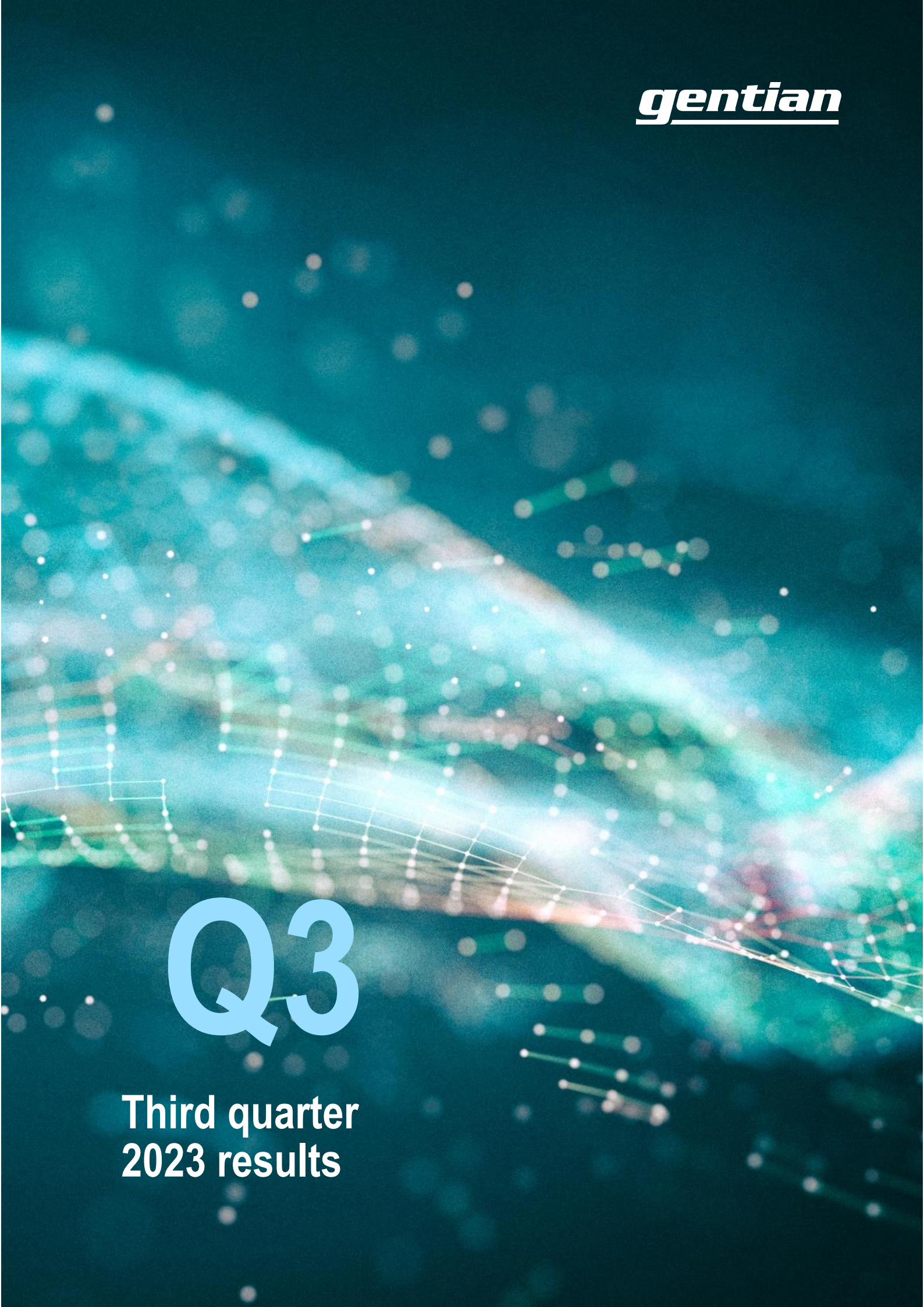

gentian
Q3
Third quarter
2023 results

Efficient diagnostics for better treatment decisions

www.gentian.com

Gentian Diagnostics

Third quarter 2023 highlights

- Sales of MNOK 32.1 in 3Q23, up 39% vs 3Q22 (29% organic growth). Revenue of MNOK 97.7 YTD 2023 up 33% (21% organic growth) vs YTD 2022.
- EBITDA of NOK 1.2 million in 3Q23 and NOK 4.3 million YTD 2023, compared to EBITDA of NOK -6.1 million in 3Q22 and NOK -11.5 million YTD 2022.
- Cystatin C sales increased 90% in 3Q23 compared to 3Q22 and 39% YTD 2023 vs YTD 2022.
- Launch of Gentian Retinol-Binding Protein (RBP) Immunoassay. A new CE-marked turbidimetric instrument independent assay, with the key demand driver being the aging population and lifestyle associated diseases and deficiencies.

About Gentian Diagnostics

Gentian Diagnostics (OSE: GENT), founded in 2001, develops and manufactures high-quality, in vitro diagnostic reagents. Gentian's expertise and focus lies within immunochemistry, 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 based 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 28% annual revenue growth in 2019-2022. The most recent launch in Q3 2023 of Retinol Binding Protein (RBP) will support growth for this category. In addition, SARS-CoV-2 Ab and GCAL® have been launched and are in market development while NT-proBNP is in the product development phase – with the two latter having potential to become growth accelerators. The company also has undisclosed projects in exploration and 'proof of concept' phases.

In 2021, Gentian announced a long-term ambition to generate an estimated annual revenue of NOK 1.0 billion in 5-7 years, dependent on the timing of NT-proBNP launch yet to be concluded. In comparison, total revenue was NOK 111 million in 2022. 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.

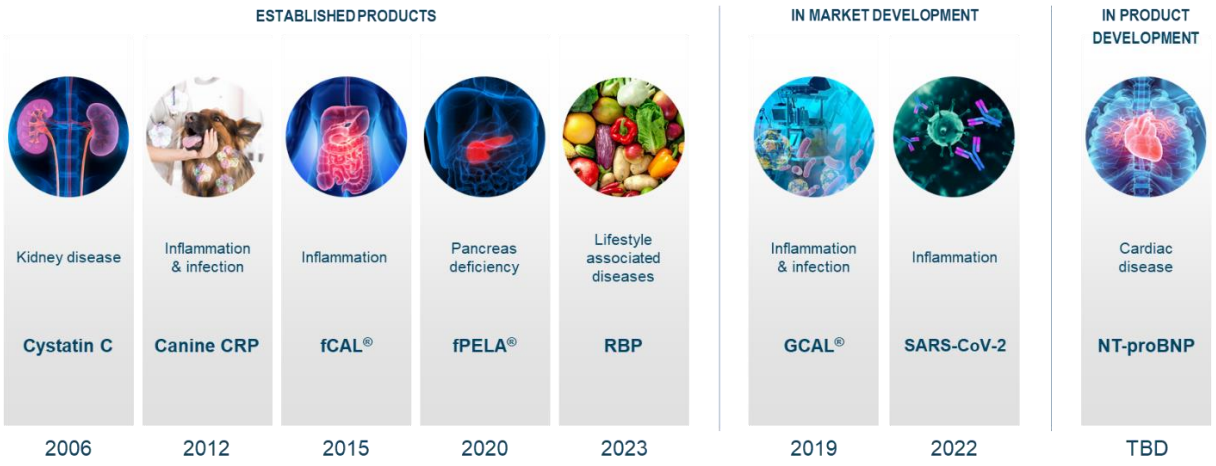
Bring a steady stream of new high-impact diagnostic tests to market.

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

Sales revenue grew 39% in 3Q23 versus 3Q22, and 33% year to date in 2023 versus 2022. The organic growth was 29% for the quarter and 21% year to date. With 33% growth after 9 months the positive sales momentum continues, and for the first 9 months all sales channels and regions provided growth. In 3Q, Asia showed exceptional growth due to a more normalised ordering pattern vs 2022, which had suffered from COVID related shutdowns in 3Q22 in China.

Sales of Cystatin C, which supports early detection of reduced kidney function, were MNOK 42.4 year to date versus MNOK 30.5 in the same period last year, an increase of 39%. Sales for the quarter were MNOK 16.5 versus MNOK 8.7 in 3Q22, corresponding to a 90% increase.

Orders from Asia have displayed a normal ordering pattern and reflecting constant growth in 2023 in comparison to 2022. In the US, sales have developed positively YTD due to increased Cystatin C testing adoption while sales in 3Q23 were somewhat lower due to quarterly variations in ordering activity from customers.

Sales of fCAL® turbo, which supports fast diagnosis of inflammatory bowel disease, reached MNOK 29.6 for the first nine months in 2023 compared to MNOK 24.6 for the same period last year, recording a 20% increase in sales for the period. The 3Q23 was MNOK 8.1 compared to MNOK 9.0 in 3Q 2022, a 10% decrease vs 3Q22. It is worth noting that the global adoption of faecal testing in routine laboratories continues to underpin our growth, as demonstrated by the 20% year-to-date sales

growth. The third quarter of 2023 also witnessed an increase in product orders, indicating positive momentum for our business. However, the decline in sales compared to 3Q22 can be attributed to a minor delay in order fulfilment.

The company's Swedish distribution subsidiary, Gentian Diagnostics AB (GAB), continues to demonstrate a strong positive sales trend for third-party products and for the Gentian portfolio. Revenue from third-party distribution amounted to MNOK 12.2 year to date versus MNOK 7.8 in the same period last year and MNOK 2.9 in 3Q23 representing an increase of 30% compared to 3Q22. The sales growth is a result of an increasing number of customers, including recently acquired large customers in Norway and Sweden and their routine implementation of products offered by GAB.

Gentian completed a major digital marketing effort in 3Q23 by providing important safety, quality and performance documents to its partners and customers globally in an automated manner via the Gentian website. Many of the documents are provided in multiple languages, as per regulatory requirements.

A new Gentian assay was made available for sale during the third quarter. The Gentian RBP assay is an instrument independent turbidimetric assay that can be installed on open channels on high throughput instrument platforms. The assay will be used for example in screening and assessment of Vitamin A deficiency with the possibility to replace cumbersome and time-consuming ELISA and HPLC assays. RBP is also a useful biomarker for the assessment of malnutrition and renal function. By replacing time consuming assays with high workload that are currently used in clinical practice Gentian RBP assay will contribute to faster access to results, improved workflow in the laboratory and with this to an overall increased diagnostic efficiency.

Overall, quarterly variations to sales are expected to continue as sales are affected by the timing of large orders.

Market development

GCAL®

The GCAL® immunoassay, for the quantification of calprotectin in serum and plasma, has demonstrated its value in the early diagnosis of infections which in turn results in the avoidance of severe infections and sepsis, lower mortality and reduced costs associated with in-hospital care of critically ill patients. The use of GCAL® immunoassay is also valuable for detection of inflammation, assessment of disease severity and treatment monitoring in several inflammatory conditions, including autoimmune diseases. Numerous projects have been initiated to demonstrate the clinical diagnostic value of the assay in inflammatory disorders with the aim of implementation in the routine use after successful finalization of the studies.

GCAL® sales to routine users continued to evolve well in the absence of new larger orders for clinical studies.

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 analyzers, 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 third quarter, Gentian made significant technical advance, and the current prototype has successfully met the majority of critical technical specifications tested, which is an encouraging achievement.

As noted in previous reports, the Gentian assay targets a non-glycosylated region of the NT proBNP molecule, distinguishing it from most of the currently available commercial tests which bind to a glycosylated region. Over the past quarter, we have taken further steps to assess the impact of glycosylation. These investigations, combined with our previous observations, indicate that most of the current commercially available assays underestimate the NT-proBNP level. Yet, it is currently unclear whether this underestimation has any clinical implications or significance.

Gentian remains committed to launching a product with cut-off levels equivalent to those generally accepted in the market. Even with the same cut-off levels, it is vital for the commercial success to conduct clinical studies as Gentian's NT-proBNP test is expected to show higher values on average than most of the established assays. The initial focus will be on use of the biomarker as an aid in ruling out congestive heart failure. As part of this effort, the team is preparing to evaluate the prototype using patient samples to assess its clinical performance.

Notwithstanding the continuous progress, the company is still unable to provide a specific timeline for the completion of the remaining optimization phase. However, if the product successfully completes this phase, subsequent phases are typically characterized by lower risk. 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. As per our established practice, if the current optimization efforts do not prove successful, we will consider returning the project to the exploration phase.

Pipeline

The company maintains two projects in the proof-of-concept stage and is continuously monitoring the IVD space for potential collaboration possibilities to fill the exploratory pipeline. The existing pipeline activities are at different stages and decisions to move forward into proof-of-concept phases are based on business and technology conditions.

Gentian is also 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 BUSD 6.1 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 BUSD 1.8 (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.

The 5–7-year revenue ambition of NOK 1 billion, which Gentian announced in 2021, and the long-term EBITDA margin target of 40%, are set to be de-risked through several key milestones for the company's product portfolio over the coming 12 months. The revenue ambition is dependent on the timing of NT-proBNP launch, which was estimated to contribute with MNOK 200-400 five to seven years after the product has been launched.

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.
- 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 2022 in ().

Revenue, geographic split and product split

Total operating revenue amounted to MNOK 34.8 (MNOK 25.1) for 3Q23. Total operating revenue year-to-date 2023 amounted to MNOK 104.5 (MNOK 81.1).

Sales revenue increased by 39% to MNOK 32.1 in 3Q23 (MNOK 23.1), with organic revenue growth of 29%. Sales revenue YTD 2023 increased 33% with organic revenue growth of 21%.

Revenues from the US market were MNOK 1.9 for 3Q23 (MNOK 2.6), and MNOK 6.7 YTD 2023 (MNOK 5.4). Europe recorded revenues in line with the same quarter last year, increasing 8% to MNOK 18.7 in the quarter (MNOK 17.3) and grew 27% to MNOK 66.2 (MNOK 52) in the first nine months of 2023. Asia sales demonstrated strong growth this quarter exceeding 2.6x sales compared to the third quarter last year. Sales caught up with the quarterly variations seen in the second quarter this year, in addition to increases in order size from established customers. The year-to-date sales in Asia grew 49%.

Geographic split

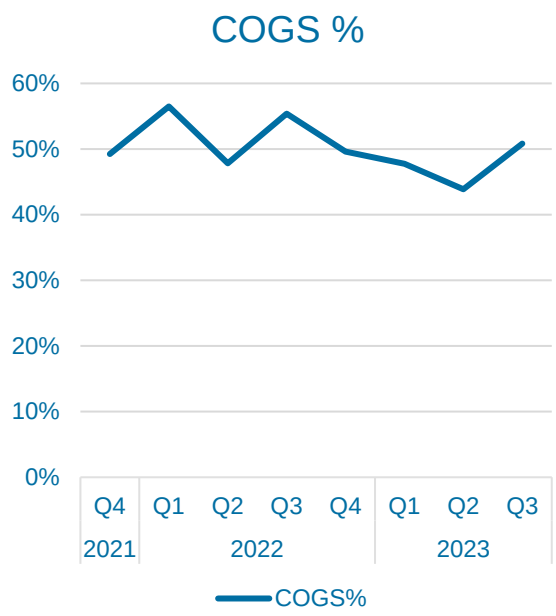
MNOK	3Q23	3Q22	YTD23	YTD22	2022
US	1.9	2.6	6.7	5.4	6.5
Europe	18.7	17.3	66.2	52.0	71.6
Asia	11.5	3.1	24.8	16.3	23.6
Total	32.1	23.1	97.7	73.7	101.6

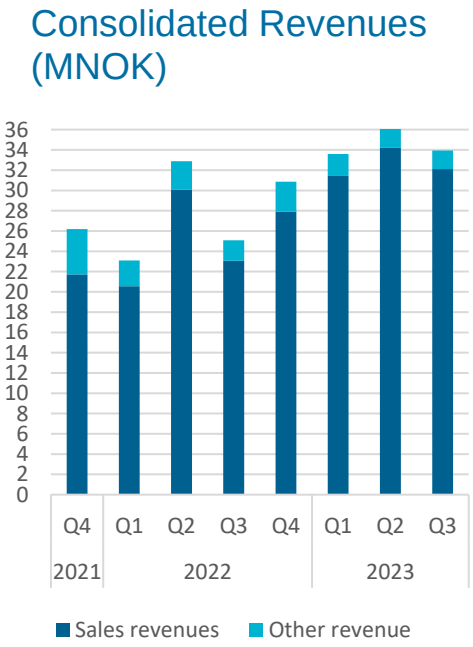
The portfolio overall continues to grow according to Gentian's strategy and long-term growth plan. The sales of Cystatin C grew by 90% in the third quarter of 2023, recording a new record for quarterly product sales. The strong growth was mainly due to large orders from Asia during the quarter. Sales of fCAL turbo experienced a 10% decline in sales for 3Q23 compared to 3Q22 due to a minor delay in order fulfilment. The distribution of third-party products conducted by the Swedish subsidiary Gentian Diagnostics AB (GAB), continues to expand its activities in the Nordic region. Sales increased by 30% in 3Q23 compared to 3Q22 with year-to-date growth of 58% compared to the same period last year. The remaining portfolio demonstrated 43% growth for the quarter and 25% growth year-to-date.

Product split

MNOK	3Q23	3Q22	YTD23	YTD22	2022
Cystatin C	16.5	8.7	42.4	30.5	40.0
fCAL®turbo	8.1	9.0	29.6	24.6	36.3
Third party products	2.9	2.2	12.2	7.8	10.2
Other	4.5	3.2	13.5	10.8	15.2
Total	32.1	23.1	97.7	73.7	101.6

Approximately 81% (78%) of the sales revenue in the quarter come from long-term contracts with established customers.





Other operating revenue ended at MNOK 2.7 (MNOK 2.0) for 3Q23 and consists of public grants related to the company's R&D projects and badwill related to the acquisition of the shares in Getica AB.

Cost of goods sold

Cost of goods sold (COGS) was 51% (55%) of sales revenue in 3Q23. Although the trend over the last year has been positive, the increase in 3Q23 compared to the previous quarters is related to an unfavourable product mix. Gentian expects further increases in raw material prices and labour cost, but maintains its ambition that over time, COGS as a percentage of sales revenue will decline with increasing sales.

Total other operating expenses

Total other operating expenses before capitalisation of R&D expenses ended at MNOK 18.0 (MNOK 19.5) in 3Q23.
R&D expenses amounted to 35% (46%) of total other operating expenses before capitalization in 3Q23. Capitalisation of R&D expenses was MNOK 0.7 (MNOK 1.2) in the quarter.

Total other operating expenses after capitalisation of R&D expenses was MNOK 17.3 (MNOK 18.4) in 3Q23.

Earnings

Operating profit before depreciation and amortization (EBITDA) ended at MNOK 1.2 (MNOK -6.1) for 3Q23. Net profit was MNOK -0.8 (MNOK -9.8).

Balance sheet

Cash and cash equivalents as of 30 September 2023 were MNOK 76.4 (MNOK 93.9). The cash is placed in both savings accounts and current accounts.

Accounts receivables as of 30 September 2023 were MNOK 16.5 (MNOK 4.5), and inventory MNOK 41.1 (MNOK 35.3). The inventory increase is partly a result of increased activity and partly due to the company's measures to mitigate potential shortages from a congested supply chain.

The equity ratio was 82.8% as of 30 September 2023.

Events after the balance sheet date

There are no events after the balance sheet date.

Statement of Profit and Loss – Gentian Diagnostics Group

	Note	2023	2022	2023	2022	2022
(NOK 1000)		Q3	Q3	01.01-30.09	01.01-30.09	01.01-31.12
Revenue						
Revenue from contracts with customers	3	32 071	23 071	97 687	73 725	101 636
Other operating revenue	4,14	2 716	2 015	6 859	7 328	10 287
Total revenue		**34 787**	**25 086**	**104 547**	**81 053**	**111 922**
Operating expenses						
Cost of goods sold	6	-16 339	-12 781	-46 249	-38 786	-52 635
Employee benefit expenses	7,13	-12 965	-9 972	-35 450	-30 120	-40 910
Depreciation and amortisation		-2 374	-2 675	-7 147	-7 476	-10 243
Other operating expenses		-4 301	-8 396	-18 589	-23 634	-31 369
Total operating expenses	**5**	**-35 980**	**-33 823**	**-107 435**	**-100 017**	**-135 158**
Operating result		**-1 193**	**-8 737**	**-2 888**	**-18 964**	**-23 235**
Finance income		1 217	836	4 726	4 742	3 831
Finance cost		-840	-1 477	-2 404	-4 770	-4 213
Net financial items		**376**	**-641**	**2 322**	**-28**	**-382**
Profit before tax		**-816**	**-9 378**	**-565**	**-18 992**	**-23 618**
Income tax expense		-	-	-	-	-
Profit for the period		**-816**	**-9 378**	**-565**	**-18 992**	**-23 618**
Other comprehensive income						
Exchange differences		-38	-463	-218	-445	-331
Total other comprehensive income		**-38**	**-463**	**-218**	**-445**	**-331**
Total comprehensive income for the period		**-854**	**-9 841**	**-784**	**-19 437**	**-23 949**

3rd quarter Statement of Profit and Loss is not audited

Statement of Financial Position – Gentian Diagnostics Group

	Note	2023	2022	2022
(Figures in NOK thousands)		30.9	30.9	31.12
Assets				
Non-Current Assets				
Intangible assets	9	27 075	27 442	26 820
Property, plants and equipment		9 287	9 943	9 251
Right-of-use assets		10 156	13 297	12 386
Financial assets		144	-	-
Total Non-Current Assets		**46 662**	**50 682**	**48 458**
Current Assets				
Inventory		41 146	35 336	38 544
Accounts receivables and other receivables		23 844	10 643	19 188
Cash and cash equivalents		76 393	93 880	81 599
Total Currents Assets		**141 384**	**139 859**	**139 332**
Total Assets		**188 046**	**190 541**	**187 790**
Equity and liabilities				
Paid-in equity				
Share capital	11	1 542	1 542	1 542
Share premium		302 244	302 244	302 244
Other paid-in equity		16 229	13 052	13 946
Total paid-in equity		**320 015**	**316 838**	**317 732**
Retained earning				
Retained earning		-164 346	-159 050	-163 562
Total retained equity		**-164 346**	**-159 050**	**-163 562**
Total equity		**155 669**	**157 788**	**154 170**
Liabilities				
Lease liabilities	10	10 015	13 277	11 624
Total non-current liabilities		**10 015**	**13 277**	**11 624**
Current liabilities				
Accounts payable and other current liabilities		22 361	19 476	21 996
Total current liabilities		**22 361**	**19 476**	**21 996**
Total liabilities		**32 377**	**32 753**	**33 620**
Total equity and liabilities		**188 046**	**190 541**	**187 790**

3rd quarter Statement of Financial Position is not audited

Statement of changes in equity

(figures in NOK thousands)

	Share capital	Share premium	Other paid-in capital	Retained earnings	Translation differences	Total equity
Equity at 01.01.2022	**1 542**	**302 244**	**10 593**	**-139 433**	**-180**	**174 766**
Net result for the year				-18 992		-18 992
Other comprehensive income						
Proceeds from share issue						
Cost of share issue						
Share based payments			2 459			2 459
Other comprehensive income					-445	-445
Equity at 30.09.2022	**1 542**	**302 244**	**13 052**	**-158 425**	**-625**	**157 788**
Equity at 01.01.2022	**1 542**	**302 244**	**10 593**	**-139 433**	**-180**	**174 766**
Net result for the year				-23 618		-23 618
Other comprehensive income						
Proceeds from share issue						
Cost of share issue						
Share based payments			3 353			3 353
Other comprehensive income					-331	-331
Equity at 31.12.2022	**1 542**	**302 244**	**13 946**	**-163 051**	**-511**	**154 170**
Equity at 01.01.2023	**1 542**	**302 244**	**13 946**	**-163 051**	**-511**	**154 170**
Net result for the year				-565		-565
Other comprehensive income						
Proceeds from share issue						
Cost of share issue						
Share based payments			2 283			2 283
Other comprehensive income					-218	-218
Equity at 30.09.2023	**1 542**	**302 244**	**16 229**	**-163 616**	**-729**	**155 669**

3rd quarter Statement of changes in equity has been corrected according to the groups actual split in equity. The Statement of changes in equity is not audited.

Cash Flow Statement

	2023	2022	2023	2022	2022
(NOK 1000)	Q3	Q3	01.01-30.09	01.01-30.09	01.01-31.12
Operating activities					
Net profit (loss)	-816	-9 378	-565	-18 992	-23 618
Depreciation and amortisation	2 374	2 675	7 147	7 476	10 243
Gain on bargain purchase	-892	-	-892	-	-
Change Inventory	2 497	-779	-1 338	-5 557	-8 765
Change Accounts Receivables	-5 126	10 160	-6 105	2 017	-3 550
Change Accounts Payables	-3 693	-1 776	-16	355	-532
Accrued cost of options	769	1 086	2 283	2 459	3 353
Change in other assets and liabilities	2 850	2 731	1 254	6 757	8 917
Net cash flow from operating activities	**-2 038**	**4 719**	**1 767**	**-5 485**	**-13 952**
Investing activities					
Payments of property, plant and equipment	-39	-641	-733	-7 962	-8 637
Investment in intangible assets	-729	-1 174	-2 214	-4 374	-6 029
Purchase of shares in other companies net of cash acquired	-390	-	-390	-	-
Net cash flow from investing activities	**-1 157**	**-1 815**	**-3 336**	**-12 336**	**-14 666**
Financing activities					
Lease payments	-1 118	-1 088	-3 442	-3 236	-4 325
Proceeds from issue of share capital	-	-	-	-	-
Net cash flow from financing activities	**-1 118**	**-1 088**	**-3 442**	**-3 236**	**-4 325**
Net change in cash and cash equivalent	-4 313	1 816	-5 011	-21 057	-32 943
Cash and cash equivalents at beginning of period	80 727	92 113	81 599	114 936	114 936
Effect of currency translation of cash and cash equivalents	-21	-49	-195	1	-395
Net Cash and cash equivalents at period end	**76 393**	**93 880**	**76 393**	**93 880**	**81 599**

3rd quarter Cash Flow Statement is not audited

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 condensed consolidated financial statements for the group are prepared using the same accounting principles and calculation methods as used for the annual financial statements 2022 for Gentian Diagnostics ASA.

The accounting principles used have been consistently applied in all periods presented, unless otherwise stated.

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 quarterly 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 2023.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries. As of 30 September 2023, Gentian AS, located in Moss, Norway and Getica AB, located in Gothenburg, Sweden, are 100% owned and controlled subsidiaries.

3. Sales and revenue

Revenue by classification	3Q23	3Q22	YTD23	YTD22	2022
Sales revenue	32 071	23 071	97 687	73 725	101 636
Public grants	1 824	2 015	5 967	7 328	10 287
Other revenue	892	-	892	-	-
Total	**34 787**	**25 086**	**104 547**	**81 053**	**111 922**

Sales revenue Geographical split	3Q23	3Q22	YTD23	YTD22	2022
Europe	18 671	17 329	66 207	52 016	71 571
Asia	11 497	3 134	24 759	16 338	23 609
USA	1 903	2 608	6 722	5 371	6 456
Total	**32 071**	**23 071**	**97 687**	**73 725**	**101 636**

Sales revenue by product category	3Q23	3Q22	YTD23	YTD22	2022
Renal diagnostic products	16 498	8 667	42 359	30 550	39 966
Inflammation diagnostic products	10 328	10 684	35 890	29 323	42 886
Other diagnostic products	5 244	3 720	19 438	13 851	18 784
Total	**32 071**	**23 071**	**97 687**	**73 725**	**101 636**

4. Public Grants

Gentian has recognised public grants from the Norwegian Research Council, Innovation Norway, Eurostars and SkatteFUNN.

	3Q23	3Q22	YTD23	YTD22	2022
Norwegian Research Council and Eurostars	1 311	1 079	3 986	4 646	6 298
Innovation Norway	-	-	-	-	-
SkatteFUNN	513	936	1 981	2 682	3 989
Total	**1 824**	**2 015**	**5 967**	**7 328**	**10 287**

5. Operating expenses by function

	3Q23	3Q22	YTD23	YTD22	2022
Cost of goods sold	16 339	12 781	46 249	38 786	52 635
Sales and marketing expenses	5 396	3 760	16 592	15 166	21 490
Administration expenses	6 274	7 873	19 459	22 184	27 973
Research and development expenses	5 597	6 735	17 988	16 404	22 817
Depreciation	2 374	2 674	7 147	7 476	10 243
Total	**35 980**	**33 823**	**107 435**	**100 017**	**135 158**

6. Cost of goods sold

	3Q23	3Q22	YTD23	YTD22	2022
Change in inventory of goods under manufacture and finished goods	-1 382	531	-1 770	400	1 368
Purchase of goods	9 872	5 074	27 516	18 331	24 412
Production salary	6 560	6 571	16 746	15 401	20 978
Other production expense	1 290	605	3 758	4 654	5 877
Total	**16 339**	**12 781**	**46 249**	**38 786**	**52 635**

7. Employee benefit expenses

	3Q23	3Q22	YTD23	YTD22	2022
Wages and salaries	15 225	13 313	40 139	36 090	48 456
Payroll tax	2 256	1 068	6 076	4 162	5 876
Pension costs (mandatory occupational pension)	887	678	2 425	1 996	3 171
Share based payments	769	1 086	2 283	2 459	3 353
Other expenses	388	397	1 272	814	1 032
Transfer to COGS	-6 560	-6 571	-16 746	-15 401	-20 978
Total	**12 965**	**9 972**	**35 450**	**30 120**	**40 910**

8. Research and Development expenses

The Gentian Group has per 30 September 2023 five 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.

Recognised research and development expenses	3Q23	3Q22	YTD23	YTD22	2022
Purchase of external services	430	2 406	3 898	5 308	7 972
Salary and other operating expenses	5 895	5 503	16 304	15 470	20 873
Capitalised research and development expenses	-729	-1 174	-2 214	-4 374	-6 029
Total	**5 597**	**6 735**	**17 988**	**16 404**	**22 817**

9. Intangible assets

As of 30 September 2023, the recognised intangible assets in the Group amounts to MNOK 27.1. 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 3Q23.

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 2023 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	987 104	6.40 %
Safrino AS	749 700	4.86 %
Carpe Diem Afseth AS	544 089	3.53 %
Skandinaviska Enskilda Banken AB	501 000	3.25 %
Verdipapirfondet DNB SMB	361 291	2.34 %
J.P. Morgan SE	325 000	2.11 %
Verdipapirfondet Storebrand Vekst	315 751	2.05 %
Portia AS	300 000	1.95 %
Krefting, Johan Henrik	278 500	1.81 %
Intertrade Shipping AS	257 716	1.67 %
Cressida AS	235 000	1.52 %
Verdipapirfondet Equinor Aksjer NO	227 880	1.48 %
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	184 441	1.20 %
Other Shareholders	4 340 958	28.15 %
Total Shares	**15 422 350**	**100.00%**

12. Earnings per share

	3Q23	3Q22	2022
Earnings/ loss (-) for the period	-816 362	-9 378 981	-23 617 809
Average number of outstanding shares during the period	15 422 350	15 422 350	15 422 350
Earnings/ loss (-) per share - basic and diluted	-0.05	-0.61	-1.53

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the group is currently loss-making, an increase in the average number of shares would have anti-dilutive effects.

13. Share-based compensation

The company has a share option program covering certain key employees. Per 30 September 2023, fifteen 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, 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.

	3Q23	3Q22	2022
Outstanding options at beginning of period	960 586	740 590	740 590
Options granted	-	-	219 996
Options forfeited	-	-	-
Options exercised	-	-	-
Options expired	174 954	-	-
Outstanding options at end of period	785 632	740 590	960 586

The outstanding options are subject to the following conditions:

Expiry date	Average strike price	Number of share options
2024-11	47.51	259 962
2025-11	62.88	150 000
2026-11	72.60	155 674
2027-12	46.67	219 996
		785 632

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 (43,77%), expected dividend yield (0%), an expected term of 5 years, and annual risk-free interest rate (2.87%). The volatility is based on other comparable companies' stock price volatility.

14. Business combinations

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

Getica AB was owned by Erling Sundrehagen, who also is the sole owner of Vingulmork Predictor AS.

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

	Getica AB
(Figures in NOK thousands)	
Assets	
Non-Current Assets	
Property, plants and equipment	399
Financial assets	146
Total Non-Current Assets	**545**
Current Assets	
Inventory	1 264
Accounts receivables and other receivables	508
Cash and cash equivalents	2 388
Total Currents Assets	**4 160**
Total Assets	**4 705**

Current liabilities	
Accounts payable and other current liabilities	1 035
Total current liabilities	**1 035**
Net identifiable assets and liabilities at fair value	**3 670**
Badwill	-892
Total consideration for the shares	**2 778**
Paid in cash	**-2 778**
Cash received	**2 388**
Net decrease in cash	**-390**

For the period between the date of acquisition and 30 September 2023, Getica AB have contributed with 0 NOK to the group's sales revenues and NOK -0,2 million to profit before tax. If the business combination had taken place at the beginning of the year, the group's revenues would have been NOK 97,7 million and profit before tax for the group would have been NOK -1,2 million.

15. 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 2023 is estimated to NOK 207 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	**3Q23**	**3Q22**	**YTD23**	**YTD22**	**2022**
(NOK 1000)					
Revenue from contracts with customers	32 071	23 071	97 687	73 725	101 636
Revenue growth	9 000	5 894	23 963	12 344	18 538
Impact using exchange rates from last period	-2 401	59	-8 621	-496	-1 750
Impact M&A	-	-	-	-	-
Organic revenue growth	6 598	5 953	15 342	11 848	16 788
Organic revenue growth %	29 %	35 %	21 %	20 %	20 %

Total other operating expenses

Total other operating expenses is a key financial parameter for the Group and consists of salaries and personnel costs and other operating expenses. Total other operating expenses before capitalisation of R&D expenses consists of Employee benefit expenses and other non-salary related operating expenses before capitalisation of R&D expenses. The performance indicator is provided for the purpose of monitoring the evolution of non-production related costs without the effect of capitalisation of costs.

Reconciliation	**3Q23**	**3Q22**	**YTD23**	**YTD22**	**2022**
(NOK 1000)					
Employee benefit expenses	12 965	9 972	35 450	30 120	40 910
Other operating expenses	4 301	8 396	18 589	23 634	31 369
Total other operating expenses **after** capitalisation of R&D expenses	17 267	18 368	54 039	53 754	72 279
Capitalisation	729	1 174	2 214	4 374	6 029
Total other operating expenses **before** capitalisation of R&D expenses	17 995	19 542	56 252	58 129	78 308

Reconciliation	**3Q23**	**3Q22**	**YTD23**	**YTD22**	**2022**
(NOK 1000)					
Other non-salary related operating expenses **after** capitalisation of R&D expenses	4 301	8 396	18 589	23 634	31 369
Capitalisation	347	423	977	1 922	2 336
Other non-salary related operating expenses **before** capitalisation of R&D expenses	4 648	8 819	19 566	25 556	33 705

EBITDA/EBIT

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

Reconciliation	**3Q23**	**3Q22**	**YTD23**	**YTD22**	**2022**
(NOK 1000)					
Total Revenue	34 787	25 086	104 547	81 053	111 922
Total Operating Expenses	-35 980	-33 823	-107 435	-100 017	-135 158
EBIT	-1 193	-8 737	-2 888	-18 964	-23 235
Depreciation and Amortisation	2 374	2 675	7 147	7 476	10 243
EBITDA	1 182	-6 062	4 259	-11 488	-12 992

COGS

Cost of goods sold (COGS) refers to the total cost of producing goods for product sales. The key figure COGS % is calculated in relation to revenue from contracts with customers. COGS % is used for providing consistent information of performance related to the production of goods which is relative to other companies and frequently used by other stakeholders.

	3Q23	3Q22	YTD23	YTD22	2022
(NOK 1000)					
Revenue from contracts with customers	32 071	23 071	97 687	73 725	101 636
COGS	16 339	12 781	46 249	38 786	52 635
COGS % of Revenue from contracts with customers	51 %	55 %	47 %	53 %	52 %

Non-cash share-based compensation

Non-cash share-based compensation expense is the share-based compensation recognised in the income statement (employee benefit expenses). Information on the non-cash share-based compensation expense is provided to give information on the no-cash components of the employee benefit expenses.

	3Q23	3Q22	YTD23	YTD22	2022
(NOK 1000)					
Non-cash shared-based compensation	769	1 086	2 283	2 459	3 353