



## Q2 Presentation 2019

Oslo, 15<sup>th</sup> August 2019

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**1** Introduction and Highlights

**2** Q2 Financials

**3** Sales, Operations, R&D

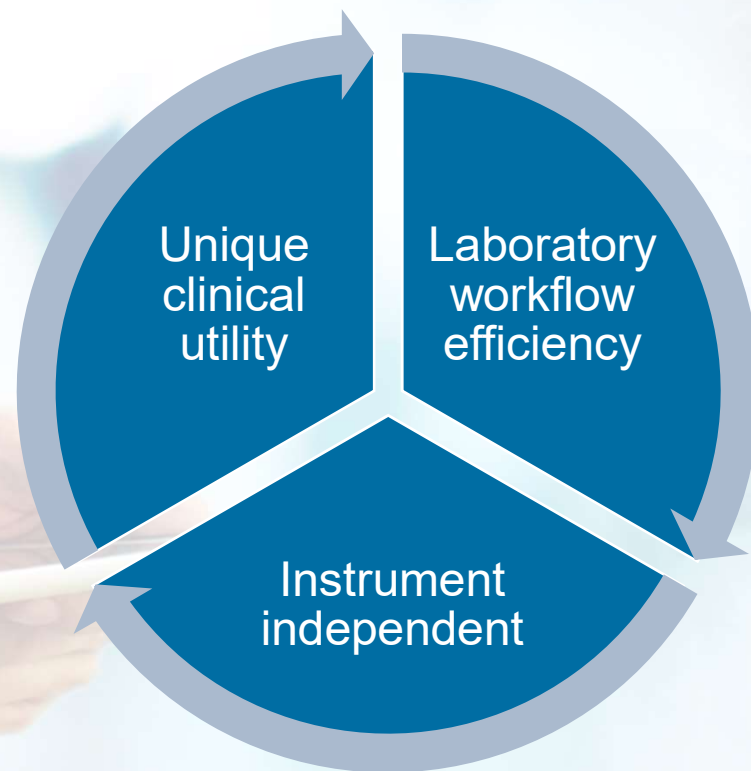
**4** Outlook



## **Gentian is fully dedicated to the in vitro diagnostics market**

- Estimated total market value of 80B\$
- Target market is immunochemistry
- Focus on inflammatory/infectious, cardiac and renal diseases

# We innovate diagnostic efficiency



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## Highlights for Q2 2019

- 16 % growth in sales revenue in 2Q19 compared to 2Q18.
- Total sales revenues of MNOK 10,2 in 2Q19, up from MNOK 8,7 in 2Q18, which is the 4<sup>th</sup> time in a row a double digit MNOK performance.
- fCAL®turbo with 19% growth from 2Q18 and breaking news from our trusted partner Bühlmann, having achieved the 510(k) clearance in the US and a sales channel agreement with Roche Diagnostics.
- Beckman Coulter and Gentian have prolonged the trusted partnership agreement by another 6 years.



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## Financial highlights 2Q 2019

MNOK	2Q 2019	2Q 2018
Sales	10.2	8.8
Other Revenues	1.9	2.1
<b>Total Revenues</b>	<b>12.1</b>	<b>10.9</b>
COGS	2.3	1.6
Production Costs	3.1	2.5
R&D Costs	5.2	4.8
SG&A	6.8	4.7
Capitalization	-0.5	-1.2
OPEX	16.9	12.4
<b>EBITDA</b>	<b>-4.8</b>	<b>-1.5</b>
<b>EBIT<sup>1</sup></b>	<b>- 20.6</b>	<b>-2.5</b>

<sup>1</sup> EBIT includes an impairment charge related to capitalized development costs and other intangible assets of MNOK 14.0



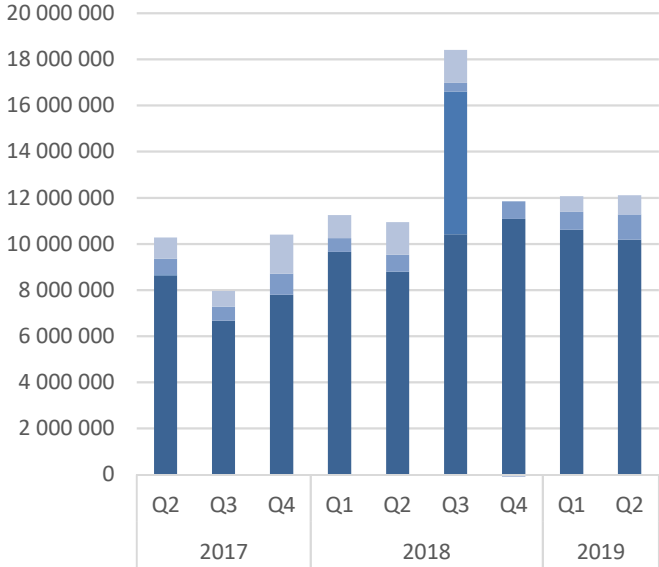
## Financial highlights Per 2Q 2019

MNOK	2019	2018
Sales	20.8	18.4
Other Revenues	3.4	3.8
<b>Total Revenues</b>	<b>24.2</b>	<b>22.2</b>
COGS	4.8	3.8
Production Costs	7.2	6.2
R&D Costs	9.3	8.7
SG&A	14.6	9.8
Capitalization	-1.3	-1.8
OPEX	34.6	26.7
<b>EBITDA</b>	<b>-10.4</b>	<b>-4.5</b>
<b>EBIT<sup>1</sup></b>	<b>- 27.9</b>	<b>-6.5</b>

<sup>1</sup> EBIT includes an impairment charge related to capitalized development costs and other intangible assets of MNOK 14.0

# Sales and revenues

Revenues and Grants Consolidated (NOK)



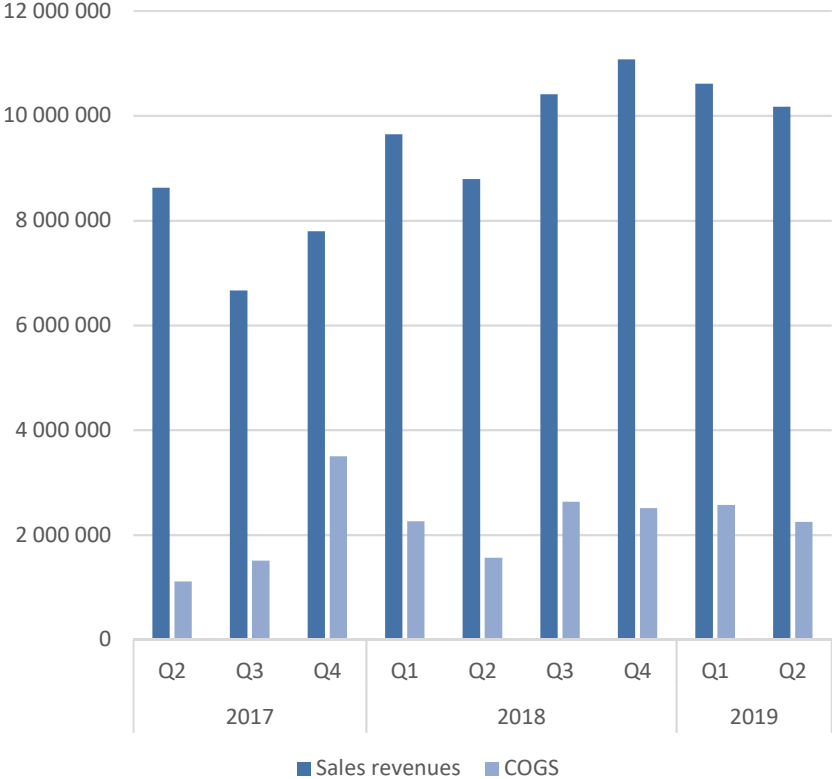
■ Sales revenues ■ Royalties ■ Governmental grants ■ SkatteFUNN

Sales revenues - geographic split

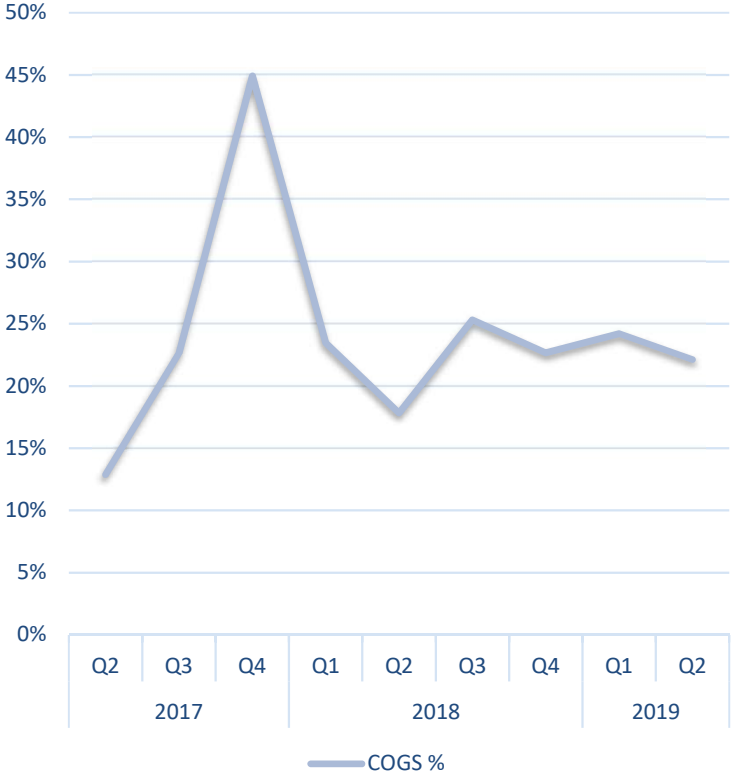
MNOK	2Q19	2Q18	1H19	1H18
US	0.6	0.6	1.1	1.0
Europe	7.7	7.4	15.1	13.5
Asia	1.9	0.8	4.6	3.9
<b>Total</b>	<b>10.2</b>	<b>8.8</b>	<b>20.8</b>	<b>18.4</b>

# Cost of Goods Sold

Sales vs. COGS

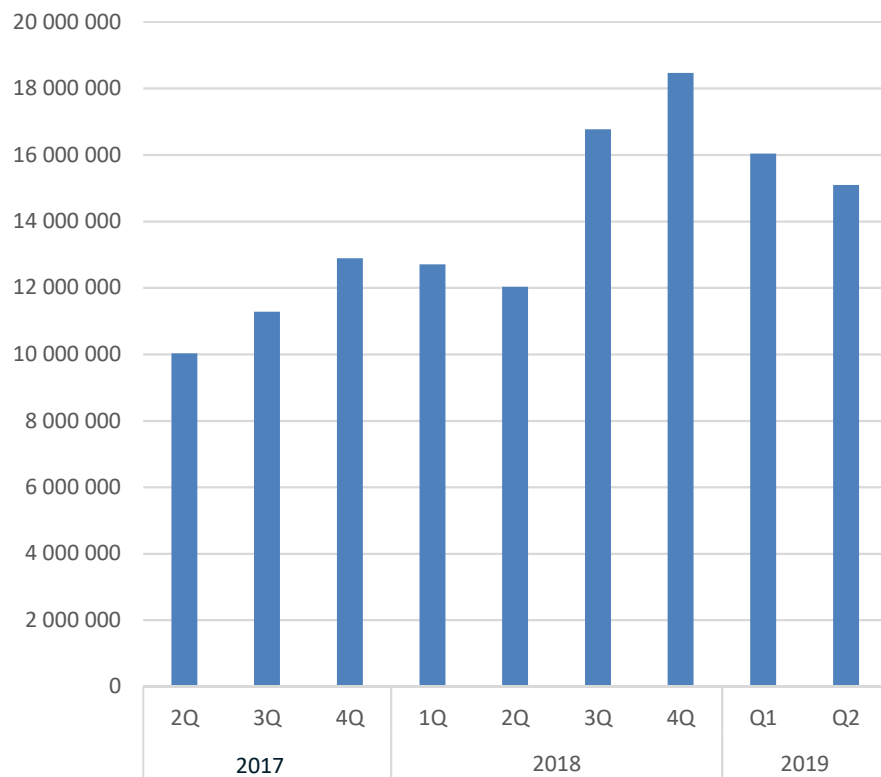


COGS %

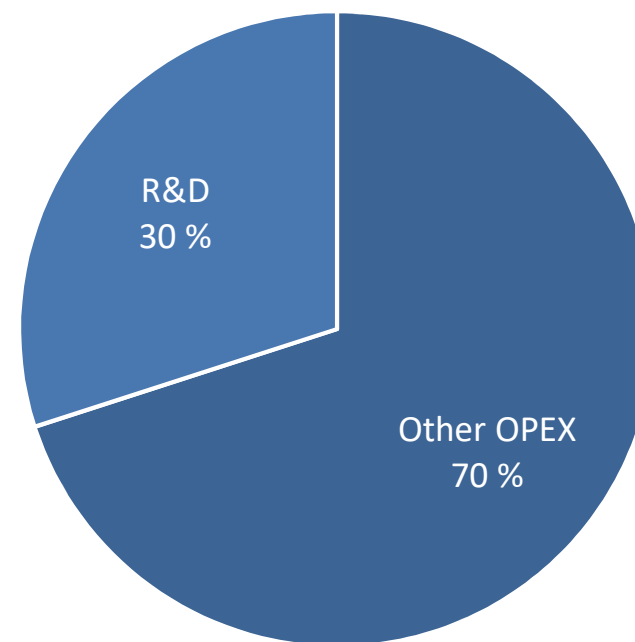


# OPEX

### OPEX



### R&D spilt 2019



Total OPEX before capitalization: 31.1MNOK

## Cash flow and cash position

MNOK	2Q19	1H19	1H18
Operating activities	-11.3	- 17.5	- 11.7
Investing activities	- 0.6	- 1.8	- 2.6
Other changes in financial items	0.0	0.0	0.0
Financing activities	0.0	-0.1	68.8
<b>Changes in cash and cash equivalent</b>	<b>-12.0</b>	<b>-19.4</b>	<b>54.5</b>
Cash and cash equivalent at the beginning of period	191.3	198.6	146.9
<b>Cash and cash equivalent at the end of period</b>	<b>179.3</b>	<b>179.3</b>	<b>201.4</b>

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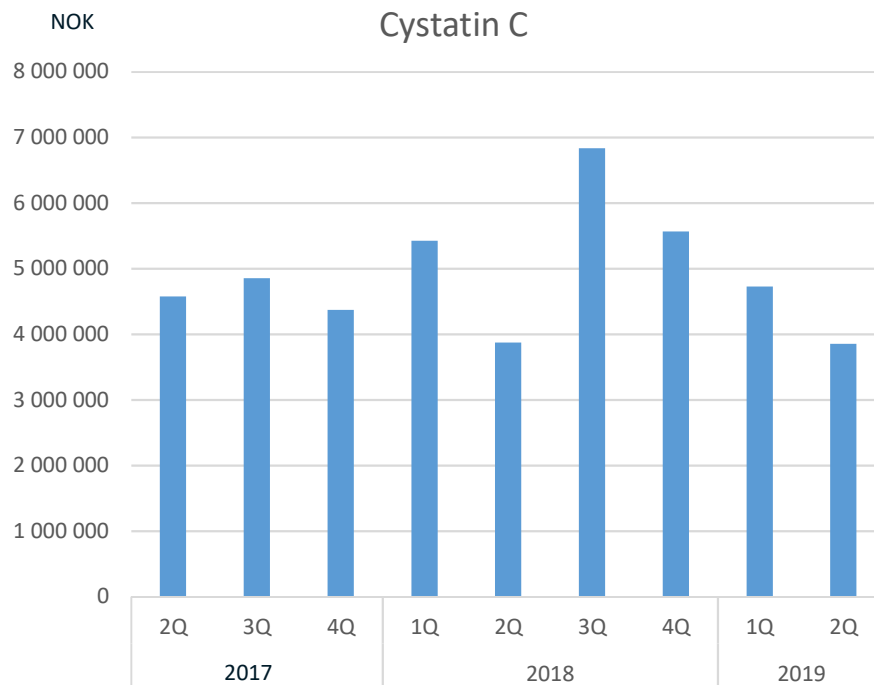
# Cystatin C



- Early detection of reduced kidney function
- Estimated market value of 0.5B\$
- Continued growth for the company mainly coming from China and US

## Sales Cystatin C

*Kidney function test, diagnosis and monitoring*



- Soft 1H19 due to warehouse consolidations in China and Europe.
- 2Q19 expected to grow significantly over 1Q19
- Business in China and focus of company on the US market expected to drive accelerated growth as of Q3/Q4 2019
- On July 3<sup>rd</sup>, 2019 Gentian announced a 6 years extension of the global reagent supply agreement with Beckman Coulter, one of the market leading diagnostic companies



## fCAL® turbo

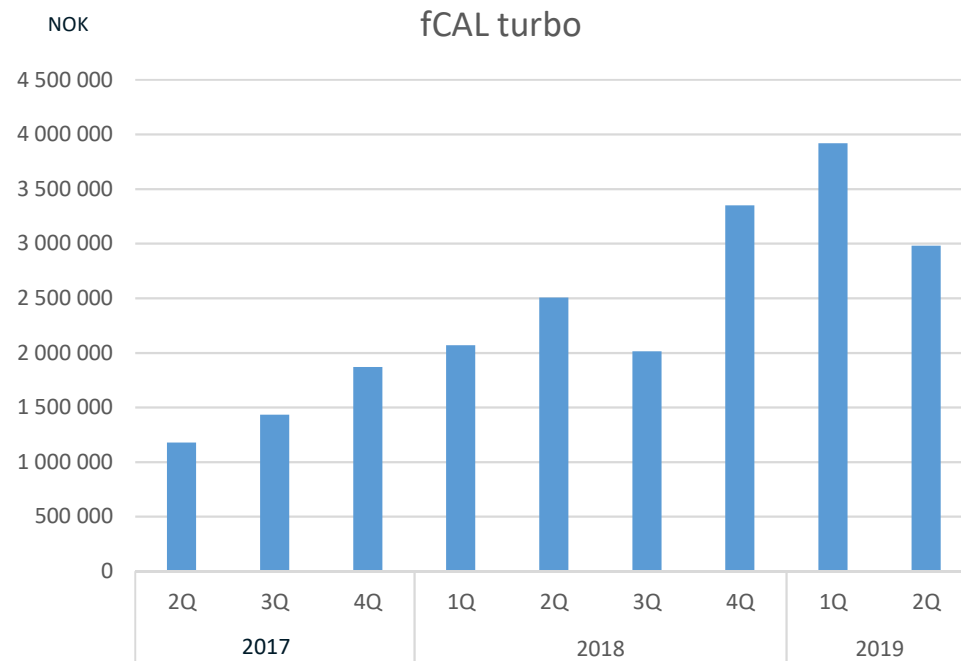
- Testing of faecal samples on clinical chemistry analysers provide significantly faster results to clinicians
- fCAL turbo support diagnosis of inflammatory bowel disease (IBD)
- Reduces the need for endoscopic examinations of the colon
- Estimated market value of >50M\$\*
- Continued growth due to increasing demand and competitive conversions by our trusted partner Bühlmann Laboratories AG

\* Estimated end-user market corresponds to a 15M\$ addressable market for Gentian

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## Sales fCAL® turbo

*Test for inflammatory bowel disease (IBD), diagnosis and monitoring*



- Continuous growth of fCAL turbo in 2Q19 versus 2Q18.
- With the 510(k) clearance for fCAL turbo, Bühlmann achieved the access into the US market.
- With Gentian being the sole reagent supplier, Bühlmann signed a sales channel agreement with Roche for fCAL turbo. Roche is the market leader in the diagnostic industry.
- Growth will continue, but variations from quarter to quarter should be expected

## GCAL<sup>®</sup> (continue market development)

- Early detection and monitoring of sepsis, other severe infections and rheumatoid arthritis
- Informed treatment decisions and laboratory efficiency
- Reported infectious diseases market value is 4.0B\$ (BCC, 2018)
- Estimated inflammation biomarkers market is 0.5B\$

## Focus items for 2019

- Clinical studies and respective publications
- Engagement with Key Opinion Leaders in key countries
- First routine users

## Educational workshop at Euromedlab 2019, Barcelona

- Title “Plasma Calprotectin: a promising early biomarker for diagnosis of bacterial infections and sepsis”.
- Discussion of calprotectin and other biomarkers’ role in diagnosis of severe infections and sepsis.
- Review of studies and results supporting the ability of calprotectin to discriminate patients with acute infections from patients with other states of inflammatory responses.

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## Outlook 2019

- The Company expects continued sales growth in 2019.
- Cystatin C sales growth expected to be driven by increased demand in China and increased focus on the US market.
- Continued sales growth for fCAL turbo in Europe. First customer conversions in the US after the FDA clearance to be expected early 2020. The new collaboration with Roche is expected to have a positive effect on sales as of 2020.
- For GCAL, new independent publications are in preparation. Some of them are expected to be released by the end of 2019. The company enhances the engagement with Key Opinion Leaders, selected hospitals and potential commercial partners.
- The G-1001 development is on track with expected launch in 2021.
- The Fecal Pancreatic Elastase development is on plan with aim to launch in 2020.