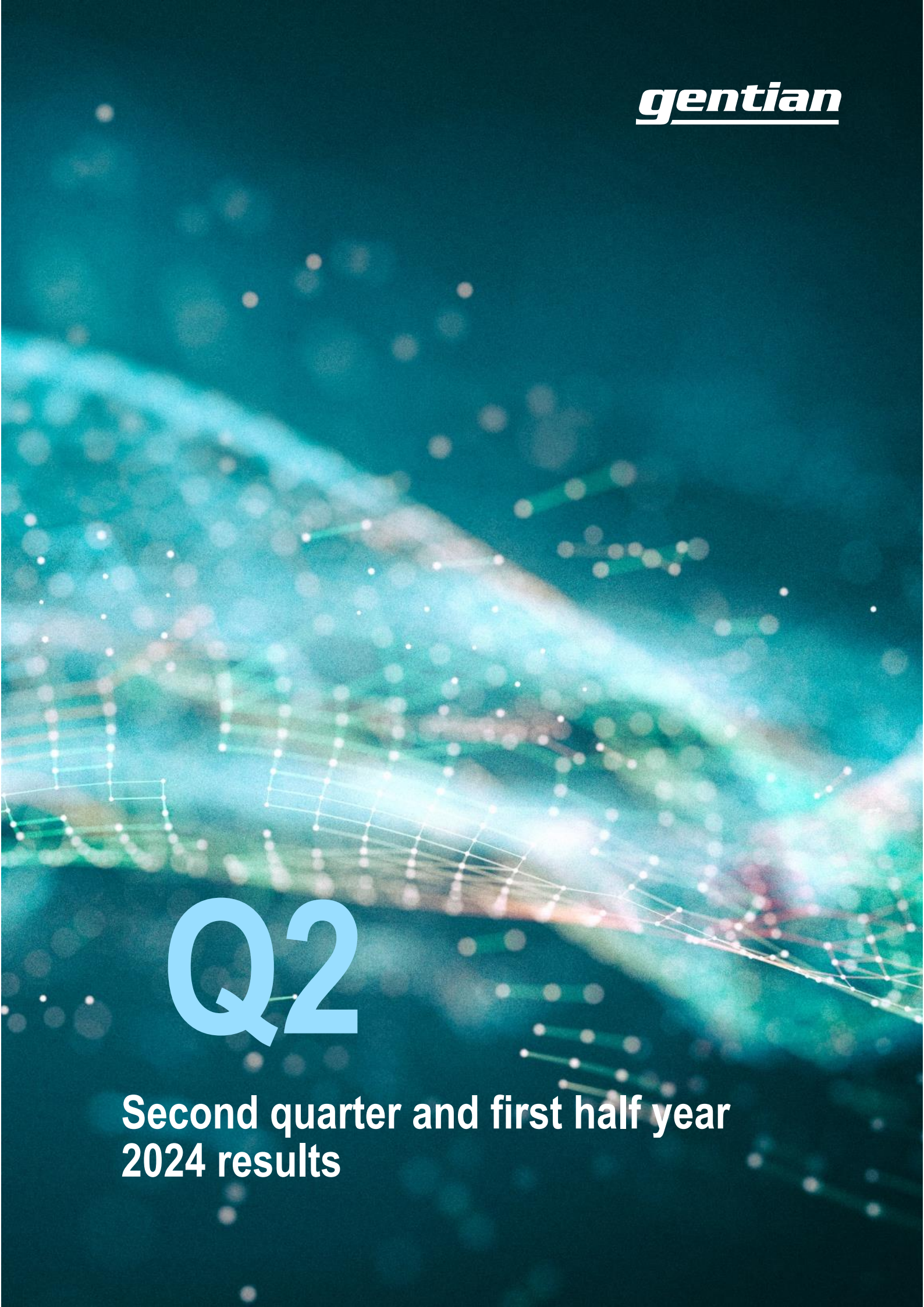

gentian
Q2
Second quarter and first half year
2024 results

Efficient diagnostics for better treatment decisions

www.gentian.com

Gentian Diagnostics

Second quarter 2024 highlights

- Sales of NOK 38.3 million in 2Q24, up 12% vs 2Q23 (13% organic growth). Revenue of NOK 76.8 million in 1H24 up 17% vs 1H23 (16% organic growth).
- EBITDA of NOK 6.8 million in 2Q24 versus NOK 3.6 million in 2Q23. EBITDA of NOK 11.6 million in 1H24 versus NOK 3.1 million in 1H23.
- Gross margin of 57% positively influenced by favourable product mix and finalisation of integration with Getica AB, which was acquired in July 2023
- Sales of fCAL® turbo increased 26% in 2Q24 compared to 2Q23 and by 33% in 1H24 vs 1H23.
- Sales of Cystatin C were NOK 13.3 million during 2Q24 and NOK 28.2 million in 1H24 recording growth of 8% and 9% respectively. Weakened order patterns from China is expected to continue throughout this year.
- Major milestone achieved with the successful completion of NT-proBNP optimisation phase.

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 severe infections.

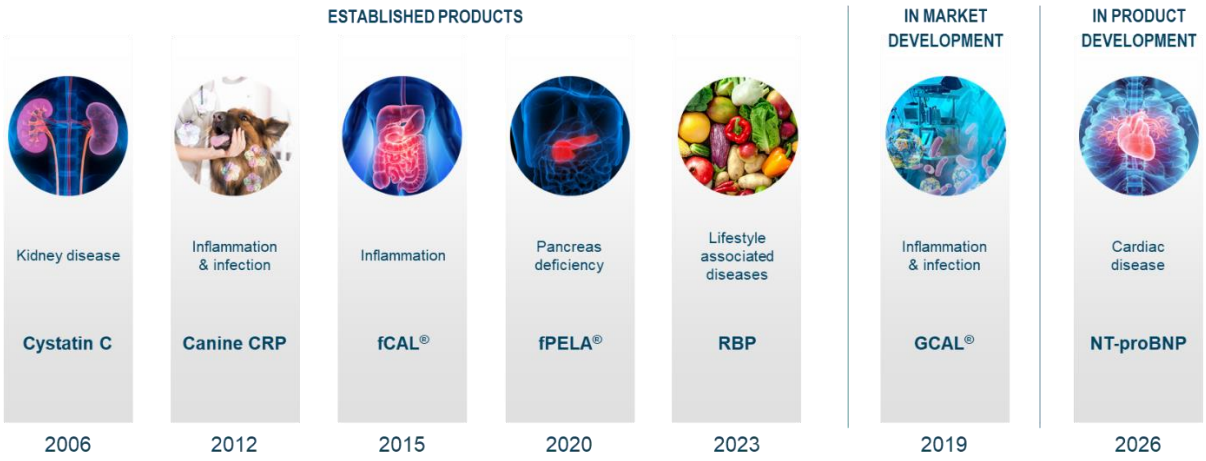
Bring a steady stream of new high-impact diagnostic tests to market.

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 second quarter of 2024, the company recorded sales of NOK 38.3 million at 12% growth vs. 2Q23, a 13% organic growth. Sales revenue 1H24 were NOK 76.8 million, up 17% (16% organic growth) versus 1H23.

Sales in 2Q24 were primarily driven by very strong fCAL® turbo sales and good Cystatin C sales growth in Europe. Within the 'other' category, both GCAL® as well as cCRP contributed to a 25% growth vs 2Q23 and 18% growth in 1H24 vs 1H23.

Sales of Cystatin C were NOK 13.3 million during 2Q24 and at NOK 28.2 million in 1H24 vs 1H23, with 8% and 9% growth, respectively. Strong momentum in Europe was offset by slowing order demand from China and flat sales in the US in 2Q24. After a first wave of Cystatin C testing adoption in the US, new accounts are in the process of being acquired and should fuel continued future growth after the publication of the new global KDIGO guidelines. Full commercial impact of the new guidelines had already been projected to be effective after 3-5 years after guideline publication. In China the implementation of a new regional tendering process has led to cautious ordering behaviour by the local partners in the concerned regions, a situation which is expected to continue in 2H24.

Sales of fCAL® turbo, which supports fast diagnosis of inflammatory bowel disease, reached a new record level of NOK 15 million in 2Q24 compared to NOK 12 million in 2Q23, a 26% increase in sales. For 1H24, fCAL® turbo sales were NOK 28.7 million vs. NOK 21.5 million in 1H23. Successful expansion and partnering efforts by Bühlmann Laboratories, our exclusive global commercialisation partner, are leading to continued record sales performance. An additional aspect is continuously improved workflow and automation elements of the fCAL® turbo assay with productivity gains appealing to the market.

The company's Swedish distribution subsidiary, Gentian Diagnostics AB (GAB), saw flat sales performance in 1H24 vs. 1H23, with slightly delayed orders by large accounts in 2Q as well as some backorder situations for selected products, which contributed to a 20% sales decrease in 2Q24 vs 2Q23. Overall sales were NOK 9.3 million in 1H24.

Market development GCAL®

Results from a clinical study in collaboration with Charité University Hospital and Labor Berlin have been published in the international journal BMC Infectious Diseases. The study was conducted in the Emergency Department with aim to investigate the value of calprotectin in detection of bacterial infections and assessment of disease severity in patients with suspected infections. The study results show very good performance of calprotectin in detection of bacterial infections and in distinguishing bacterial infections from viral infections and non-infectious conditions with similar symptoms. Consistent good performance of calprotectin was independent of infection site, age, comorbidities and type of bacteria confirming the value and robustness of the biomarker. Calprotectin was also shown as a useful biomarker for prediction of sepsis, defined as multi-organ dysfunction and infection, and 30-day mortality. This indicates the ability of calprotectin to not only identify bacterial infections, but also to correlate with the severity and outcome of the infection. The authors agree that this trial showed notable accuracy of blood calprotectin for all the clinically relevant endpoints and across key patient subpopulations. It is also highlighted that combination of fast and easy available GCAL® assay with robust performance of the biomarker assure the role of calprotectin in improved diagnosis and treatment decisions in patients with acute infections. A similar study was performed in a paediatric population, in collaboration with Hospital for Sick Kids in Toronto. In this study calprotectin was also shown to be a valuable biomarker for detection of bacterial infections and differentiation between bacterial and viral infections in febrile infants presenting to an emergency department. The authors agree that calprotectin, available as a turbidimetric assay on high-throughput clinical chemistry analysers, may contribute to improved management of bacterial infections, providing fast and accurate results and reducing the time taken to make decisions on clinical management. The study results are published in the peer-reviewed journal Antibiotics.

In addition to use of GCAL® in detection of severe infections, there is an increased interest and growing evidence for 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 recommendations from the European Alliance of Associations for Rheumatology (EULAR) and the American College of Rheumatology suggests use of S100 proteins, the family of proteins to which calprotectin belongs, for monitoring of inflammatory response in interleukin-1 (IL-1) mediated systemic autoinflammatory diseases.

Gentian has extended the network and collaboration with key opinion leaders (KOLs) engaged in autoimmune diseases, including council members of Paediatric Rheumatology European Association (PRES).

Product development

NT-proBNP

In the second quarter, Gentian announced a substantial progress in its NT-proBNP assay development project, a key initiative in its product lineup. The company successfully completed the optimization phase, marking a major milestone in the development of this product.

With the optimization phase finalized, the remaining phases of development include verification and validation. In the verification stage, the assay material from scale-up productions will be tested further, utilizing sample material from defined clinical cohorts. Analysis of patient samples will be dependent on the availability of the clinical material.

Moreover, Gentian has conducted a comprehensive clinical chemistry instrument variation study, evaluating the performance of its NT-proBNP assay across clinical chemistry instruments from multiple manufacturers. The study revealed a strong correlation in results across the different instruments, underscoring the versatility and compatibility of Gentian's prototype assay. This broad instrument compatibility enhances the future availability of the assay across diverse laboratory platforms, while also offering potential benefits in cost-effectiveness and workflow efficiency for laboratories and healthcare providers.

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 continues overseeing two proof-of-concept projects. The project, conducted in close collaboration with a leading in vitro diagnostics (IVD) company, has advanced significantly, earning high satisfaction from the company's partner.

The company's pipeline activities continue to evolve through various stages. Decisions to move projects into proof-of-concept phases are carefully weighed, considering both business potential and technological feasibility.

In parallel, Gentian continues to actively explore external technologies that align with the company's strategic objectives. This proactive approach ensures that Gentian remains at the forefront of innovation in its 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.

Risks and uncertainty

As described in the Annual Report for 2023, the company has a structured approach to identifying and mitigating risks. Some of these risks are outside of Gentian's control, including increased risks related to cost inflation, supply chain issues, currency volatility and access to growth capital.

Gentian has experienced limited impact from increased inflation, but the company expects some inflationary effects on its cost base to materialize, although at a moderate level. There is a risk that increased costs cannot be fully transferred to customers in the form of higher prices without negatively impacting demand.

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

The Group has experienced increased fluctuations in exchange rates which affects the group's cash flow and financial condition. The group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from sale of diagnostic products. The group currently does not hedge against foreign currency risk and is mainly exposed to fluctuations in EUR, USD, CHF and RMB. The group monitors movements in the main currencies which it is exposed to and may put in place hedges if deemed necessary.

Also, see the risk factors described in the Gentian Diagnostics annual report for 2023 which is published on the Company's website www.gentian.com

Corporate

Post quarter the company announced two executive hires.

Matti Heinonen was announced as CEO of Gentian Diagnostics on 22 July 2024. During the last 3 years, Matti has acted as VP Immunodiagnostics and most recently as CCO for Medix Biochemica, a well-established raw material supplier for the international diagnostics industry. In addition, he brings a longstanding international experience from the global healthcare industry with focus on the diagnostics and pharma segments. His employment will commence on 1 October 2024.

Dr. Frank Frantzen was announced as the new Chief Technology Officer (CTO) on 5 August 2024. He has served as principal scientist and has directed larger R&D units in international IVD companies Axis-Shield, Alere and Abbott. Dr. Frantzen left his Senior Director R&D position at Abbott in 2021 and served as Chief Technology Officer in CardiNor AS until July 2024. He was previously board member in Gentian Diagnostics from May 2022 to December 2023.

Financial performance

Comparative numbers for Gentian in 2023 in ().

Revenue, geographic split and product split

Sales revenue increased by 12% to NOK 38.3 million in 2Q24 (NOK 34.2 million), with organic revenue growth of 13%. Sales revenue for 1H24 increased 17% with organic revenue growth of 16%.

Revenue from the US market was NOK 2.8 million for 2Q24 (NOK 2.8 million), and NOK 5.7 million for 1H24 (NOK 4.8 million), representing 19% growth for the first half of 2024. Europe recorded growth in revenues of 12% compared to the same quarter last year, increasing to NOK 28.6 million in 2Q24 (NOK 25.5 million), and 19% revenue growth in 1H24 vs 1H23. Sales to Asia, which to some extent is dependent on the timing of large orders, grew 17% in 2Q24 compared to the second quarter last year and 10% in 1H24 vs 1H23.

Geographic split

NOK million	2Q24	2Q23	1H24	1H23	2023
US	2.8	2.8	5.7	4.8	8.7
Europe	28.6	25.5	56.5	47.6	92.8
Asia	6.9	5.9	14.6	13.2	33.7
Total	38.3	34.2	76.8	65.6	135.2

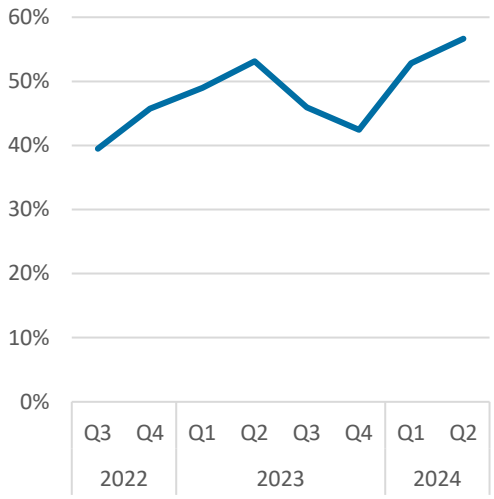
The portfolio of established products continues to grow according to Gentian's strategy and long-term growth plan. The sales of Cystatin C grew by 9% in the second quarter of 2024. Sales of fCAL turbo experienced a 26% increase in sales for 2Q24 compared to 2Q23. The distribution of third-party products conducted by the Swedish subsidiary Gentian Diagnostics AB (GAB), experienced a flat performance in 1H24 compared to 1H23 and a decrease in sales by 20% in 2Q24 compared to 2Q23.

Product split

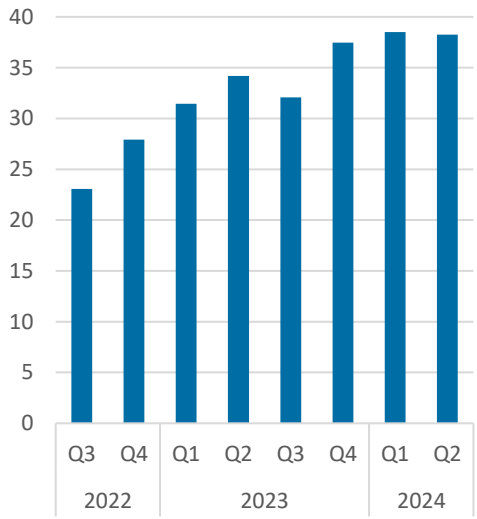
NOK million	2Q24	2Q23	1H24	1H23	2023
Cystatin C	13.3	12.3	28.2	25.9	56.3
fCAL®turbo	15.0	12.0	28.7	21.5	43.2
Third party products	4.6	5.7	9.3	9.3	17.0
Other	5.4	4.2	10.6	9.0	18.6
Total	38.3	34.2	76.8	65.6	135.2

Approximately 76% (73%) of the sales revenue in the quarter come from long-term contracts with established customers.

Gross margin %



Sales Revenues (NOK million)



Gross margin

Gross margin was 57% (53%) of sales revenue in 2Q24. The improvement is a result of a continued favourable product mix in the quarter and the full effect from the acquisition of Getica AB in July 2023. 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 18.1 million (NOK 19 million) in 2Q24.

R&D expenses amounted to 28% (36%) of operating expenses in 2Q24. In addition, NOK 1.4 million (NOK 0.7 million) of the R&D expenses was capitalised in the quarter.

Earnings

Operating profit before depreciation and amortization (EBITDA) ended at NOK 6.8 million (NOK 3.6 million) for 2Q24 and NOK 11.6 million (NOK 3.1 million) for the first half year. Net profit was NOK 4.7 million (NOK 0.9 million) for the quarter and NOK 8.9 million (NOK 0.3 million) for the first half year.

Balance sheet

Cash and cash equivalents as of 30 June 2024 were NOK 81 million (NOK 80.7 million). The cash is placed in both savings accounts and current accounts.

Accounts receivables as of 30 June 2024 were NOK 15.4 million (NOK 11 million), and inventory NOK 41.2 million (NOK 42.4 million).

The equity ratio was 84.2% as of 30 June 2024.

Events after the balance sheet date

There are no events after the balance sheet date.

Responsibility statement

We confirm, to the best of our knowledge, that the unaudited interim financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 - Interim Financial Reporting and that the disclosures in the accounts provide a true and fair view of the company's and the Group's assets, liabilities, financial position and overall results, and that the half-year report provides a fair overview of the information specified in section 5-6, fourth paragraph, of the Norwegian Securities Trading Act.

To the best of our knowledge, that the interim report provides a true and fair overview of key events in the accounting period and their influence on the interim financial statements, the most important risk and uncertainty factors the Group faces during the next accounting period and significant transactions with closely related parties.

Moss, 28 August 2024

On behalf of Gentian Diagnostics ASA,

_____	_____
Hilja Ibert Chair of the board *(sign.)*	Espen Tidemann Jørgensen Board member *(sign.)*
_____	_____
Kjersti Grimsrud Board member *(sign.)*	Kari E. Krogstad Board member *(sign.)*
_____	_____
Fredrik Thoresen Board member *(sign.)*	Njaal Kind CEO *(sign.)*

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

	Note	2024	2023	2024	2023	2023
(Figures in NOK thousands)		Q2	Q2	01.01-30.06	01.01-30.06	01.01-31.12
Sales revenues	3	38 259	34 179	76 761	65 616	135 153
Cost of goods sold	4,7	-16 586	-15 962	-34 761	-32 008	-70 905
Gross profit		**21 672**	**18 216**	**42 000**	**33 608**	**64 248**
Other income	5,6	968	1 981	1 724	4 144	7 193
R&D expenses	7,8	-5 083	-6 903	-11 163	- 14 689	-36 083
Sales and marketing expenses	7	-6 415	-6 020	-12 863	-11 437	-23 067
Administrative expenses	7	-6 615	-6 093	-12 579	-13 320	-25 054
Operating profit		**4 527**	**1 180**	**7 118**	**-1 695**	**-12 762**
Finance income		1 019	993	2 989	3 509	5 807
Finance cost		-813	-1 266	-1 217	-1 564	-3 411
Net financial items		**205**	**272**	**1 772**	**1 946**	**2 396**
Profit (loss) before tax		**4 732**	**908**	**8 890**	**251**	**-10 366**
Tax expense		-	-	-	-	-282
Net profit (loss)		**4 732**	**908**	**8 890**	**251**	**-10 648**
Other comprehensive income *Items that will or may be reclassified to profit or loss:*						
Exchange differences		-20	-97	-194	-180	75
Total other comprehensive income		**-20**	**-97**	**-194**	**-180**	**75**
Total comprehensive income for the period		**4 712**	**811**	**8 697**	**71**	**-10 573**
Earnings per share						
Basic EPS from net profit/(loss)	12	0.31	0.06	0.58	0.02	-0.69
Diluted EPS from net profit/(loss)	12	0.30	0.06	0.56	0.02	-0.69

Statement of Financial Position – Gentian Diagnostics Group (unaudited)

	Note	2024	2023	2023
(Figures in NOK thousands)		30.06	30.06	31.12
Assets				
Non-Current Assets				
Intangible assets	9	23 955	27 117	21 158
Property, plants and equipment		7 384	9 645	7 751
Right-of-use assets		9 655	10 972	10 294
Financial assets		100	-	101
Total Non-Current Assets		**41 093**	**47 734**	**39 304**
Current Assets				
Inventory		41 229	42 379	37 116
Accounts receivables and other receivables		23 525	19 562	16 976
Cash and cash equivalents		81 015	80 727	87 642
Total Currents Assets		**145 769**	**142 669**	**141 734**
Total Assets		**186 863**	**190 403**	**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		20 377	16 808	18 332
Total paid-in equity		**315 729**	**312 160**	**313 684**
Retained earning				
Retained earning		-158 352	-156 406	-167 049
Total retained equity		**-158 352**	**-156 406**	**-167 049**
Total equity		**157 377**	**155 754**	**146 636**
Liabilities				
Lease liabilities	10	7 767	11 011	9 006
Deferred tax liabilities		72	-	73
Total non-current liabilities		**7 839**	**11 011**	**9 080**
Current liabilities				
Accounts payable and other current liabilities		21 647	23 638	25 323
Total current liabilities		**21 647**	**23 638**	**25 323**
Total liabilities		**29 485**	**34 649**	**34 402**
Total equity and liabilities		**186 863**	**190 403**	**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				8 890		8 890
Share based payments			2 045			2 045
Other comprehensive income					-194	-194
Equity at 30.06.2024	**1 542**	**293 810**	**20 377**	**-157 723**	**-629**	**157 377**
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				251		251
Share based payments			1 514			1 514
Other comprehensive income					-180	-180
Equity at 30.06.2023	**1 542**	**293 810**	**16 808**	**-155 715**	**-691**	**155 754**

Cash Flow Statement (unaudited)

	2024	2023	2024	2023	2023
(Figures in NOK thousands)	Q2	Q2	01.01-30.06	01.01-30.06	01.01-31.12
Operating activities					
Net profit (loss)	4 732	908	8 890	251	-10 648
Depreciation and amortisation	2 264	2 414	4 469	4 772	9 566
Impairment	-	-	-	-	6 469
Gain on bargain purchase	-	-	-	-	-892
Change Inventory	-4 582	-3 248	-4 112	-3 835	2 692
Change Accounts Receivables	382	4 430	-3 867	-979	-1 196
Change Accounts Payables	-809	5 300	-106	3 677	-878
Accrued cost of options	1 249	761	2 045	1 514	3 038
Change in other assets and liabilities	-4 715	-3 478	-6 233	-1 595	7 306
Net cash flow from operating activities	**-1 478**	**7 086**	**1 085**	**3 805**	**15 458**
Investing activities					
Payments of property, plant and equipment	-347	-423	-1 044	-694	-955
Investment in intangible assets	-1 445	-695	-3 934	-1 485	-3 532
Purchase of shares in other companies net of cash acquired	-	-	-	-	-390
Net cash flow from investing activities	**-1 793**	**-1 118**	**-4 978**	**-2 179**	**-4 877**
Financing activities	-	-	-	-	-
New debt	-	-	-	-	-
Lease payments	-1 319	-1 176	-2 542	-2 324	-4 598
Proceeds from issue of share capital	-	-	-	-	-
Net cash flow from financing activities	**-1 319**	**-1 176**	**-2 542**	**-2 324**	**-4 598**
Net change in cash and cash equivalent	-4 590	4 791	-6 435	-698	5 982
Cash and cash equivalents at beginning of period	85 622	76 017	87 642	81 599	81 599
Effect of currency translation of cash and cash equivalents	-16	-81	-192	-174	61
Net Cash and cash equivalents at period end	**81 015**	**80 727**	**81 015**	**80 727**	**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 June 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	2Q24	2Q23	1H24	1H23	2023
Europe	28 578	25 473	56 527	47 557	92 757
Asia	6 892	5 904	14 581	13 243	33 673
USA	2 789	2 803	5 653	4 817	8 722
Total	**38 259**	**34 179**	**76 761**	**65 616**	**135 153**

Sales revenue by product category	2Q24	2Q23	1H24	1H23	2023
Renal diagnostic products	13 256	12 253	28 177	25 861	56 321
Inflammation diagnostic products	17 697	14 203	33 755	25 549	51 770
Other diagnostic products	7 306	7 723	14 829	14 206	27 062
Total	**38 259**	**34 179**	**76 761**	**65 616**	**135 153**

4. Cost of goods sold

(NOK 1000)	2Q24	2Q23	1H24	1H23	2023
Change in inventory of goods under manufacture and finished goods	2 923	403	2 952	-388	-2 410
Purchase of goods	4 016	8 725	12 123	17 644	39 971
Other manufacturing expenses	9 646	6 834	19 686	14 752	33 344
Total	**16 586**	**15 962**	**34 761**	**32 008**	**70 905**

5. Other income

(NOK 1000)	2Q24	2Q23	1H24	1H23	2023
Public grants	968	1 981	1 724	4 144	6 154
Other income	-	-	-	-	1 040
Total	**968**	**1 981**	**1 724**	**4 144**	**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)	2Q24	2Q23	1H24	1H23	2023
SkatteFUNN	791	781	1 547	1 468	2 202
Other research programs	177	1 200	177	2 675	3 952
Total	**968**	**1 981**	**1 724**	**4 144**	**6 154**

7. Expenses by nature

(NOK 1000)	2Q24	2Q23	1H24	1H23	2023
Cost of materials	6 940	9 128	15 075	17 257	37 561
Employee benefit expenses	17 349	15 168	35 947	32 670	70 795
Depreciation	2 264	2 414	4 469	4 772	9 566
Impairment	-	-	-	-	6 469
Other operating expenses	8 147	8 269	15 875	16 756	30 718
Total	**34 699**	**34 979**	**71 366**	**71 455**	**155 109**

8. Research and Development (R&D) expenses

The Gentian Group has per 30 June 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)*	2Q24	2Q23	1H24	1H23	2023
Purchase of external services	374	1 934	1 155	3 467	5 700
Salary and other operating expenses	5 171	4 509	11 982	10 409	22 843
Depreciation and amortisation	983	1 156	1 960	2 298	4 603
Impairment	-	-	-	-	6 469
Capitalised research and development expenses	-1 445	-695	-3 934	-1 485	-3 532
Total	**5 083**	**6 903**	**11 163**	**14 689**	**36 083**

9. Intangible assets

As of 30 June 2024, the recognised intangible assets in the Group amounts to NOK 24 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 Q2 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 June 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	562 689	3.65 %
J.P. Morgan SE	523 631	3.40 %
Verdipapirfondet DNB SMB	356 065	2.31 %
Verdipapirfondet Delphi NOrge	350 072	2.27 %
Viola AS	320 916	2.08 %
Portia AS	300 000	1.95 %
Krefting, Johan Henrik	298 000	1.93 %
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	211 208	1.37 %
Mutus AS	210 465	1.36 %
Salix AS	203 478	1.32 %
Vingulmork Predictor AS	184 083	1.19 %
Other Shareholders	4 490 526	29.12 %
Total Shares	**15 422 350**	**100.00%**

12. Earnings per share

	2Q24	2Q23	1H24	1H23	2023
Earnings/ loss (-) for the period	4 732 301	907 652	8 890 277	250 930	-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	339 962	-	339 962	-	-
Weighted average number of shares issued with diluted effect	15 762 312	15 422 350	15 762 312	15 422 350	15 422 350
Basic earnings/ loss (-) per share	0.31	0.06	0.58	0.02	-0.69
Diluted earnings/loss (-) per share	0.30	0.06	0.56	0.02	-0.69

13. Share-based compensation

The company has a share option program covering certain key employees. Per 30 June 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.

	2Q24	2Q23	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
Outstanding options at end of period	1 115 594	960 586	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 June 2024 is estimated to NOK 206 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	**2Q24**	**2Q23**	**1H24**	**1H23**	**2023**
(NOK 1000)					
Sales revenues	38 259	34 179	76 761	65 616	135 153
Revenue growth	4 062	4 084	11 128	14 963	33 517
Impact using exchange rates from last period	516	-3 474	-513	-6 219	-11 887
Impact M&A	-	-	-	-	-
Organic revenue growth	4 578	610	10 615	8 744	21 630
Organic revenue growth %	13%	2 %	16%	17 %	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	**2Q24**	**2Q23**	**1H24**	**1H23**	**2023**
(NOK 1000)					
Operating profit	4 527	1 180	7 118	-1 695	-12 762
Depreciation and amortisation	2 264	2 414	4 469	4 772	9 566
Impairment	-	-	-	-	6 469
EBITDA	6 791	3 593	11 588	3 077	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.

	2Q24	**2Q23**	**1H24**	**1H23**	**2023**
(NOK 1000)					
Sales revenues	38 259	34 179	76 761	65 616	135 153
Cost of goods sold	-16 586	-15 962	-34 761	-32 008	-70 905
Gross profit	21 672	18 216	42 000	33 608	64 248
Gross Margin	57 %	53 %	55 %	51 %	48 %