

| | | | |
|---|---|--|---|
| Hold EUR 6.13 (EUR 1.63) Price EUR 1.47 Upside 317.6 % | Value Indicators: EUR DCF: 6.13 | 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: 6.0 No. of shares (m): 4.1 EV: 10.7 Freefloat MC: 4.3 Ø Trad. Vol. (30d): 14.56 th | Shareholders: Freefloat 71.64 % Deutsche Balaton AG 28.36 % | Key Figures (WRe): 2022e Beta: 2.1 Price / Book: 0.5 x Equity Ratio: 36 % |

CMS thresholds reached which leads to expansion of CRC market potential

Epigenomics released pre-clinical performance data for its second-generation blood-based colorectal cancer screening test Epi proColon "Next-Gen", which meet the reimbursement criteria set by the Centers for Medicare & Medicaid Services (CMS) and pave the way for potential market success following the successful conclusion of Epigenomics' currently ongoing CRC-DRAW trial.

| Test method Company | FIT stool various | Colonoscopy endoscopic various | Cologuard stool ExactScience | EpiProColon Next-Gen blood-based Epigenomics | ctDNA LUNAR blood-based Guardant | CMS Threshold |
|------------------------|----------------------|--------------------------------------|------------------------------------|--|--|---------------|
| Specificity | | 95% | 78-91% | 87% | 90% | 90% |
| Sensitivity | | 74% | 98% | 92% | 84% | 83% |
| Advanced adenoma | | n.a. | n.a. | 42% | 20% | 13% |
| Price | | USD 109 | USD 3000 | USD 500 | USD 192 | USD 895 |

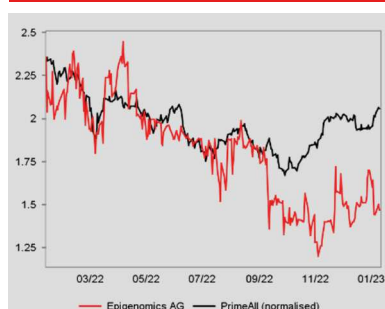
source: EvaluatePharma

Epigenomics estimates that the study will screen some 16k patients and will be completed by 2025/2026. We estimate that the trial could cost between EUR 60-80m plus an additional EUR 50m in opex. Based on the usual timelines, we expect Epigenomics to start marketing the CRC test from 2026/2027 onwards.

Epigenomics' reported performance indicators 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. 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, leading us to model a scenario that would result in risk-adjusted annual revenues of EUR 338m in 2034e (see model explanation on the next page).

As mentioned above, we assume that Epigenomics would need financing of EUR 130m, which is a considerable multiple of Epigenomics' current market capitalisation. As the materialisation of Epigenomics' business case relies on the company's ability to raise the required capital, we have decided to develop a scenario that demonstrates the risk-adjusted fair value of Epigenomics if the company were able to raise such capital (see next page).

Although ECX reported very encouraging assay performance data for its CRC screening test Epi proColon "Next-Gen", which puts it within striking distance of accessing a potentially larger market, the financing requirements are considerable. Therefore, we decided to leave our model at the last rating for now. Epigenomics will be able to address a significantly larger CRC screening market with its improved Epi proColon "Next-Gen", if the company successfully raises the required capital. Once financing is secured, we will update our model based on our scenario analysis which yields considerable upside to current market valuation (fair value EURm 308m vs EUR 47m). The Hold rating is maintained and the price target adjusted for a capital reduction. *(continued on the next page)*



| Rel. Performance vs PrimeAll: | |
|-------------------------------|---------|
| 1 month: | 4.1 % |
| 6 months: | -33.3 % |
| Year to date: | -19.8 % |
| Trailing 12 months: | -24.6 % |

| Company events: | |
|-----------------|---------|
| 28.03.23 | FY 2022 |
| 11.05.23 | Q1 |
| 15.06.23 | AGM |
| 10.08.23 | Q2 |

| FY End: 31.12. in EUR m | CAGR (21-24e) | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|----------------------------|---------------|--|-----------|-----------|---------|-----------|-----------|-----------|
| Sales | -49.2 % | 1.5 | 1.1 | 0.8 | 6.2 | 0.5 | 0.7 | 0.8 |
| Change Sales yoy | | -17.8 % | -26.6 % | -25.2 % | 636.7 % | -91.6 % | 25.0 % | 24.4 % |
| Gross profit margin | | 71.3 % | 77.5 % | 82.8 % | 97.8 % | 83.8 % | 88.1 % | 88.2 % |
| EBITDA | - | -12.6 | -14.2 | -11.1 | -1.9 | -10.3 | -15.8 | -10.4 |
| Margin | | -821.1 % | -1258.7 % | -1317.3 % | -31.2 % | -1983.1 % | -2424.2 % | -1288.5 % |
| EBIT | - | -12.9 | -14.7 | -11.6 | -2.4 | -10.8 | -16.2 | -10.9 |
| Margin | | -841.2 % | -1304.3 % | -1380.9 % | -37.9 % | -2063.4 % | -2488.5 % | -1340.2 % |
| Net income | - | -12.7 | -17.0 | -11.7 | -2.4 | -10.8 | -16.3 | -10.9 |
| EPS | - | -15.03 | -14.61 | -8.09 | -6.88 | -4.41 | -3.98 | -2.67 |
| 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 | | -12.06 | -11.36 | -6.63 | -1.50 | -4.46 | -3.90 | -2.59 |
| FCF / Market cap | | -14.3 % | -22.3 % | -14.9 % | -24.1 % | -182.5 % | -266.0 % | -176.7 % |
| EV / Sales | | 32.9 x | 44.5 x | 71.8 x | n.a. | n.a. | 16.4 x | 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 | | -23.7 % | -33.4 % | -18.4 % | 40.8 % | 196.6 % | -147.6 % | n.a. |
| Net Debt | | -17.1 | -11.0 | -3.9 | -22.2 | -11.3 | 4.7 | 15.3 |
| ROCE (NOPAT) | | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Guidance: | | Sales of EUR 0.3 - 0.8m; EBITDA EUR -10.2 - -10.8m | | | | | | |

Epigenomics model scenario

| Epigenomics | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 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 | 114.9 |
| - thereof unscreened | 50.5 | 51.0 | 51.5 | 52.0 | 52.5 | 53.1 | 53.6 | 54.1 | 54.7 | 55.2 | 55.8 | 56.3 |
| - market share ECX | 0.0% | 0.0% | 0.0% | 0.1% | 0.9% | 1.5% | 2.0% | 2.5% | 3.0% | 3.3% | 3.6% | 3.9% |
| - thereof remaining | 52.5 | 53.1 | 53.6 | 54.1 | 54.7 | 55.2 | 55.8 | 56.3 | 56.9 | 57.5 | 58.0 | 58.6 |
| - market share ECX | 0.0% | 0.0% | 0.0% | 0.1% | 0.9% | 1.5% | 2.0% | 2.5% | 3.0% | 3.3% | 3.6% | 3.9% |
| EpiProColon patients | 0.0 | 0.0 | 0.0 | 0.1 | 1.0 | 1.6 | 2.2 | 2.8 | 3.3 | 3.7 | 4.1 | 4.5 |
| - total market penetration | 0.0% | 0.0% | 0.0% | 0.1% | 0.9% | 1.5% | 2.0% | 2.5% | 3.0% | 3.3% | 3.6% | 3.9% |
| North America | | | | | | | | | | | | |
| Tests sold | 6,906 | 8,633 | 10,000 | 53,076 | 964,922 | 1,624,285 | 2,187,371 | 2,761,555 | 3,347,005 | 3,718,523 | 4,097,136 | 4,482,949 |
| increase absolute | | | 1,367 | 43,076 | 911,846 | 659,363 | 563,085 | 574,185 | 585,450 | 371,518 | 378,613 | 385,814 |
| growth y-o-y | 25% | 25% | 16% | 431% | 1718% | 68% | 35% | 26% | 21% | 11% | 10% | 9% |
| Price per unit sold, USDm | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Revenue, USDm | 0.7 | 0.9 | 1.0 | 5.3 | 96.5 | 162.4 | 218.7 | 276.2 | 334.7 | 371.9 | 409.7 | 448.3 |
| USD/EUR rate | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 | 1.06 |
| Revenue, EURm | 0.7 | 0.8 | 0.9 | 5.0 | 91.0 | 153.2 | 206.4 | 260.5 | 315.8 | 350.8 | 386.5 | 422.9 |
| - risk adjustment | 100% | 100% | 100% | 100% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% |
| Revenue risk adj., EURm | 0.7 | 0.8 | 0.9 | 5.0 | 72.8 | 122.6 | 165.1 | 208.4 | 252.6 | 280.6 | 309.2 | 338.3 |
| COGS | -0.1 | -0.2 | -0.2 | -1.0 | -14.6 | -24.5 | -24.8 | -31.3 | -37.9 | -42.1 | -46.4 | -50.8 |
| - in perc. of sales | 20% | 20% | 20% | 20% | 20% | 20% | 15% | 15% | 15% | 15% | 15% | 15% |
| R&D | -20.0 | -25.0 | -15.0 | -10.0 | -5.0 | -5.0 | -5.0 | -5.0 | -5.0 | -5.0 | -5.0 | -5.0 |
| - in pct of sales | -2729.3% | -2741.5% | -1421.1% | -194.9% | -5.5% | -3.3% | -2.4% | -1.9% | -1.6% | -1.4% | -1.3% | -1.2% |
| General and admin | -5.0 | -5.0 | -5.0 | -5.0 | -10.9 | -18.4 | -24.8 | -31.3 | -37.9 | -42.1 | -46.4 | -50.8 |
| Sales and marketing | -5.0 | -5.0 | -5.0 | -5.0 | -10.9 | -18.4 | -24.8 | -31.3 | -37.9 | -42.1 | -46.4 | -50.8 |
| - SGA in pct of sales | -1534.8% | -1227.9% | -1060.0% | -199.7% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% |
| Other operating result | 1.5 | -5.0 | -5.0 | -5.0 | -5.0 | -9.8 | -16.5 | -20.8 | -25.3 | -28.1 | -30.9 | -33.8 |
| - in pct of sales | 230.2% | -613.9% | -530.0% | -99.9% | -6.9% | -8.0% | -10.0% | -10.0% | -10.0% | -10.0% | -10.0% | -10.0% |
| EBIT risk adj. | -28.0 | -39.3 | -29.2 | -21.0 | 26.4 | 46.5 | 69.3 | 88.8 | 108.7 | 121.3 | 134.1 | 147.3 |
| - margin | -3818.2% | -4314.9% | -2770.7% | -409.2% | 36.2% | 37.9% | 41.9% | 42.6% | 43.0% | 43.2% | 43.4% | 43.5% |

Source: Warburg Research

Based on the expanded TAM, we have fundamentally reworked our model: Based on a 2034e penetration rate of 3.9% (also based on well-funded already existing competition and a slight late-mover disadvantage), we forecast risk-adjusted revenues of EUR 338m in 2034e and recognise 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 above-mentioned 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. In addition, we assume that COGS would initially amount to 20% of sales and then decline to 15% to reflect economies of scale. This would yield a potential risk-adjusted net present value of EUR 308m, which represents considerable upside to ECX's current market capitalization (see DCF-based analysis next page).

Epigenomics DCF scenario

| Figures in EUR m | Detailed forecast period | | | Transitional period | | | | | | | | | | Term. Value |
|---|--------------------------|-----------|-----------|---------------------|----------|----------|--------|--------|--------|--------|--------|--------|--------|-------------|
| | 2022e | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | |
| Sales | 1 | 1 | 1 | 1 | 5 | 73 | 123 | 165 | 209 | 253 | 281 | 309 | 338 | |
| Sales change | -90.5 % | 25.0 % | 24.4 % | 15.7 % | 386.1 % | 1322.0 % | 68.2 % | 34.6 % | 26.2 % | 21.2 % | 11.1 % | 10.2 % | 9.4 % | 3.0 % |
| EBIT | -12 | -28 | -39 | -6 | -21 | 26 | 46 | 69 | 89 | 109 | 121 | 134 | 147 | |
| EBIT-margin | -1983.9 % | -3807.1 % | -4304.2 % | -530.0 % | -409.2 % | 36.2 % | 37.9 % | 41.9 % | 42.6 % | 43.0 % | 43.2 % | 43.4 % | 43.5 % | |
| Tax rate (EBT) | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 25.0 % | 25.0 % | 25.0 % | |
| NOPAT | -12 | -28 | -39 | -6 | -21 | 26 | 46 | 69 | 89 | 109 | 91 | 101 | 110 | |
| Depreciation in % of Sales | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | |
| Change in provisions | 0 | 0 | 0 | -1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| Change in liquidity from - Working Capital | 1 | 0 | 0 | 0 | 1 | 17 | 12 | 11 | 11 | 11 | 7 | 7 | 7 | |
| - Capex | 0 | 0 | 0 | 0 | 1 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | |
| Capex in % of Sales | 0.0 % | 0.0 % | 0.0 % | 24.0 % | 110 % | 6.0 % | 3.3 % | 2.2 % | 17 % | 14 % | 12 % | 11 % | 10 % | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Free Cash Flow (WACC- model) | -12 | -28 | -39 | -7 | -22 | 8 | 33 | 58 | 77 | 97 | 84 | 94 | 104 | |
| PV of FCF | -12 | -25 | -31 | -5 | -14 | 4 | 16 | 25 | 30 | 33 | 26 | 25 | 25 | 187 |
| share of PVs | -23.6 % | | | 58.1 % | | | | | | | | | | 65.6 % |

Model parameter

| Derivation of WACC: | | Derivation of Beta: | |
|---------------------|----------------|---------------------|-------------|
| Debt ratio | 15.0 % | Financial Strength | 3.00 |
| Cost of debt | 6.0 % | Liquidity | 140 |
| Market return | 8.3 % | Cyclicality | 100 |
| Risk free rate | 2.8 % | Transparency | 2.00 |
| Risk premium | 5.5 % | Others | 3.00 |
| Cost of equity | 14.2 % | | |
| WACC | 12.74 % | Beta | 2.08 |

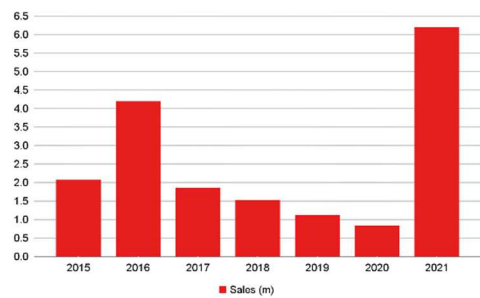
Valuation (m)

| | |
|----------------------------|------------|
| Present values until 2034e | 98 |
| Terminal Value | 187 |
| Financial liabilities | 0 |
| Pension liabilities | 1 |
| Hybrid capital | 0 |
| Minority interest | 0 |
| Market val. of investments | 0 |
| Liquidity | 23 |
| Equity Value | 308 |

- Sales level in 2033/2034 reflects market share of 3.9% of addressable CRC screening population
- Sales growth assumption of 3% from 2034 onwards reflects potential entry of new techniques or competitors
- We assume a 80% probability of FDA approval
- Tax rate at 0% due to taxloss carryforwards

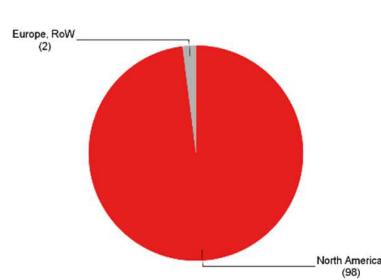
Source: Warburg Research

Sales development in EUR m



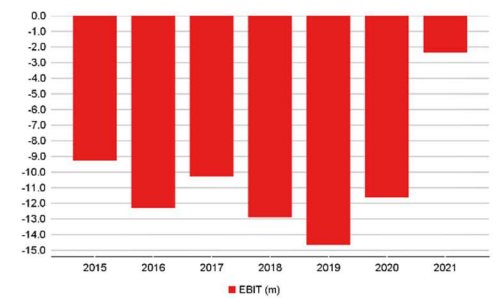
Source: Warburg Research

Tests sold by regions 2024e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

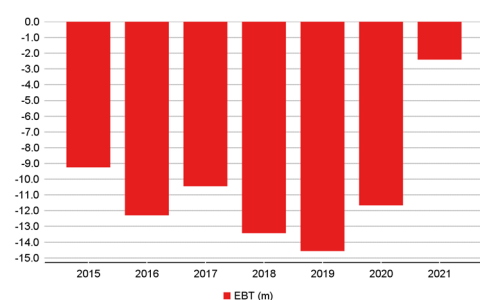
Company Background

- 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

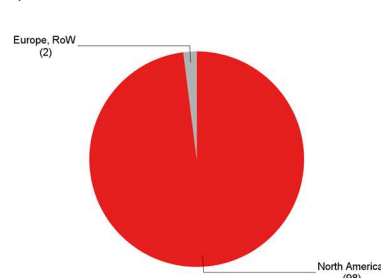
- Epi proColon is a convenient and innovative blood test for the early detection of cancer.
- Epigenomics has an early-mover advantage with its blood-based cancer test, which should help raise awareness of Epi proColon and secure high market share once it is included in the national reimbursement list 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



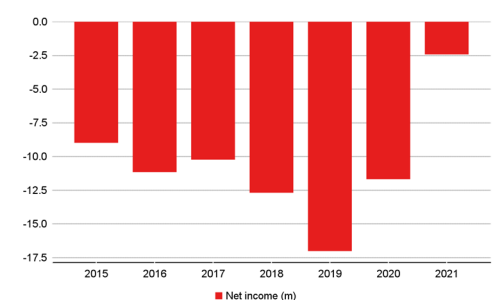
Source: Warburg Research

Sales by regions 2024e; in %



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model

| Figures in EUR m | Detailed forecast period | | | Transitional period | | | | | | | | | | Term. Value | |
|-----------------------------|--------------------------|-----------|-----------|---------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|----|
| | 2022e | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | | |
| Sales | 0.5 | 0.7 | 0.8 | 4.2 | 17.7 | 30.3 | 45.4 | 60.5 | 70.6 | 80.7 | 85.7 | 90.8 | 96.1 | 3.0 % | |
| Sales change | -91.6 % | 25.0 % | 24.4 % | 423.4 % | 317.9 % | 71.0 % | 49.8 % | 33.2 % | 16.6 % | 14.3 % | 6.2 % | 5.9 % | 5.9 % | | |
| EBIT | -10.8 | -16.2 | -10.9 | -8.4 | 2.0 | 5.7 | 9.6 | 13.5 | 15.7 | 17.7 | 19.1 | 20.4 | 21.6 | | |
| EBIT-margin | -2063.4 % | -2488.5 % | -1340.2 % | -197.1 % | 11.3 % | 18.7 % | 21.2 % | 22.4 % | 22.3 % | 22.0 % | 22.3 % | 22.5 % | 22.5 % | | |
| Tax rate (EBT) | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | | |
| NOPAT | -10.8 | -16.2 | -10.9 | -8.4 | 2.0 | 5.7 | 9.6 | 13.5 | 15.7 | 17.7 | 19.1 | 20.4 | 21.6 | | |
| Depreciation in % of Sales | 80.3 % | 64.3 % | 51.7 % | 2.0 % | 1.8 % | 1.6 % | 1.3 % | 1.1 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | 1.0 % | | |
| Changes in provisions | 0.0 | 0.0 | 0.0 | -0.7 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | | |
| Change in Liquidity from | | | | | | | | | | | | | | | |
| - Working Capital | 0.6 | 0.1 | 0.1 | 0.5 | 3.6 | 3.1 | 3.8 | 3.8 | 2.5 | 2.5 | 1.3 | 1.3 | 1.3 | | |
| - Capex | 0.0 | 0.0 | 0.0 | 1.0 | 2.0 | 1.8 | 1.5 | 1.3 | 1.2 | 1.1 | 1.1 | 1.0 | 1.0 | | |
| Capex in % of Sales | 0.0 % | 0.0 % | 0.0 % | 24.0 % | 11.0 % | 6.0 % | 3.3 % | 2.2 % | 1.7 % | 1.4 % | 1.2 % | 1.1 % | 1.0 % | | |
| - Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| Free Cash Flow (WACC Model) | -10.9 | -15.9 | -10.5 | -10.6 | -2.9 | 1.5 | 5.2 | 9.4 | 12.9 | 15.1 | 17.7 | 19.2 | 20.4 | | 12 |
| PV of FCF | -11.0 | -14.3 | -8.4 | -7.5 | -1.8 | 0.8 | 2.6 | 4.1 | 5.0 | 5.2 | 5.4 | 5.2 | 4.9 | | 30 |
| share of PVs | -163.90 % | | | 116.08 % | | | | | | | | | | 147.83 % | |

Model parameter

| | | | |
|--------------------------|----------------|---------------------|-------------|
| Derivation of WACC: | | Derivation of Beta: | |
| Debt ratio | 15.00 % | Financial Strength | 3.00 |
| Cost of debt (after tax) | 4.5 % | Liquidity (share) | 1.40 |
| Market return | 8.25 % | Cyclicality | 1.00 |
| Risk free rate | 2.75 % | Transparency | 2.00 |
| | | Others | 3.00 |
| WACC | 12.74 % | Beta | 2.08 |

Valuation (m)

| | | | |
|----------------------------|-----------|------------------------------|-------------|
| Present values 2034e | -10 | | |
| Terminal Value | 30 | | |
| Financial liabilities | 0 | | |
| Pension liabilities | 1 | | |
| Hybrid capital | 0 | | |
| Minority interest | 0 | | |
| Market val. of investments | 0 | | |
| Liquidity | 23 | No. of shares (m) | 7.0 |
| Equity Value | 43 | Value per share (EUR) | 6.13 |

Sensitivity Value per Share (EUR)

| Beta | WACC | Terminal Growth | | | | | | | Delta EBIT-margin | | | | | | | | |
|------|--------|-----------------|--------|--------|--------|--------|--------|--------|-------------------|---------|---------|---------|---------|---------|---------|------|------|
| | | 2.25 % | 2.50 % | 2.75 % | 3.00 % | 3.25 % | 3.50 % | 3.75 % | -1.5 pp | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp | | |
| 2.29 | 13.7 % | 4.80 | 4.88 | 4.96 | 5.04 | 5.12 | 5.21 | 5.30 | 2.29 | 13.7 % | 4.29 | 4.54 | 4.79 | 5.04 | 5.28 | 5.53 | 5.78 |
| 2.19 | 13.2 % | 5.29 | 5.37 | 5.46 | 5.55 | 5.65 | 5.76 | 5.86 | 2.19 | 13.2 % | 4.76 | 5.03 | 5.29 | 5.55 | 5.82 | 6.08 | 6.34 |
| 2.13 | 13.0 % | 5.55 | 5.64 | 5.73 | 5.83 | 5.94 | 6.05 | 6.17 | 2.13 | 13.0 % | 5.02 | 5.29 | 5.56 | 5.83 | 6.11 | 6.38 | 6.65 |
| 2.08 | 12.7 % | 5.82 | 5.92 | 6.02 | 6.13 | 6.25 | 6.37 | 6.49 | 2.08 | 12.7 % | 5.29 | 5.57 | 5.85 | 6.13 | 6.41 | 6.69 | 6.98 |
| 2.03 | 12.5 % | 6.11 | 6.21 | 6.33 | 6.44 | 6.57 | 6.70 | 6.84 | 2.03 | 12.5 % | 5.57 | 5.86 | 6.15 | 6.44 | 6.74 | 7.03 | 7.32 |
| 1.97 | 12.2 % | 6.41 | 6.53 | 6.65 | 6.78 | 6.91 | 7.05 | 7.20 | 1.97 | 12.2 % | 5.87 | 6.17 | 6.47 | 6.78 | 7.08 | 7.38 | 7.68 |
| 1.87 | 11.7 % | 7.07 | 7.21 | 7.35 | 7.50 | 7.66 | 7.83 | 8.01 | 1.87 | 11.7 % | 6.53 | 6.85 | 7.18 | 7.50 | 7.83 | 8.15 | 8.47 |

- Sales level in 2030/2031 reflects market share of approx. 3% of unscreened CRC population
- Sales growth assumption of 3% from 2034 onwards reflects potential entry of new techniques or competitors
- EBIT margin of 17.5% in terminal year in line with margin level of established healthcare product companies
- Tax rate at 0% due to taxloss carryforwards
- Dilutive impact of planned mandatory convertible factored in

| Valuation | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|-------------------------------------|---------|---------|---------|--------|---------|----------|-------|
| Price / Book | 3.6 x | 6.3 x | 16.7 x | 0.8 x | 0.5 x | n.a. | n.a. |
| Book value per share ex intangibles | 2.69 | 0.85 | 2.53 | 5.68 | 2.75 | -1.19 | -3.87 |
| EV / Sales | 32.9 x | 44.5 x | 71.8 x | n.a. | n.a. | 16.4 x | 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. | 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. |
| Dividend Yield | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| FCF Potential Yield (on market EV) | -23.7 % | -33.4 % | -18.4 % | 40.8 % | 196.6 % | -147.6 % | n.a. |

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

Consolidated profit and loss

| In EUR m | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|--|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 1.5 | 1.1 | 0.8 | 6.2 | 0.5 | 0.7 | 0.8 |
| Change Sales yoy | -17.8 % | -26.6 % | -25.2 % | 636.7 % | -91.6 % | 25.0 % | 24.4 % |
| COGS | 0.4 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Gross profit | 1.1 | 0.9 | 0.7 | 6.1 | 0.4 | 0.6 | 0.7 |
| Gross margin | 71.3 % | 77.5 % | 82.8 % | 97.8 % | 83.8 % | 88.1 % | 88.2 % |
| Research and development | 6.4 | 7.3 | 3.7 | 3.1 | 9.7 | 10.7 | 4.0 |
| Sales and marketing | 8.7 | 8.9 | 7.3 | 7.5 | 3.5 | 3.8 | 3.8 |
| Administration expenses | 0.0 | 0.0 | 0.0 | 0.0 | 3.5 | 3.8 | 3.8 |
| Other operating expenses | 0.3 | 1.8 | 2.9 | 1.0 | 0.0 | 0.0 | 0.0 |
| Other operating income | 1.4 | 2.5 | 1.5 | 3.2 | 5.5 | 1.5 | 0.0 |
| Unfrequent items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | -12.6 | -14.2 | -11.1 | -1.9 | -10.3 | -15.8 | -10.4 |
| Margin | -821.1 % | -1258.7 % | -1317.3 % | -31.2 % | -1983.1 % | -2424.2 % | -1288.5 % |
| Depreciation of fixed assets | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| EBITA | -12.7 | -14.5 | -11.4 | -2.3 | -10.7 | -16.1 | -10.8 |
| Amortisation of intangible assets | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Goodwill amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | -12.9 | -14.7 | -11.6 | -2.4 | -10.8 | -16.2 | -10.9 |
| Margin | -841.2 % | -1304.3 % | -1380.9 % | -37.9 % | -2063.4 % | -2488.5 % | -1340.2 % |
| EBIT adj. | -12.9 | -14.7 | -11.6 | -2.4 | -10.8 | -16.2 | -10.9 |
| Interest income | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expenses | 0.6 | 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 | -13.4 | -14.6 | -11.7 | -2.4 | -10.8 | -16.3 | -10.9 |
| Margin | -876.1 % | -1294.8 % | -1385.2 % | -38.8 % | -2074.9 % | -2497.7 % | -1347.6 % |
| Total taxes | -0.7 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income from continuing operations | -12.7 | -17.0 | -11.7 | -2.4 | -10.8 | -16.3 | -10.9 |
| 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 | -12.7 | -17.0 | -11.7 | -2.4 | -10.8 | -16.3 | -10.9 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | -12.7 | -17.0 | -11.7 | -2.4 | -10.8 | -16.3 | -10.9 |
| Margin | -827.9 % | -1512.9 % | -1387.9 % | -39.1 % | -2074.9 % | -2497.7 % | -1347.6 % |
| Number of shares, average | 0.8 | 1.2 | 1.4 | 2.8 | 2.5 | 4.1 | 4.1 |
| EPS | -15.03 | -14.61 | -8.09 | -6.88 | -4.41 | -3.98 | -2.67 |
| EPS adj. | -16.58 | -14.12 | -6.98 | -6.88 | -4.41 | -3.98 | -2.67 |

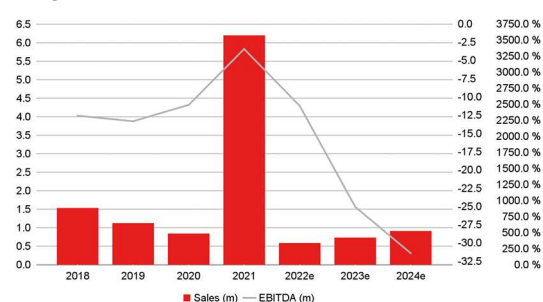
*Adjustments made for: EBITDA before share-based payment expenses

Guidance: Sales of EUR 0.3 - 0.8m; EBITDA EUR -10.2 - -10.8m

Financial Ratios

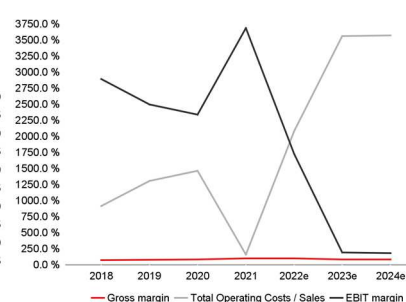
| | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|-------------------------------|---------|----------|----------|---------|----------|----------|----------|
| Total Operating Costs / Sales | 912.5 % | 1381.8 % | 1463.7 % | 135.8 % | 2147.2 % | 2576.6 % | 1428.4 % |
| Operating Leverage | -1.4 x | -0.5 x | 0.8 x | -0.1 x | -3.9 x | 2.0 x | -1.4 x |
| EBITDA / Interest expenses | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Tax rate (EBT) | 5.5 % | -16.8 % | -0.2 % | -0.7 % | 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 | 34,841 | 26,163 | 21,590 | 167,649 | 14,098 | 17,622 | 21,918 |

Sales, EBITDA in EUR m



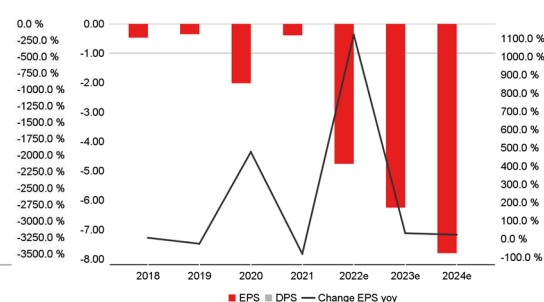
Source: Warburg Research

Operating Performance in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

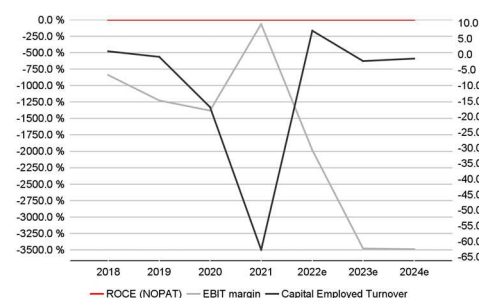
Consolidated balance sheet

| In EUR m | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|---|-------------|-------------|------------|-------------|-------------|-------------|--------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 0.5 | 0.3 | 0.1 | 0.1 | 0.0 | -0.1 | -0.2 |
| thereof other intangible assets | 0.1 | 0.3 | 0.1 | 0.1 | 0.0 | -0.1 | -0.2 |
| thereof Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Property, plant and equipment | 0.7 | 1.5 | 1.2 | 0.9 | 0.6 | 0.2 | -0.1 |
| 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 | 1.2 | 1.9 | 1.3 | 1.0 | 0.5 | 0.1 | -0.3 |
| Inventories | 0.4 | 0.3 | 0.1 | 0.2 | 0.1 | 0.1 | 0.2 |
| Accounts receivable | 0.2 | 0.1 | 0.3 | 0.1 | 0.1 | 0.2 | 0.2 |
| Liquid assets | 17.1 | 11.0 | 4.5 | 23.0 | 29.7 | 31.7 | 39.1 |
| Other short-term assets | 3.0 | 0.7 | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 |
| Current assets | 20.7 | 12.1 | 5.5 | 23.7 | 30.3 | 32.4 | 39.9 |
| Total Assets | 21.8 | 14.0 | 6.8 | 24.7 | 30.8 | 32.6 | 39.6 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 36.0 | 43.5 | 5.9 | 15.5 | 16.4 | 16.4 | 16.4 |
| Capital reserve | 68.8 | 69.3 | 87.4 | 99.8 | 98.9 | 98.9 | 98.9 |
| Retained earnings | -85.8 | -102.8 | -79.0 | -93.2 | -104.0 | -120.3 | -131.2 |
| Other equity components | -0.4 | -0.3 | -10.4 | 0.0 | 0.0 | 0.1 | 0.0 |
| Shareholders' equity | 18.6 | 9.6 | 3.9 | 22.1 | 11.2 | -5.0 | -16.0 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total equity | 18.6 | 9.6 | 3.9 | 22.1 | 11.2 | -5.0 | -16.0 |
| Provisions | 1.0 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| thereof provisions for pensions and similar obligations | 0.0 | 0.1 | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 |
| Financial liabilities (total) | 0.0 | 0.0 | 0.0 | 0.0 | 17.6 | 35.6 | 53.6 |
| Short-term financial liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts payable | 1.4 | 1.4 | 0.6 | 0.7 | 0.1 | 0.1 | 0.1 |
| Other liabilities | 0.8 | 1.6 | 0.9 | 0.4 | 0.4 | 0.4 | 0.4 |
| Liabilities | 3.2 | 4.4 | 2.9 | 2.6 | 19.6 | 37.6 | 55.6 |
| Total liabilities and shareholders' equity | 21.8 | 14.0 | 6.8 | 24.7 | 30.8 | 32.6 | 39.6 |

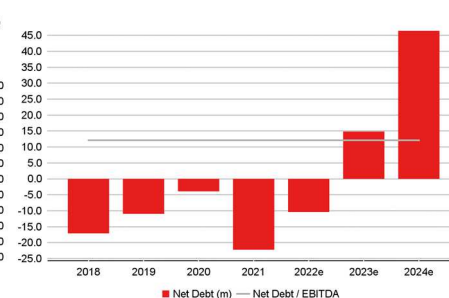
Financial Ratios

| | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|---|-----------|----------|----------|----------|-----------|------------|----------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | -8.4 x | 2.2 x | 0.9 x | 13.8 x | 0.8 x | 1.5 x | 4.2 x |
| Capital Employed Turnover | 1.0 x | -0.8 x | -16.9 x | -62.7 x | -10.4 x | -2.4 x | -1.2 x |
| ROA | -1080.2 % | -912.1 % | -880.0 % | -252.5 % | -2000.6 % | -13348.7 % | 3679.6 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| ROE | -87.0 % | -120.5 % | -173.2 % | -18.7 % | -64.9 % | -521.8 % | 104.2 % |
| Adj. ROE | -90.9 % | -120.0 % | -149.4 % | -18.7 % | -64.9 % | -521.8 % | 104.2 % |
| Balance sheet quality | | | | | | | |
| Net Debt | -17.1 | -11.0 | -3.9 | -22.2 | -11.3 | 4.7 | 15.3 |
| Net Financial Debt | -17.1 | -11.0 | -4.5 | -23.0 | -12.1 | 3.9 | 14.5 |
| Net Gearing | -91.8 % | -113.9 % | -101.3 % | -100.4 % | -100.4 % | -94.6 % | -95.7 % |
| Net Fin. Debt / EBITDA | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Book Value / Share | 2.8 | 0.9 | 2.6 | 5.7 | 2.7 | -1.2 | -3.9 |
| Book value per share ex intangibles | 2.7 | 0.9 | 2.5 | 5.7 | 2.7 | -1.2 | -3.9 |

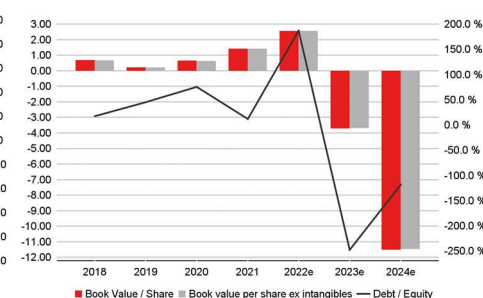
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

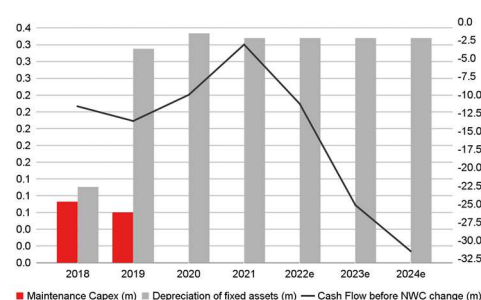
Consolidated cash flow statement

| In EUR m | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|--|--------------|--------------|--------------|-------------|--------------|--------------|--------------|
| Net income | -12.7 | -17.0 | -11.7 | -2.4 | -10.8 | -16.3 | -10.9 |
| Depreciation of fixed assets | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| 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 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Increase/decrease in long-term provisions | -0.1 | -0.4 | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 |
| Other non-cash income and expenses | 0.9 | 3.2 | 0.8 | -1.3 | 0.0 | 0.0 | 0.0 |
| Cash Flow before NWC change | -11.6 | -13.6 | -10.0 | -3.1 | -10.4 | -15.9 | -10.5 |
| Increase / decrease in inventory | -0.1 | 0.0 | 0.2 | -0.1 | 0.1 | 0.0 | -0.1 |
| Increase / decrease in accounts receivable | 0.8 | 0.1 | -0.2 | 0.2 | 0.0 | -0.1 | 0.0 |
| Increase / decrease in accounts payable | -0.8 | 0.1 | 0.4 | 0.1 | -0.6 | 0.0 | 0.0 |
| Increase / decrease in other working capital positions | 1.3 | -0.1 | 0.0 | -1.3 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in working capital (total) | 1.2 | 0.1 | 0.4 | -1.1 | -0.6 | -0.1 | -0.1 |
| Net cash provided by operating activities [1] | -10.4 | -13.5 | -9.6 | -4.2 | -11.0 | -16.0 | -10.6 |
| Investments in intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in property, plant and equipment | -0.1 | -0.1 | -1.0 | 0.0 | 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 | 0.0 | 0.2 | 0.0 | 1.0 | 0.0 | 0.0 | 0.0 |
| Net cash provided by investing activities [2] | 0.7 | 0.0 | 0.0 | 1.0 | 0.0 | 0.0 | 0.0 |
| Change in financial liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 17.6 | 18.0 | 18.0 |
| 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 | 13.3 | 7.3 | 3.3 | 21.9 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | -0.2 | -0.3 | -0.3 | 0.0 | 0.0 | 0.0 |
| Net cash provided by financing activities [3] | 13.3 | 7.1 | 3.0 | 21.6 | 17.6 | 18.0 | 18.0 |
| Change in liquid funds [1]+[2]+[3] | 3.6 | -6.3 | -6.6 | 18.4 | 6.6 | 2.0 | 7.4 |
| Effects of exchange-rate changes on cash | 0.0 | 0.0 | 0.0 | 1.1 | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalent at end of period | 16.5 | 10.2 | 3.6 | 23.0 | 29.7 | 31.7 | 39.1 |

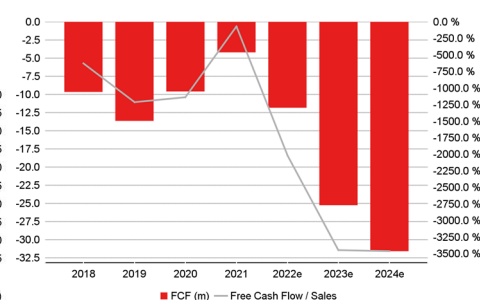
Financial Ratios

| | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|--------------------------------------|----------|-----------|-----------|---------|-----------|-----------|-----------|
| Cash Flow | | | | | | | |
| FCF | -9.6 | -13.6 | -9.6 | -4.2 | -11.0 | -16.0 | -10.6 |
| Free Cash Flow / Sales | -629.1 % | -1211.4 % | -1138.0 % | -67.6 % | -2100.2 % | -2448.8 % | -1308.3 % |
| Free Cash Flow Potential | -11.9 | -16.7 | -11.1 | -2.0 | -10.3 | -15.8 | n.a. |
| Free Cash Flow / Net Profit | 76.0 % | 80.1 % | 82.0 % | 173.1 % | 101.2 % | 98.0 % | 97.1 % |
| Interest Received / Avg. Cash | 0.1 % | 1.2 % | 0.3 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Interest Paid / Avg. Debt | 16.8 % | n.a. | n.a. | n.a. | 0.7 % | 0.2 % | 0.1 % |
| Management of Funds | | | | | | | |
| Investment ratio | 6.9 % | 10.8 % | 118.8 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Maint. Capex / Sales | 5.9 % | 6.7 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | n.a. |
| Capex / Dep | 34.4 % | 23.8 % | 186.9 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Avg. Working Capital / Sales | -19.7 % | -84.9 % | -76.2 % | -5.7 % | -33.6 % | 23.0 % | 30.8 % |
| Trade Debtors / Trade Creditors | 11.6 % | 6.2 % | 39.9 % | 10.4 % | 100.0 % | 200.0 % | 200.0 % |
| Inventory Turnover | 1.2 x | 0.8 x | 1.2 x | 0.8 x | 0.8 x | 0.8 x | 0.5 x |
| Receivables collection period (days) | 39 | 29 | 109 | 4 | 70 | 112 | 90 |
| Payables payment period (days) | 1,170 | 2,063 | 1,583 | 1,879 | 431 | 472 | 381 |
| Cash conversion cycle (Days) | -829 | -1,583 | -1,167 | -1,402 | 70 | 112 | 471 |

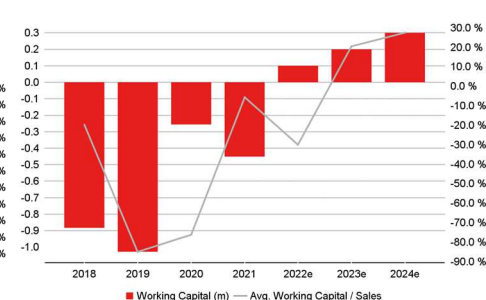
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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|-------------|------------|---|
| Epigenomics | 5 | http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A32VN83.htm |

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| | | |
|-----|--------------------------|---|
| -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. |
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| “-“ | 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 | 161 | 75 |
| Hold | 44 | 21 |
| Sell | 6 | 3 |
| Rating suspended | 3 | 1 |
| Total | 214 | 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 | 44 | 86 |
| Hold | 6 | 12 |
| Sell | 0 | 0 |
| Rating suspended | 1 | 2 |
| Total | 51 | 100 |

PRICE AND RATING HISTORY EPIGENOMICS AS OF 11.01.2023



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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