

Buy (Hold) EUR 3.30 (EUR 6.00) Price EUR 0.66 Upside 400.0 %	Value Indicators: EUR SotP: 3.86	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.0	Description: Development and distribution of diagnostic products
	Market Snapshot: EUR m Market cap: 2.7 No. of shares (m): 4.1 EV: 2.0 Freefloat MC: 1.9 Ø Trad. Vol. (30d): 2.29 th	Shareholders: Freefloat 71.64 % Deutsche Balaton AG 28.36 %	Key Figures (WRe): 2023e Price / Book: 0.7 x Equity Ratio: 62 %

Light on the horizon as NDD deal looks promising

The prospect of selling most assets to New Day Diagnostics is favourable for Epigenomics, in our opinion. Given the considerable funding required for the clinical development of Epi proColon "Next-Gen" for the US market (WRe EUR 70m) and in view of Epigenomics' current valuation, in-house development of Epi proColon "Next-Gen" is unlikely. Given the constrained funding environment for Epigenomics, this deal is the final chance for Epi proColon "Next-Gen" to reach the market and generate earnings for Epigenomics' shareholders.

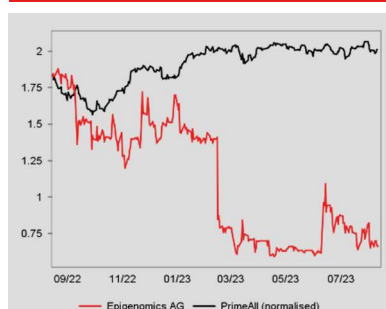
The deal, which is subject to shareholder approval, includes a transfer of all patents (including those related to Epi proColon "Next-Gen") and the entire biobank to US diagnostics company New Day Diagnostics for USD 12.1m, plus subsequent royalties on net sales of Epi proColon "Next-Gen". New Day Diagnostics will clinically develop Epi proColon "Next-Gen" for the US market at no cost to Epigenomics. The total transaction volume is as follows:

- Cash payments of USD 1.8m: USD 0.5m at closing, USD 1.0m (deposited in an escrow account) on 1st December 2023 and USD 0.3m on 30 June 2024.
- Additional cash payments of up to USD 8.0m, depending on the achievement of certain milestones related to Epi proColon "Next-Gen".
- A shareholding for Epigenomics in New Day Diagnostics of 3.0%, valued at USD 2.25m at least (giving Epigenomics an observer seat on New Day Diagnostics' board).
- Epigenomics will receive royalties (earn-out payments) on net sales of Epi proColon "Next-Gen" once clinical trials have been completed and market approval is obtained.

New Day Diagnostics is an US American lab and CRO services provider with expertise in the field of CRC tests. The company has direct access to clinical trial clinics and has an established sales force at hand. This is a lifeline for Epigenomics. In the current funding environment, it is very unlikely that Epigenomics will be able to develop Epi proColon "Next-Gen" alone, which could ultimately lead to the liquidation of all assets. As part of the deal, the company will receive typical market royalty rates on potential sales of Epi proColon "Next-Gen", giving investors a shot at a very attractive US CRC screening market.

continued on next page

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -	
Sales	0.2	718.2 %	0.1	172.7 %	0.1	-90.0 %	▪ In 2023, we modelled finalisation of the deal with NDD resulting in milestone payments of USD 1.8m.
EBITDA	-6.1	n.m.	0.3	65.8 %	0.3	-34.3 %	
EPS	-1.63	n.m.	-0.13	n.m.	-0.13	n.m.	



Rel. Performance vs PrimeAll:	
1 month:	-12.6 %
6 months:	-53.6 %
Year to date:	-72.0 %
Trailing 12 months:	-76.7 %

Company events:
09.11.23 Q3

FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	-72.6 %	1.1	0.8	6.2	0.5	1.6	0.3	0.0
Change Sales yoy		-26.6 %	-25.2 %	636.7 %	-92.2 %	237.4 %	-83.3 %	-96.3 %
Gross profit margin		77.5 %	82.8 %	97.8 %	75.3 %	93.9 %	63.3 %	-900.0 %
EBITDA		-14.2	-11.1	-1.9	-11.3	-5.2	0.4	0.2
Margin		-1258.7 %	-1317.3 %	-31.2 %	-2336.3 %	-317.9 %	159.5 %	1723.5 %
EBIT		-14.7	-11.6	-2.4	-12.1	-6.0	-0.3	-0.6
Margin		-1304.3 %	-1380.9 %	-37.9 %	-2484.7 %	-364.4 %	-120.0 %	-5900.0 %
Net income		-17.0	-11.7	-2.4	-11.9	-6.0	-0.4	-0.7
EPS		-14.18	-8.09	-0.87	-2.90	-1.47	-0.09	-0.16
DPS		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		-11.36	-6.63	-1.50	-3.32	-2.19	0.17	0.03
FCF / Market cap		-22.3 %	-14.9 %	-24.1 %	-182.1 %	-331.9 %	25.0 %	4.2 %
EV / Sales		44.5 x	71.8 x	n.a.	n.a.	1.2 x	n.a.	n.a.
EV / EBITDA		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV / EBIT		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E adj.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield		-33.4 %	-18.4 %	40.8 %	517.3 %	-255.4 %	n.a.	n.a.
Net Debt		-11.0	-3.9	-22.2	-9.6	-0.7	-1.3	-1.5
ROCE (NOPAT)		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Guidance:		adj EBITDA EUR -7 -9m						

Investors should be aware that Epigenomics with a current market capitalization of EUR 3 million is a very special investment case with corresponding risk.

The success of the investment and our Buy rating is contingent on the approval of the NDD deal and the success of the ongoing restructuring efforts. Our NPV analysis yields a fair value of EUR 26.9m or EUR 3.86 per share fully diluted. We assume an 85% likelihood of shareholder approval, resulting in our PT of EUR 3.30.

With this deal on the table, we raise our rating from Hold to Buy as the probability of success of Epi proColon "Next-Gen" has greatly improved. We recommend that shareholders approve the deal.

CRC screening test performance data comparison

Test method Company	FIT stool various	Colonoscopy endoscopic various	Cologuard 1.0 stool ExactScience	Cologuard 2.0 stool ExactScience	Epi proColon "Next-Gen" blood Epigenomics	LUNAR-1 blood Guardant Health
Specificity		95%	78-91%	87%	91%	90%
Sensitivity		74%	98%	92%	94%	84%
Advanced adenoma		n.a.	n.a.	42%	43%	20%
Price		USD 109	USD 3000	USD 500	n.a.	USD 192
						USD 895

Source: EvaluatePharma, Warburg Research

Performance indicators previously reported by Epigenomics put the test on par with existing stool-based CRC detection methods and make the "Next Gen" test a viable alternative to those already on the market or nearing development completion. Epigenomics attributes the high sensitivity to the addition of DNA methylation and protein biomarkers. Additionally, the test detected 20% of advanced adenomas, a type of pre-cancerous lesion that at one point might progress towards a cancerous state.

We are therefore under the impression that the second-generation test would no longer be merely an alternative for patients refusing colonoscopy, but would allow Epigenomics to address all eligible CRC screening patients in the US aged 45+ as a whole, resulting in a significantly expanded total addressable market of some 100m patients in the US per year.

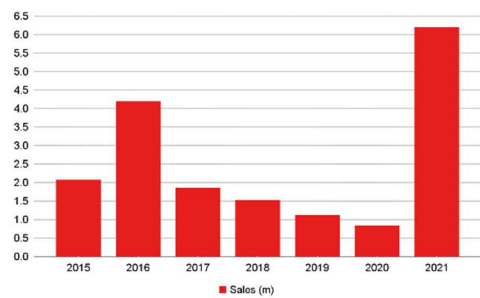
In addition, Epigenomics' current price point of USD 192 per test make it very competitive as an annual check-up product that would allow for fine-meshed population screening. In addition, we presume that blood-based screening methods generally have an advantage over procedure-based methods such as colonoscopies or stool-based screening methods because of their ease of use.

Besides milestone payments in the order of USD 12.1m, Epigenomics will be eligible to receive royalties on net sales, 5% in the first earn-out period (up to four years after FDA approval or after reaching USD 10m in sales), 3.5% in the second earn-out period (two years after the end of the first) and 2.5% during the third and final earn-out period (end of the second period until end of patent protection in 2043).

Based on a terminal penetration rate of 5.0% (also based on well-funded existing competition and a late-mover disadvantage), we forecast risk-adjusted royalties of EUR 11.4m in 2043e and recognize a probability of success of 80%, as we still cannot rule out the risk of non-approval due to regulatory decisions in the past. If Epi proColon "Next-Gen" continues to meet the abovementioned CMS performance criteria after the clinical trial, Medicare reimbursement is expected to be granted upon approval.

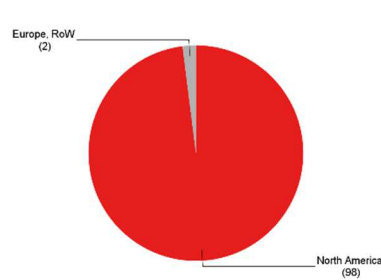
The competitive reimbursement price of USD 192 for Epi proColon "Next-Gen" places it in a good position to be considered as part of an annual check-up. Intervals between cancer testing are critical to potential CRC survival rates, and shorter testing intervals should be favoured by healthcare providers. This would yield a potential risk-adjusted net present value of EUR 26.9m which represents considerable upside to ECX's current market capitalization (see below for SotP analysis on page 4 of this report).

Sales development in EUR m



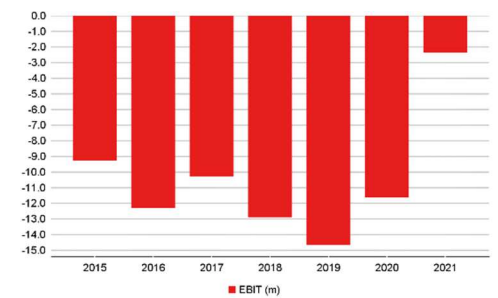
Source: Warburg Research

Tests sold by regions 2024e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

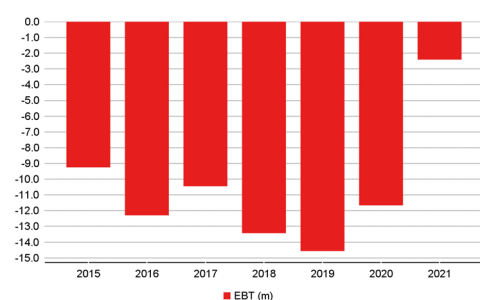
Company Background

- Epigenomics was founded in Berlin in 1998.
- Epigenomics is the innovator of the Septin9 test for the detection of different cancer types.
- The company received FDA-approval for its Septin9 colorectal cancer (CRC) test Epi proColon in April 2016.
- The patent-protected test kit is distributed directly by Epigenomics in Europe and Germany and by partners in North America.

Competitive Quality

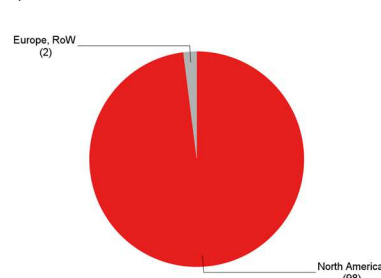
- Epi proColon is a convenient and innovative blood test for the early detection of cancer.
- Epigenomics has an early-mover advantage with its blood-based cancer test, which should help raise awareness of Epi proColon and secure high market share once it is included in the national reimbursement list in the US.
- The tests currently available are less convenient (stool-test) and more time-consuming (colonoscopy) than blood tests. Surveys show a high acceptance rate for tests that are easy to perform, like Epi proColon.

EBT development in EUR m



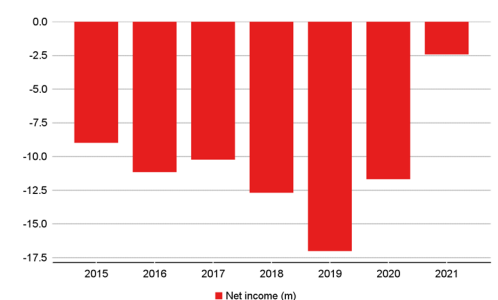
Source: Warburg Research

Sales by regions 2024e; in %



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

Sum of the parts

Epigenomics	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033 ...	2043
Patient population US, in m	103.0	104.1	105.1	106.2	107.2	108.3	109.4	110.5	111.6	112.7	113.8	125.7
- thereof unscreened	50.5	51.0	51.5	52.0	52.5	53.1	53.6	54.1	54.7	55.2	55.8	61.6
- market share ECX	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	1.5%	2.5%	3.0%	4.0%	5.0%	5.0%
- thereof remaining	52.5	53.1	53.6	54.1	54.7	55.2	55.8	56.3	56.9	57.5	58.0	64.1
- market share ECX	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	1.5%	2.5%	3.0%	4.0%	5.0%	5.0%
EpiProColon patients	0.0	0.0	0.0	0.0	0.0	0.9	1.6	2.8	3.3	4.5	5.7	6.3
- total market penetration	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	1.5%	2.5%	3.0%	4.0%	5.0%	5.0%
North America												
Tests sold	0	0	0	0	10,721	866,285	1,640,528	2,761,555	3,347,005	4,507,300	5,690,466	6,285,815
increase absolute					10,721	855,564	774,243	1,121,027	585,450	1,160,295	1,183,166	62,236
growth y-o-y	nm	nm	nm	nm	nm	7980%	89%	68%	21%	35%	26%	1%
Revenue, EURm	0.0	0.0	0.0	0.0	1.0	78.8	149.1	251.1	304.3	409.8	517.3	571.4
- royalty rate	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	3.5%	3.5%	2.5%	2.5%
royalty revenue Epigenomics	0.0	0.0	0.0	0.0	0.0	3.9	7.5	12.6	10.6	14.3	12.9	14.3
milestones	1.6	0.3			3.7	2.6						
Revenue, EURm	1.6	0.3	0.0	0.0	3.8	6.6	7.5	12.6	10.6	14.3	12.9	14.3
- risk adjusted	100.0%	100.0%	100.0%	100.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Revenue risk adj., EURm	1.6	0.3	0.0	0.0	3.0	5.3	6.0	10.0	8.5	11.5	10.3	11.4
SG&A	-7.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
EBIT risk adj.	-5.9	-0.2	-0.5	-0.5	2.5	4.8	5.5	9.5	8.0	11.0	9.8	10.9
- tax rate	0%	0%	0%	0%	15%	15%	15%	15%	15%	15%	15%	15%
taxes	0.0	0.0	0.0	0.0	-0.4	-0.7	-0.8	-1.4	-1.2	-1.6	-1.5	-1.6
NOPAT risk adj.	-5.9	-0.2	-0.5	-0.5	2.1	4.0	4.6	8.1	6.8	9.3	8.4	9.3
NPV of NOPAT	22.5											
net cash	4.4											
EV	26.9											
shares	6.97											
NPV per share	3.86											
Discount rate	12.74%											

- Tax rate at 15% due to taxloss carryforwards
- Dilutive impact of planned mandatory convertible and future finance measures factored in

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	6.3 x	16.7 x	0.8 x	0.7 x	0.7 x	0.7 x	0.9 x
Book value per share ex intangibles	0.85	2.53	5.68	1.76	0.26	0.17	0.03
EV / Sales	44.5 x	71.8 x	n.a.	n.a.	1.2 x	n.a.	n.a.
EV / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV / EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	6.7 x	40.1 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	-33.4 %	-18.4 %	40.8 %	517.3 %	-255.4 %	n.a.	n.a.

*Adjustments made for: EBITDA before share-based payment expenses

Consolidated profit and loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	1.1	0.8	6.2	0.5	1.6	0.3	0.0
Change Sales yoy	-26.6 %	-25.2 %	636.7 %	-92.2 %	237.4 %	-83.3 %	-96.3 %
COGS	0.3	0.1	0.1	0.1	0.1	0.1	0.1
Gross profit	0.9	0.7	6.1	0.4	1.5	0.2	-0.1
<i>Gross margin</i>	<i>77.5 %</i>	<i>82.8 %</i>	<i>97.8 %</i>	<i>75.3 %</i>	<i>93.9 %</i>	<i>63.3 %</i>	<i>-900.0 %</i>
Research and development	7.3	3.7	3.1	6.7	2.5	0.0	0.0
Sales and marketing	8.9	7.3	7.5	6.6	2.5	0.0	0.0
Administration expenses	0.0	0.0	0.0	0.0	2.5	0.5	0.5
Other operating expenses	1.8	2.9	1.0	0.9	0.0	0.0	0.0
Other operating income	2.5	1.5	3.2	1.9	0.0	0.0	0.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-14.2	-11.1	-1.9	-11.3	-5.2	0.4	0.2
<i>Margin</i>	<i>-1258.7 %</i>	<i>-1317.3 %</i>	<i>-31.2 %</i>	<i>-2336.3 %</i>	<i>-317.9 %</i>	<i>159.5 %</i>	<i>1723.5 %</i>
Depreciation of fixed assets	0.3	0.3	0.3	0.7	0.8	0.8	0.8
EBITA	-14.5	-11.4	-2.3	-12.1	-6.0	-0.3	-0.6
Amortisation of intangible assets	0.2	0.2	0.1	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-14.7	-11.6	-2.4	-12.1	-6.0	-0.3	-0.6
<i>Margin</i>	<i>-1304.3 %</i>	<i>-1380.9 %</i>	<i>-37.9 %</i>	<i>-2484.7 %</i>	<i>-364.4 %</i>	<i>-120.0 %</i>	<i>-5900.0 %</i>
EBIT adj.	-14.7	-11.6	-2.4	-12.1	-6.0	-0.3	-0.6
Interest income	0.2	0.0	0.0	0.1	0.0	0.0	0.0
Interest expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-14.6	-11.7	-2.4	-12.1	-6.0	-0.4	-0.7
<i>Margin</i>	<i>-1294.8 %</i>	<i>-1385.2 %</i>	<i>-38.8 %</i>	<i>-2495.1 %</i>	<i>-368.1 %</i>	<i>-142.0 %</i>	<i>-6500.0 %</i>
Total taxes	2.5	0.0	0.0	-0.1	0.0	0.0	0.0
Net income from continuing operations	-17.0	-11.7	-2.4	-12.0	-6.0	-0.4	-0.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	-17.0	-11.7	-2.4	-11.9	-6.0	-0.4	-0.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-17.0	-11.7	-2.4	-11.9	-6.0	-0.4	-0.7
<i>Margin</i>	<i>-1512.9 %</i>	<i>-1387.9 %</i>	<i>-39.1 %</i>	<i>-2449.7 %</i>	<i>-368.1 %</i>	<i>-142.0 %</i>	<i>-6500.0 %</i>
Number of shares, average	1.2	1.4	2.8	4.1	4.1	4.1	4.1
EPS	-14.18	-8.09	-0.87	-2.90	-1.47	-0.09	-0.16
EPS adj.	-14.12	-6.98	-0.87	-2.90	-1.47	-0.09	-0.16

*Adjustments made for: EBITDA before share-based payment expenses

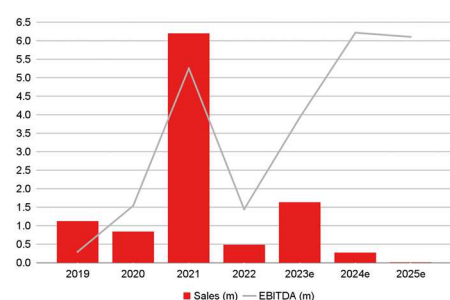
Guidance: adj EBITDA EUR -7 - -9m

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	1381.8 %	1463.7 %	135.8 %	2560.0 %	458.3 %	183.3 %	5000.0 %
Operating Leverage	-0.5 x	0.8 x	-0.1 x	-4.5 x	-0.2 x	1.1 x	-0.8 x
EBITDA / Interest expenses	n.m.	n.m.	n.m.	n.m.	n.m.	7.3 x	2.9 x
Tax rate (EBT)	-16.8 %	-0.2 %	-0.7 %	0.6 %	0.0 %	0.0 %	0.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	26,163	21,590	167,649	14,265	48,128	8,021	294

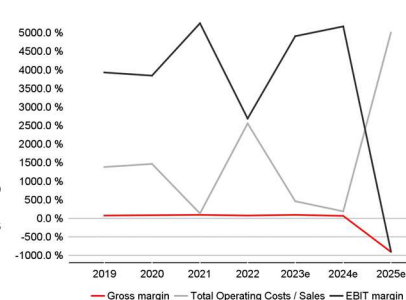
Sales, EBITDA

in EUR m

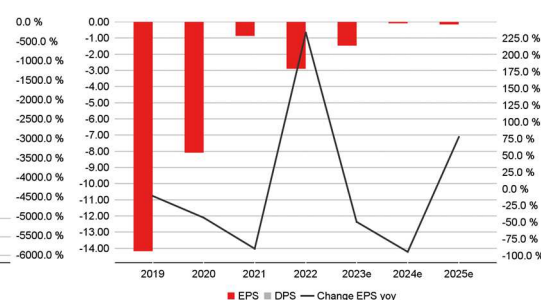


Operating Performance

in %



Performance per Share



Source: Warburg Research

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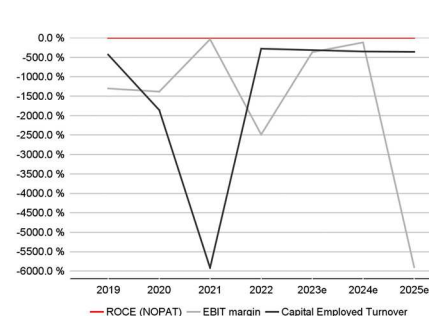
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	0.3	0.1	0.1	3.0	3.0	3.0	3.0
thereof other intangible assets	0.3	0.1	0.1	3.0	3.0	3.0	3.0
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	1.5	1.2	0.9	2.1	1.3	0.5	-0.2
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	1.9	1.3	1.0	5.0	4.3	3.5	2.7
Inventories	0.3	0.1	0.2	0.1	0.2	0.0	0.0
Accounts receivable	0.1	0.3	0.1	0.1	0.3	0.0	0.0
Liquid assets	11.0	4.5	23.0	10.1	1.2	1.8	2.0
Other short-term assets	0.7	0.6	0.4	0.5	0.5	0.5	0.5
Current assets	12.1	5.5	23.7	10.8	2.2	2.4	2.5
Total Assets	14.0	6.8	24.7	15.9	6.5	5.9	5.3
Liabilities and shareholders' equity							
Subscribed capital	43.5	5.9	15.5	4.1	4.1	4.1	4.1
Capital reserve	69.3	87.4	99.8	102.4	102.4	102.4	102.4
Retained earnings	-102.8	-79.0	-93.2	-84.4	-90.4	-90.8	-91.4
Other equity components	-0.3	-10.4	0.0	-11.9	-12.0	-12.0	-11.9
Shareholders' equity	9.6	3.9	22.1	10.2	4.0	3.7	3.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	9.6	3.9	22.1	10.2	4.0	3.7	3.1
Provisions	1.3	1.4	1.4	1.1	1.1	1.1	1.1
thereof provisions for pensions and similar obligations	0.1	0.6	0.8	0.5	0.5	0.5	0.5
Financial liabilities (total)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.4	0.6	0.7	3.5	0.2	0.0	0.0
Other liabilities	1.6	0.9	0.4	1.1	1.1	1.1	1.1
Liabilities	4.4	2.9	2.6	5.7	2.4	2.2	2.2
Total liabilities and shareholders' equity	14.0	6.8	24.7	15.9	6.5	5.9	5.3

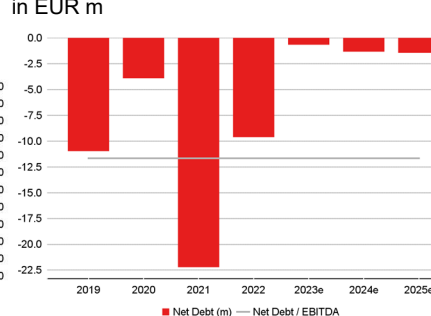
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	2.2 x	0.9 x	13.8 x	-0.4 x	1.0 x	0.5 x	0.0 x
Capital Employed Turnover	-0.8 x	-16.9 x	-62.7 x	0.9 x	0.5 x	0.1 x	0.0 x
ROA	-912.1 %	-880.0 %	-252.5 %	-235.9 %	-140.9 %	-11.0 %	-23.6 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	-120.5 %	-173.2 %	-18.7 %	-73.6 %	-84.7 %	-10.0 %	-19.2 %
Adj. ROE	-120.0 %	-149.4 %	-18.7 %	-73.6 %	-84.7 %	-10.0 %	-19.2 %
Balance sheet quality							
Net Debt	-11.0	-3.9	-22.2	-9.6	-0.7	-1.3	-1.5
Net Financial Debt	-11.0	-4.5	-23.0	-10.1	-1.2	-1.8	-2.0
Net Gearing	-113.9 %	-101.3 %	-100.4 %	-94.6 %	-16.4 %	-36.5 %	-46.6 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	0.9	2.6	5.7	2.5	1.0	0.9	0.8
Book value per share ex intangibles	0.9	2.5	5.7	1.8	0.3	0.2	0.0

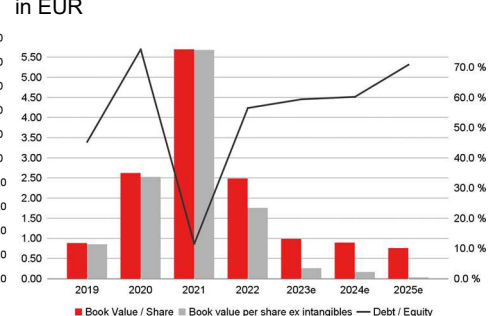
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

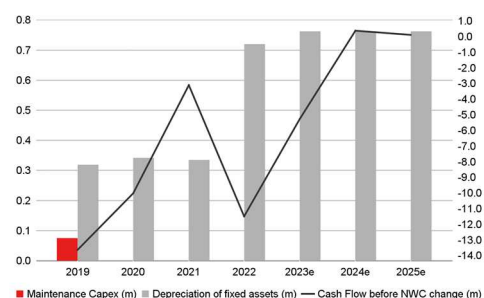
Consolidated cash flow statement

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-17.0	-11.7	-2.4	-11.9	-6.0	-0.4	-0.7
Depreciation of fixed assets	0.3	0.3	0.3	0.7	0.8	0.8	0.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.2	0.2	0.1	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	-0.4	0.3	0.2	-0.3	0.0	0.0	0.0
Other non-cash income and expenses	3.2	0.8	-1.3	0.0	0.0	0.0	0.0
Cash Flow before NWC change	-13.6	-10.0	-3.1	-11.5	-5.3	0.4	0.1
Increase / decrease in inventory	0.0	0.2	-0.1	0.1	-0.1	0.2	0.0
Increase / decrease in accounts receivable	0.1	-0.2	0.2	0.0	-0.2	0.3	0.0
Increase / decrease in accounts payable	0.1	0.4	0.1	2.8	-3.3	-0.2	0.0
Increase / decrease in other working capital positions	-0.1	0.0	-1.3	-3.7	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.1	0.4	-1.1	-0.8	-3.7	0.3	0.0
Net cash provided by operating activities [1]	-13.5	-9.6	-4.2	-12.2	-9.0	0.7	0.1
Investments in intangible assets	0.0	0.0	0.0	-0.5	0.0	0.0	0.0
Investments in property, plant and equipment	-0.1	-1.0	0.0	-0.8	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.0	1.0	-0.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	0.0	0.0	1.0	-1.7	0.0	0.0	0.0
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	7.3	3.3	21.9	0.0	0.0	0.0	0.0
Other	-0.2	-0.3	-0.3	-0.4	0.0	0.0	0.0
Net cash provided by financing activities [3]	7.1	3.0	21.6	-0.4	0.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	-6.3	-6.6	18.4	-14.3	-9.0	0.7	0.1
Effects of exchange-rate changes on cash	0.0	0.0	1.1	1.2	0.0	0.0	0.0
Cash and cash equivalent at end of period	10.2	3.6	23.0	9.9	1.2	1.8	2.0

Financial Ratios

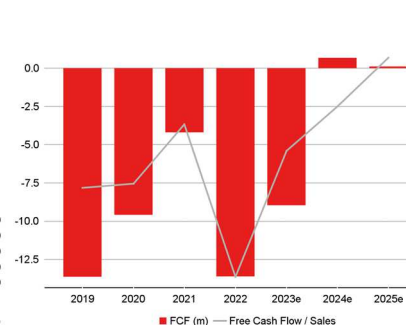
	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-13.6	-9.6	-4.2	-13.6	-9.0	0.7	0.1
Free Cash Flow / Sales	-1211.4 %	-1138.0 %	-67.6 %	-2805.2 %	-547.4 %	247.5 %	1123.5 %
Free Cash Flow Potential	-16.7	-11.1	-2.0	-11.1	-5.2	n.a.	n.a.
Free Cash Flow / Net Profit	80.1 %	82.0 %	173.1 %	114.5 %	148.7 %	-174.3 %	-17.3 %
Interest Received / Avg. Cash	1.2 %	0.3 %	0.0 %	0.6 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Management of Funds							
Investment ratio	10.8 %	118.8 %	0.0 %	281.4 %	0.0 %	0.0 %	0.0 %
Maint. Capex / Sales	6.7 %	0.0 %	0.0 %	0.0 %	0.0 %	n.a.	n.a.
Capex / Dep	23.8 %	186.9 %	0.0 %	189.6 %	0.0 %	0.0 %	0.0 %
Avg. Working Capital / Sales	-84.9 %	-76.2 %	-5.7 %	-396.6 %	-94.6 %	55.0 %	0.0 %
Trade Debtors / Trade Creditors	6.2 %	39.9 %	10.4 %	2.3 %	150.0 %	n.a.	n.a.
Inventory Turnover	0.8 x	1.2 x	0.8 x	2.0 x	0.5 x	n.a.	n.a.
Receivables collection period (days)	29	109	4	62	67	0	0
Payables payment period (days)	2,063	1,583	1,879	10,768	730	0	0
Cash conversion cycle (Days)	-1,583	-1,167	-1,402	-10,519	67	n.a.	n.a.

CAPEX and Cash Flow
in EUR m



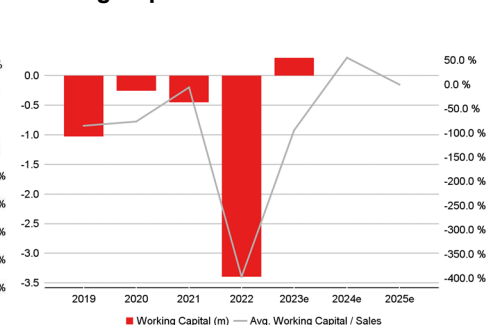
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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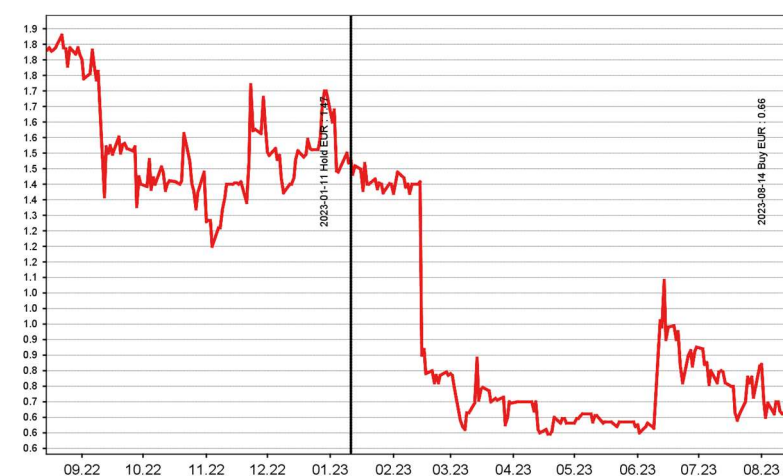
Rating	Number of stocks	% of Universe
Buy	151	73
Hold	45	22
Sell	7	3
Rating suspended	4	2
Total	207	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	42	86
Hold	5	10
Sell	0	0
Rating suspended	2	4
Total	49	100

PRICE AND RATING HISTORY EPIGENOMICS AS OF 14.08.2023



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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