
gentian
Q1
First quarter
2024 results

Efficient diagnostics for better treatment decisions

www.gentian.com

Gentian Diagnostics

First quarter 2024 highlights

- Record sales of NOK 38.5 million in 1Q24, up 22% vs 1Q23 (19% organic growth)
- EBITDA of NOK 4.8 million in 1Q24 versus NOK -0.5 million in 1Q23
- Gross margin of 53% positively influenced by favourable product mix and finalisation of integration with Getica AB, which was acquired in July 2023
- Sales of fCAL® turbo increased 44% in 1Q24 compared to 1Q23
- Continued solid development for third party sales which increased 31% in 1Q24 compared to 1Q23
- New KDIGO Guidelines issued during 1Q24 recommends increased use of Cystatin C
- Significant advancements achieved in the technical development and production upscaling of the NT-proBNP assay

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.

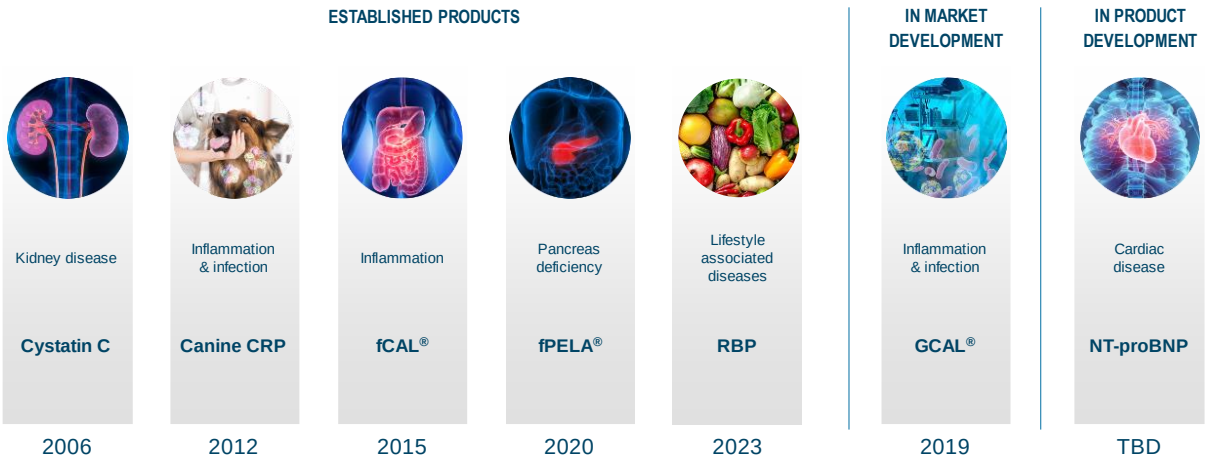
Bring a steady stream of new high-impact diagnostic tests to market.

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 first quarter of 2024, the company recorded sales of NOK 38.5 million at 22% growth vs. 1Q22, a 19% organic growth, demonstrating continued positive sales momentum in line with recent sales trends and the company's overall expectations.

Sales in 1Q24 were primarily driven by strong fCAL® turbo and Cystatin C growth in Europe, third party product sales in Gentian AB as well as very positive development for Cystatin C in the US. GCAL® sales growth was at its highest level since the product launch in 2019.

Sales of Cystatin C were NOK 14.9 million during the first three months in 2024 versus NOK 13.6 million in 1Q23, an overall increase of 10 %, whith somewhat lower Asian growth. Cystatin C sales to Asia historically show significant monthly variations due to large order patterns. Growth in Europe and the US were strong, with 40% growth in the US. We do see a positive trend in higher testing rates per laboratory as well as an increase of the Gentian customer base. During 1Q24 KDIGO (Kidney Disease Improving Global Outcomes) published the new Clinical Practice Guideline for Chronic Kidney Disease (CKD) emphasizing the significance of Cystatin C in estimating glomerular filtration rate (GFR) and its role in risk assessment and clinical decision-making, which is estimated to further positively impact the adoption and usage Cystatin C testing globally.

Sales of fCAL® turbo, which supports fast diagnosis of inflammatory bowel disease, reached a record level of NOK 13.7 million in 1Q24 compared to NOK 9.5 million in1Q23, a 44% increase in sales. This record quarterly sales for fCAL® turbo underpins a continued trend of adopting gastrointestinal testing routines in central laboratory environments, combined with an increase of orders from large IVD partners. Gentian's close and successful partnership with Bühlmann Laboratories as exclusive and global commercial partner continues to ensure a strong market position.

Commercial activities to gain commercial interest for the recently launched Gentian turbidimetric RBP (Retinol Binding Protein) assay continued.

The company's Swedish distribution subsidiary, Gentian Diagnostics AB (GAB), continues to post very strong sales growth performance with sales of NOK 4.7 million in 1Q 2024 versus NOK 3.6 million in 1Q 2023 representing an increase of 31%. The positive sales trend in Gentian AB is linked to a combination of a growing customer base and expansion of the third-party product portfolio represented by Gentian AB. Increased market presence also contributes positively.

Market development GCAL®

Results from clinical studies continue to support the value of GCAL® in early diagnosis of bacterial infections and prediction of clinical deterioration. Data analysis from two studies performed in adult and paediatric patients are finalised and submitted for publication.

Gentian attended a seminar in Czech Republic to present and discuss the use of GCAL® in detection of infection in adults and in children where interest and need for a biomarker for early detection of infection, estimation of disease severity and prediction of clinical outcome were confirmed.

There is an increased interest in the GCAL® immunoassay 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 GCAL® 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, in collaboration with a leading expert in the field, initiated a study to explore the role of GCAL® in assessment of disease activity and prediction of severe inflammatory response in Hidradenitis suppurativa, a chronic, inflammatory skin disease. The aim of the study is to explore if GCAL® can be used as an indicator for early start of biological treatment and monitoring of treatment response.

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

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

In the first quarter, significant advancements were achieved in the technical development of the NT-proBNP assay. The stability of the latest prototype formulation is continuously assessed, demonstrating very good results so far. The stability of a diagnostic product is important to ensure accurate and reliable test results over time.

Concurrently, the manufacturing process has been successfully upscaled from a small-scale to a large-scale production size with the possibility for further volume increase. The increased prototype volumes demonstrate the desired product efficacy at this stage of the assay development.

The team continued to investigate the clinical performance of the prototype using blood samples from patients with confirmed heart failure. Good progress is made, and further work is on-going.

Obtaining clinical data to demonstrate clinical performance of the assay is considered crucial to fulfil regulatory requirements in preparation for the anticipated product launch and the company has started to establish a roadmap for clinical studies to acquire the necessary data.

The existing NT-proBNP advisory board has been expanded with several experts, including representatives from laboratories and hospitals in Europe, to assist Gentian in positioning the product for a successful commercial launch.

Encouraged by recent advancements, the company believes the project is entering the final stages of optimization. However, acknowledging the unpredictability of the development process, the company will abstain from providing definitive guidance on timing for transition to the next phase. Additionally, addressing glycosylation concerns mentioned in earlier reports, the final calibration steps will be deferred to the verification phase aligning with the availability of additional clinical data.

We estimate that the development period for NT-proBNP after completion of optimization will be between 6 and 9 months.

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

Pipeline

The company is currently overseeing two projects in the proof-of-concept stage where one project is in close collaboration with a major IVD player. Gentian's ongoing pipeline activities are progressing through various stages, with decisions to advance into proof-of-concept phases being influenced by both business and technology considerations.

Additionally, Gentian is actively exploring external technologies that will enable it to fulfill its strategic objectives.

Gentian is continuously considering possibilities related to insourcing of products developed by partners which could be manufactured and sold by Gentian.

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)

- Clinical studies confirming improved patient outcomes and relevance for the early detection of infections, which supports the avoidance of sepsis as well as diagnosis of inflammatory diseases.
- Support adoption of GCAL® assay and its use for assessment of disease activity and treatment monitoring in autoimmune 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 optimization 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 22% to NOK 38.5 million in 1Q24 (NOK 31.4 million), with organic revenue growth of 19%.

Revenue from the US market was NOK 2.9 million for 1Q24, up 41% compared to 1Q23 (NOK 2.0 million). Europe recorded strong growth in revenues compared to the same quarter last year, increasing 27% to NOK 27.9 million in the quarter (NOK 22.1 million). Sales to Asia, which to some extent is dependent on the timing of large orders, grew 5% in 1Q24 compared to the first quarter last year.

Geographic split

NOK million	1Q24	1Q23	2023
US	2.9	2.0	8.7
Europe	27.9	22.1	92.8
Asia	7.7	7.3	33.7
Total	38.5	31.4	135.2

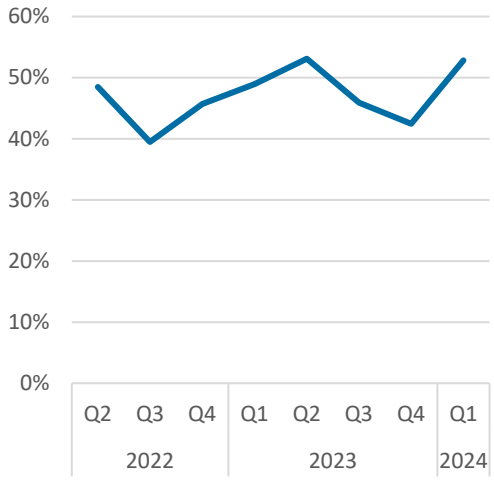
The portfolio of established products continues to grow according to Gentian's strategy and long-term growth plan. The sales of Cystatin C grew by 10% in the first quarter of 2024. Sales of fCAL turbo experienced a 44% increase in sales for 1Q24 compared to 1Q23. The distribution of third-party products conducted by the Swedish subsidiary Gentian Diagnostics AB (GAB), continues to expand its activities in the Nordic region, the sales increased by 31% in 1Q24 compared to 1Q23.

Product split

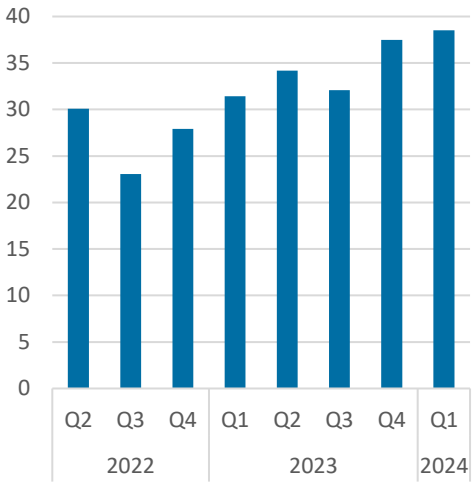
NOK million	1Q24	1Q23	2023
Cystatin C	14.9	13.6	56.3
fCAL®turbo	13.7	9.5	43.2
Third party products	4.7	3.6	17.0
Other	5.2	4.7	18.6
Total	38.5	31.4	135.2

Approximately 77% (78%) 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 53% (49%) of sales revenue in 1Q24. The improvement is a result of a favourable product mix in the quarter and full effect of efficiency gains from the integration of Getica AB which was acquired in July 2023. Gentian expects further 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 18.5 million (NOK 20.4 million) in 1Q24.

R&D expenses amounted to 33% (38%) of operating expenses in 1Q24. In addition, NOK 2.5 million (NOK 0.8 million) of the R&D expenses was capitalised in the quarter.

Earnings

Operating profit before depreciation and amortization (EBITDA) ended at NOK 4.8 million (NOK -0.5 million) for 1Q24. Net profit was NOK 4.2 million (NOK -0.7 million).

Balance sheet

Cash and cash equivalents as of 31 March 2024 were NOK 85.6 million (NOK 76.0 million). The cash is placed in both savings accounts and current accounts.

Accounts receivables as of 31 March 2024 were NOK 15.8 million (NOK 15.5 million), and inventory NOK 36.6 million (NOK 39.1 million).

The equity ratio was 81.2% as of 31 March 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	2023
(Figures in NOK thousands)		Q1	Q1	01.01-31.12
Sales revenues	3	38 502	31 437	135 153
Cost of goods sold	4,7	-18 175	-16 046	-70 905
Gross profit		**20 327**	**15 391**	**64 248**
Other income	5,6	756	2 163	7 193
R&D expenses	7,8	-6 080	-7 786	-36 083
Sales and marketing expenses	7	-6 448	-5 417	-23 067
Administrative expenses	7	-5 964	-7 227	-25 054
Operating profit		**2 591**	**-2 875**	**-12 762**
Finance income		1 970	2 516	5 807
Finance cost		-403	-298	-3 411
Net financial items		**1 567**	**2 218**	**2 396**
Profit (loss) before tax		**4 158**	**-657**	**-10 366**
Tax expense		-	-	-282
Net profit (loss)		**4 158**	**-657**	**-10 648**
Other comprehensive income				
Items that will or may be reclassified to profit or loss:				
Exchange differences		-174	-83	75
Total other comprehensive income		**-174**	**-83**	**75**
Total comprehensive income for the period		**3 984**	**-740**	**-10 573**
Earnings per share				
Basic EPS from net profit/(loss)	12	0.27	-0.04	-0.69
Diluted EPS from net profit/(loss)	12	0.27	-0.04	-0.69

Statement of Financial Position – Gentian Diagnostics Group (unaudited)

	Note	2024	2023	2023
(Figures in NOK thousands)		31.03	31.03	31.12
Assets				
Non-Current Assets				
Intangible assets	9	23 078	27 192	21 158
Property, plants and equipment		7 757	9 225	7 751
Right-of-use assets		10 632	11 788	10 294
Financial assets		101	-	101
Total Non-Current Assets		**41 568**	**48 205**	**39 304**
Current Assets				
Inventory		36 646	39 131	37 116
Accounts receivables and other receivables		22 750	22 053	16 976
Cash and cash equivalents		85 622	76 017	87 642
Total Currents Assets		**145 018**	**137 201**	**141 734**
Total Assets		**186 586**	**185 406**	**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		19 128	16 047	18 332
Total paid-in equity		**314 480**	**311 399**	**313 684**
Retained earning				
Retained earning		-163 065	-157 217	-167 049
Total retained equity		**-163 065**	**-157 217**	**-167 049**
Total equity		**151 415**	**154 183**	**146 636**
Liabilities				
Lease liabilities	10	8 896	11 320	9 006
Deferred tax liabilities		73	-	73
Total non-current liabilities		**8 969**	**11 320**	**9 080**
Current liabilities				
Accounts payable and other current liabilities		26 202	19 903	25 323
Total current liabilities		**26 202**	**19 903**	**25 323**
Total liabilities		**35 171**	**31 223**	**34 402**
Total equity and liabilities		**186 586**	**185 406**	**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				4 158		4 158
Share based payments			796			796
Other comprehensive income					-174	-174
Equity at 31.03.2024	**1 542**	**293 810**	**19 128**	**-162 456**	**-609**	**151 415**
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				-657		-657
Share based payments			753			753
Other comprehensive income					-83	-83
Equity at 31.03.2023	**1 542**	**293 810**	**16 047**	**-156 623**	**-594**	**154 183**

Cash Flow Statement (unaudited)

	2024	2023	2023
(Figures in NOK thousands)	Q1	Q1	01.01-31.12
Operating activities			
Net profit (loss)	4 158	-657	-10 648
Depreciation and amortisation	2 206	2 359	9 566
Impairment	-	-	6 469
Gain on bargain purchase	-	-	-892
Change Inventory	470	-587	2 692
Change Accounts Receivables	-4 250	-5 408	-1 196
Change Accounts Payables	702	-1 623	-878
Accrued cost of options	796	753	3 038
Change in other assets and liabilities	-1 518	1 883	7 306
Net cash flow from operating activities	**2 563**	**-3 281**	**15 458**
Investing activities			
Payments of property, plant and equipment	-697	-271	-955
Investment in intangible assets	-2 489	-790	-3 532
Purchase of shares in other companies net of cash acquired	-	-	-390
Net cash flow from investing activities	**-3 185**	**-1 061**	**-4 877**
Financing activities			
Lease payments	-1 223	-1 148	-4 598
Proceeds from issue of share capital	-	-	-
Net cash flow from financing activities	**-1 223**	**-1 148**	**-4 598**
Net change in cash and cash equivalent	-1 845	-5 490	5 982
Cash and cash equivalents at beginning of period	87 642	81 599	81 599
Effect of currency translation of cash and cash equivalents	-175	-93	61
Net Cash and cash equivalents at period end	**85 622**	**76 017**	**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 31 March 2024, Gentian AS, located in Moss, Norway and Getica AB, located in Gothenburg, Sweden, are 100% owned and controlled subsidiaries.

3. Sales revenue

Geographical split *(NOK 1000)*	**1Q24**	**1Q23**	**2023**
Europe	27 949	22 062	92 757
Asia	7 690	7 339	33 673
USA	2 864	2 036	8 722
Total	**38 502**	**31 437**	**135 153**

Sales revenue by product category *(NOK 1000)*	**1Q24**	**1Q23**	**2023**
Renal diagnostic products	14 921	13 608	56 321
Inflammation diagnostic products	16 058	11 335	51 770
Other diagnostic products	7 523	6 494	27 062
Total	**38 502**	**31 437**	**135 153**

4. Cost of goods sold

(NOK 1000)	**1Q24**	**1Q23**	**2023**
Change in inventory of goods under manufacture and finished goods	28	-791	-2 410
Purchase of goods	8 107	8 919	39 971
Other manufacturing expenses	10 040	7 917	33 344
Total	**18 175**	**16 046**	**70 905**

5. Other income

(NOK 1000)	**1Q24**	**1Q23**	**2023**
Public grants	756	2 163	6 154
Other income	-	-	1 040
Total	**756**	**2 163**	**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)	**1Q24**	**1Q23**	**2023**
SkatteFUNN	756	688	2 202
Other research programs	-	1 475	3 952
Total	**756**	**2 163**	**6 154**

7. Expenses by nature

(NOK 1000)	1Q24	1Q23	2023
Cost of materials	8 135	8 128	37 561
Employee benefit expenses	18 597	17 502	70 795
Depreciation	2 206	2 359	9 566
Impairment	-	-	6 469
Other operating expenses	7 729	8 486	30 718
Total	**36 667**	**36 475**	**155 109**

8. Research and Development (R&D) expenses

The Gentian Group has per 31 March 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)*	1Q24	1Q23	2023
Purchase of external services	781	1 534	5 700
Salary and other operating expenses	6 811	5 900	22 843
Depreciation and amortisation	977	1 143	4 603
Impairment	-	-	6 469
Capitalised research and development expenses	-2 489	-790	-3 532
Total	**6 080**	**7 786**	**36 083**

9. Intangible assets

As of 31 March 2024, the recognised intangible assets in the Group amounts to NOK 23.1 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 1Q24.

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

11. Share capital and number of shares

20 largest shareholders in Gentian Diagnostics ASA as of 31 March 2024 according to VPS and disclosures from investors:

Shareholder	No of shares	%
Vatne Equity AS	2 110 224	13.68 %
Kvantia AS	1 623 368	10.53 %
Holta Invest AS	1 228 502	7.97 %
Verdipapirfondet Delphi Nordic	975 272	6.32 %
Safrino AS	749 700	4.86 %
Carpe Diem Afseth AS	554 689	3.60 %
Skandinaviska Enskilda Banken AB	444 037	2.88 %
J.P. Morgan SE	400 000	2.59 %
Verdipapirfondet DNB SMB	359 025	2.33 %
Viola AS	320 916	2.08 %
Verdipapirfondet Storebrand Vekst	311 208	2.02 %
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 %
Mutus AS	210 465	1.36 %
Salix AS	208 954	1.35 %
Silvercoin Industries AS	184 601	1.20 %
Other Shareholders	4 218 266	27.35 %
Total Shares	**15 422 350**	**100.00%**

12. Earnings per share

	1Q24	1Q23	2023
Earnings/ loss (-) for the period	4 157 976	-656 722	-10 647 559
Number of shares:			
Weighted average number of outstanding ordinary shares	15 422 350	15 422 350	15 422 350
Effect of dilutive potential shares:			
Share options	-	-	-
Weighted average number of shares issued with diluted effect	15 422 350	15 422 350	15 422 350
Basic earnings/ loss (-) per share	0.27	-0.04	-0.69
Diluted earnings/loss (-) per share	0.27	-0.04	-0.69

13. Share-based compensation

The company has a share option program covering certain key employees. Per 31 March 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.

	1Q24	1Q23	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 31 March 2024 is estimated to NOK 210 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	**1Q24**	**1Q23**	**2023**
(NOK 1000)			
Sales revenues	38 502	31 437	135 153
Revenue growth	7 100	10 937	33 517
Impact using exchange rates from last period	-1 046	-2 746	-11 887
Impact M&A	-	-	-
Organic revenue growth	6 054	8 191	21 630
Organic revenue growth %	19 %	40 %	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	**1Q24**	**1Q23**	**2023**
(NOK 1000)			
Operating profit	2 591	-2 875	-12 762
Depreciation and amortisation	2 206	2 359	9 566
Impairment	-	-	6 469
EBITDA	4 797	-516	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.

	1Q24	**1Q23**	**2023**
(NOK 1000)			
Sales revenues	38 502	31 437	135 153
Cost of goods sold	-18 175	-16 046	-70 905
Gross profit	20 327	15 391	64 248
Gross Margin	53 %	49 %	48 %