benefit expenses	16 706	19 525	52 652	52 196	70 795
Depreciation	2 236	2 374	6 705	7 147	9 566
Impairment	-	-	-	-	6 469
Other operating expenses	5 930	5 591	21 806	22 347	30 718
Total	**31 019**	**35 980**	**102 385**	**107 435**	**155 109**

8. Research and Development (R&D) expenses

The Gentian Group has per 30 September 2024 three ongoing R&D projects. Costs related to the projects consist of salary, external procurement of services, and other operating expenses. One of the projects went over in the development phase in 2021, and consequently the capitalisation of the costs on this project was started. In addition, the R&D department is responsible for application validation.

Recognised research and development expenses *(NOK 1000)*	3Q24	3Q23	YTD24	YTD23	2023
Purchase of external services	496	430	1 650	3 898	5 700
Salary and other operating expenses	6 637	5 895	18 618	16 304	22 843
Depreciation and amortisation	982	1 146	2 942	3 444	4 603
Impairment	-	-	-	-	6 469
Capitalised research and development expenses	-2 639	-729	-6 573	-2 214	-3 532
Total	**5 475**	**6 743**	**16 638**	**21 432**	**36 083**

9. Intangible assets

As of 30 September 2024, the recognised intangible assets in the Group amounts to NOK 26 million. The intangible assets are derived from capitalisation of R&D expenses.

Intangible assets are tested for impairment at least annually, or when there are indications of impairment. The impairment test is based on an approach of discounted cash flows. The valuation is sensitive to several assumptions and uncertainties, and the result from the valuation is thus limited to ensure sufficient certainty for the recognised amount in the financial statement.

10. Interest bearing debt

Loan and loan expenses is recorded in the balance sheet and expensed in the Statement of Profit and Loss at amortised cost. If a loan and loan expenses is related to an asset, and the real value of the asset is lower, the asset is written down to its real value. There was no value adjustment of assets in 3Q 2024.

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

11. Share capital and number of shares

20 largest shareholders in Gentian Diagnostics ASA as of 30 September 2024 according to VPS and disclosures from investors:

Shareholder	No of shares	%
Vatne Equity AS	2 110 224	13.68 %
Kvantia AS	1 803 368	11.69 %
Holta Invest AS	1 228 502	7.97 %
Verdipapirfondet Delphi Nordic	694 300	4.50 %
Safrino AS	649 700	4.21 %
Carpe Diem Afseth AS	568 189	3.68 %
J.P. Morgan SE	523 631	3.40 %
Verdipapirfondet Delphi Norge	377 572	2.45 %
Verdipapirfondet DNB SMB	356 065	2.31 %
Portia AS	300 000	1.95 %
Krefting, Johan Henrik	298 000	1.93 %
Viola AS	258 421	1.68 %
Intertrade Shipping AS	257 716	1.67 %
Cressida AS	235 000	1.52 %
Lioness AS	220 000	1.43 %
Marstal AS	212 407	1.38 %
Verdipapirfondet Storebrand Vekst	211 665	1.37 %
Mutus AS	210 465	1.36 %
Silvercoin Industries AS	183 701	1.19 %
Caaby AS	173 500	1.12 %
Other Shareholders	4 549 924	29.50 %
Total Shares	**15 422 350**	**100.00%**

12. Earnings per share

	3Q24	3Q23	YTD24	YTD23	2023
Earnings/ loss (-) for the period	3 413 109	-816 362	12 303 386	-565 433	-10 647 559
Number of shares:					
Weighted average number of outstanding ordinary shares	15 422 350	15 422 350	15 422 350	15 422 350	15 422 350
Effect of dilutive potential shares:					
Share options	809 920	-	386 261	-	-
Weighted average number of shares issued with diluted effect	16 232 270	15 422 350	15 808 611	15 422 350	15 422 350
Basic earnings/ loss (-) per share	0.22	-0.05	0.80	-0.04	-0.69
Diluted earnings/loss (-) per share	0.21	-0.05	0.78	-0.04	-0.69

13. Share-based compensation

The company has a share option program covering certain key employees. Per 30 September 2024, fourteen employees were included in the option program.

The share option program for key personnel is settled in shares, however, the company may resolve settlement in cash. The fair value of the issued options is expensed over the vesting period:

For options issued from 2018 and up to 2021,1/3 of the options will vest 24 months after the day of grant, 1/3 will vest 36 months after the day of grant and 1/3 will vest 48 months. For options issued from 2022 and 2023, 1/2 of the options will vest after 36 months and 1/2 of the options will vest after 48 months. Unvested options will be cancelled if the holder terminates its employment with the group.

The cost of the employee share-based transaction is expensed over the average vesting period. The value of the issued options of the transactions that are settled with equity instruments (settled with the company's own shares) is recognised as salary and personnel cost in profit and loss and in other paid-in capital.

The value of the issued options of the programs that are settled in cash (cash-based programs) is recognised as salary and personnel cost in profit and loss and as a liability in the balance sheet. The liability is measured at fair value at each balance sheet date until settlement, and changes in the fair value are recognised in profit and loss.

Social security tax on options is recorded as a liability and is recognised over the estimated vesting period.

	3Q24	3Q23	2023
Outstanding options at beginning of period	1 115 594	960 586	960 586
Options granted	-	-	339 962
Options forfeited	-	-	-
Options terminated	-	-	-10 000
Options expired	-	-174 954	-174 954
Outstanding options at end of period	1 115 594	785 632	1 115 594

The outstanding options are subject to the following conditions:

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

The fair value of the options has been calculated using Black - Scholes - Merton Option Pricing Model. The most important parameters are share price at the grant date, exercise prices shown above, volatility (42.21%), expected dividend yield (0%), an expected term of 5 years, and annual risk-free interest rate (3.681%). The volatility is based on other comparable companies' stock price volatility.

14. Tax

The Group has carried forward losses which are not capitalised as it is uncertain when the Group will be in a tax position. The loss carried forward per 30 September 2024 is estimated to NOK 202.6 million. The Group will continuously assess the probability of when it will be in a tax position and when to consider a capitalisation of the loss carried forward.

Alternative performance measures

Non-IFRS financial measures / alternative performance measures

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

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

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

Organic revenue growth

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

Reconciliation	**3Q24**	**3Q23**	**YTD24**	**YTD23**	**2023**
(NOK 1000)					
Sales revenues	32 698	32 071	109 459	97 687	135 153
Revenue growth	628	9 000	11 755	23 963	33 517
Impact using exchange rates from last period	870	-2 401	342	-8 621	-11 887
Impact M&A	-	-	-	-	-
Organic revenue growth	1 497	6 598	12 097	15 342	21 630
Organic revenue growth %	5 %	29 %	12 %	21 %	21 %

EBITDA

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

Reconciliation	**3Q24**	**3Q23**	**YTD24**	**YTD23**	**2023**
(NOK 1000)					
Operating profit	2 715	-1 193	9 833	-2 888	-12 762
Depreciation and amortisation	2 236	2 374	6 705	7 147	9 566
Impairment	-	-	-	-	6 469
EBITDA	4 951	1 182	16 538	4 259	3 273

Gross Margin

Gross margin refers to gross profit in % of sales revenues. Gross Margin % 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.

	3Q24	**3Q23**	**YTD24**	**YTD23**	**2023**
(NOK 1000)					
Sales revenues	32 698	32 071	109 459	97 687	135 153
Cost of goods sold	-15 714	-17 354	-50 475	-49 362	-70 905
Gross profit	16 984	14 717	58 984	48 325	64 248
Gross Margin	52 %	46 %	54 %	49 %	48 %