

Hold EUR 5.50 (EUR 6.13) Price EUR 0.85 Upside 547.1 %	Value Indicators: EUR DCF: 5.50	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: 3.5 No. of shares (m): 4.1 EV: 8.5 Freefloat MC: 2.5 Ø Trad. Vol. (30d): 8.11 th	Shareholders: Freefloat 71.64 % Deutsche Balaton AG 28.36 %	Key Figures (WRe): 2022e Beta: 2.1 Price / Book: 0.3 x Equity Ratio: 36 %

Epigenomics cuts costs to extend cash reach

Epigenomics has announced the implementation of restructuring measures to cut costs until a financing partner is found. These measures include:

- The company will discontinue sales of Epi proColon and recall tests already sold.
- The number of employees at the Berlin and San Diego sites will be reduced to the level necessary to maintain minimal business operations.
- Furthermore, the annual report including the consolidated financial statements and the annual financial statements of Epigenomics AG for the fiscal year 2022 are expected to be published only on 21 April 2023, rather than 28 March as originally planned.

Due to the discontinuation of Epi proColon sales, the company anticipates revenues between EUR 60-200k in 2023.

We update our estimates for 2023e and 2024e based on the company's guidance and assume a market entry of Epi proColon "Next-Gen" in 2026e (instead of 2025e), but leave our initial revenue and profitability estimates unchanged. These assumptions are based on a terminal market share of 3.6% of the US population not screened but eligible for colorectal cancer testing and form the basis of our DCF-derived fair value of EUR 5.50 per share.

As reported in our last update, we are under the impression that Epi proColon "Next-Gen" has shown very encouraging CRC detection rate data, which puts it within striking distance of accessing a potentially larger market. Nevertheless, the financing requirements are considerable. We assume that Epigenomics would need external funds of EUR 130m, which is a significant multiple of the company's current market capitalisation. As the materialisation of Epigenomics's 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).

Once financing is secured, we will update our model based on our scenario analysis. For the moment, we maintain our Hold recommendation.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2022e (old)	+ / -	2023e (old)	+ / -	2024e (old)	+ / -	
Sales	0.5	0.0 %	0.7	-69.3 %	0.8	-75.3 %	• Sales of Epi proColon have been removed from 2023e and 2024e
EBITDA	-10.3	0.0 %	-15.8	n.m.	-10.4	n.m.	
EPS	-4.41	0.0 %	-3.98	n.m.	-2.67	n.m.	



Rel. Performance vs PrimeAll:	
1 month:	-43.4 %
6 months:	-63.3 %
Year to date:	-61.2 %
Trailing 12 months:	-59.1 %

Company events:	
21.04.23	FY 2022
11.05.23	Q1
15.06.23	AGM
10.08.23	Q2

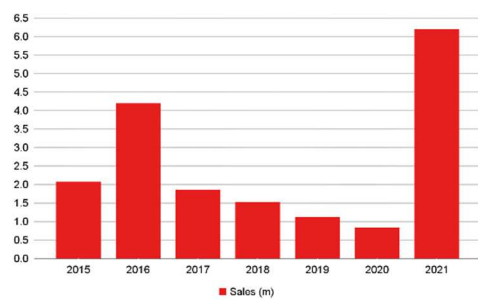
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	-68.2 %	1.5	1.1	0.8	6.2	0.5	0.2	0.2
Change Sales yoy		-17.8 %	-26.6 %	-25.2 %	636.7 %	-91.6 %	-61.7 %	0.0 %
Gross profit margin		71.3 %	77.5 %	82.8 %	97.8 %	83.8 %	50.0 %	50.0 %
EBITDA	-	-12.6	-14.2	-11.1	-1.9	-10.3	-16.3	-11.1
Margin	-	-821.1 %	-1258.7 %	-1317.3 %	-31.2 %	-1983.1 %	-8140.5 %	-5538.5 %
EBIT	-	-12.9	-14.7	-11.6	-2.4	-10.8	-16.7	-11.5
Margin	-	-841.2 %	-1304.3 %	-1380.9 %	-37.9 %	-2063.4 %	-8350.0 %	-5748.0 %
Net income	-	-12.7	-17.0	-11.7	-2.4	-10.8	-16.8	-11.6
EPS	-	-15.03	-14.61	-8.09	-6.88	-4.41	-4.10	-2.83
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	-3.97	-2.72
FCF / Market cap		-14.3 %	-22.3 %	-14.9 %	-24.1 %	-315.2 %	-467.3 %	-320.4 %
EV / Sales		32.9 x	44.5 x	71.8 x	n.a.	n.a.	42.3 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 %	132.8 %	-192.6 %	n.a.
Net Debt		-17.1	-11.0	-3.9	-22.2	-11.3	5.0	16.1
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%

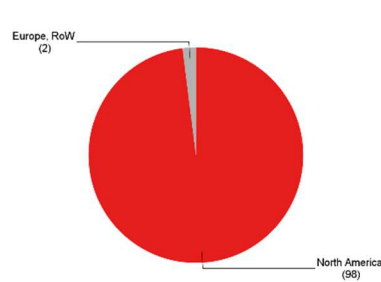
Source: Warburg Research

Sales development
in EUR m



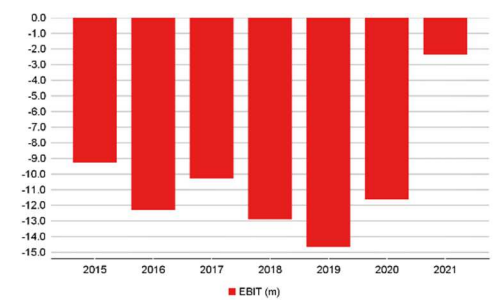
Source: Warburg Research

Tests sold by regions
2024e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

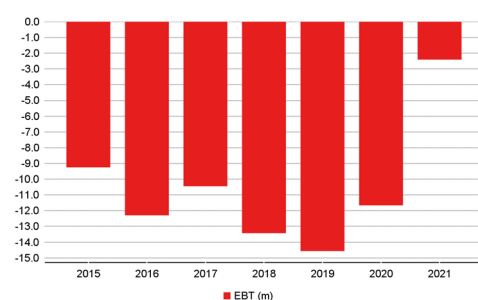
Company Background

- 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

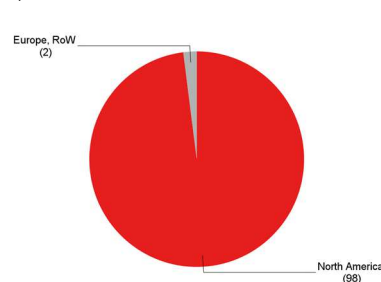
- Epi proColon is a convenient and innovative blood test for the early detection of cancer.
- Epigenomics has an early-mover advantage with its blood-based cancer test, which should help raise awareness of Epi proColon and secure high market share once it is included in the national reimbursement list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



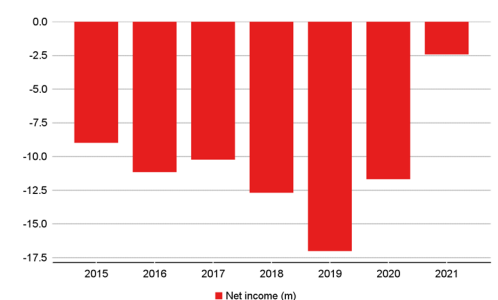
Source: Warburg Research

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	0.2	0.2	0.2	4.3	30.2	45.3	60.4	70.5	80.5	85.6	90.6	95.9	3.0 %
Sales change	-91.6 %	-61.7 %	0.0 %	0.0 %	2066.1 %	597.1 %	50.0 %	33.3 %	16.7 %	14.3 %	6.3 %	5.9 %	5.9 %	
EBIT	-10.8	-16.7	-11.5	-11.9	-2.5	5.7	9.6	13.5	15.7	17.7	19.1	20.5	21.7	
EBIT-margin	-2063.4 %	-8350.0 %	-5748.0 %	-5954.0 %	-56.7 %	18.8 %	21.2 %	22.4 %	22.3 %	22.0 %	22.3 %	22.6 %	22.6 %	
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	-16.7	-11.5	-11.9	-2.5	5.7	9.6	13.5	15.7	17.7	19.1	20.5	21.7	
Depreciation in % of Sales	80.3 %	209.5 %	209.5 %	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	-0.8	0.1	0.5	0.3	0.3	0.2	0.2	0.1	0.1	0.1	
Change in Liquidity from														
- Working Capital	0.6	-0.1	0.0	0.0	1.0	6.5	3.8	3.8	2.5	2.5	1.3	1.3	1.3	
- Capex	0.0	0.0	0.0	0.0	0.5	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	-16.2	-11.1	-12.8	-3.8	-1.6	5.2	9.4	12.9	15.1	17.7	19.2	20.4	12
PV of FCF	-11.1	-14.6	-8.9	-9.1	-2.4	-0.9	2.6	4.1	5.0	5.2	5.5	5.2	4.9	31
share of PVs	-214.49 %			125.11 %										189.38 %

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	-14		
Terminal Value	31		
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	38	Value per share (EUR)	5.50

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 %	4.19	4.26	4.34	4.42	4.51	4.60	4.69	2.29	13.7 %	3.70	3.94	4.18	4.42	4.66	4.90	5.14
2.19	13.2 %	4.66	4.75	4.84	4.93	5.03	5.14	5.25	2.19	13.2 %	4.16	4.42	4.68	4.93	5.19	5.45	5.70
2.13	13.0 %	4.92	5.01	5.11	5.21	5.32	5.43	5.55	2.13	13.0 %	4.41	4.68	4.94	5.21	5.48	5.74	6.01
2.08	12.7 %	5.19	5.29	5.39	5.50	5.62	5.74	5.87	2.08	12.7 %	4.68	4.95	5.23	5.50	5.78	6.05	6.33
2.03	12.5 %	5.48	5.58	5.70	5.81	5.94	6.07	6.21	2.03	12.5 %	4.96	5.24	5.53	5.81	6.10	6.38	6.67
1.97	12.2 %	5.78	5.89	6.01	6.14	6.28	6.42	6.57	1.97	12.2 %	5.26	5.55	5.85	6.14	6.44	6.73	7.03
1.87	11.7 %	6.43	6.57	6.71	6.86	7.02	7.19	7.37	1.87	11.7 %	5.91	6.23	6.54	6.86	7.18	7.50	7.82

- 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	0.3 x	n.a.	n.a.
Book value per share ex intangibles	2.69	0.85	2.53	5.68	2.75	-1.31	-4.14
EV / Sales	32.9 x	44.5 x	71.8 x	n.a.	n.a.	42.3 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 %	132.8 %	-192.6 %	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	0.2	0.2
Change Sales yoy	-17.8 %	-26.6 %	-25.2 %	636.7 %	-91.6 %	-61.7 %	0.0 %
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	0.1	0.1
<i>Gross margin</i>	<i>71.3 %</i>	<i>77.5 %</i>	<i>82.8 %</i>	<i>97.8 %</i>	<i>83.8 %</i>	<i>50.0 %</i>	<i>50.0 %</i>
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	-16.3	-11.1
<i>Margin</i>	<i>-821.1 %</i>	<i>-1258.7 %</i>	<i>-1317.3 %</i>	<i>-31.2 %</i>	<i>-1983.1 %</i>	<i>-8140.5 %</i>	<i>-5538.5 %</i>
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	-16.6	-11.4
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	-16.7	-11.5
<i>Margin</i>	<i>-841.2 %</i>	<i>-1304.3 %</i>	<i>-1380.9 %</i>	<i>-37.9 %</i>	<i>-2063.4 %</i>	<i>-8350.0 %</i>	<i>-5748.0 %</i>
EBIT adj.	-12.9	-14.7	-11.6	-2.4	-10.8	-16.7	-11.5
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	-16.8	-11.6
<i>Margin</i>	<i>-876.1 %</i>	<i>-1294.8 %</i>	<i>-1385.2 %</i>	<i>-38.8 %</i>	<i>-2074.9 %</i>	<i>-8380.0 %</i>	<i>-5778.0 %</i>
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	-16.8	-11.6
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	-16.8	-11.6
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	-16.8	-11.6
<i>Margin</i>	<i>-827.9 %</i>	<i>-1512.9 %</i>	<i>-1387.9 %</i>	<i>-39.1 %</i>	<i>-2074.9 %</i>	<i>-8380.0 %</i>	<i>-5778.0 %</i>
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	-4.10	-2.83
EPS adj.	-16.58	-14.12	-6.98	-6.88	-4.41	-4.10	-2.83

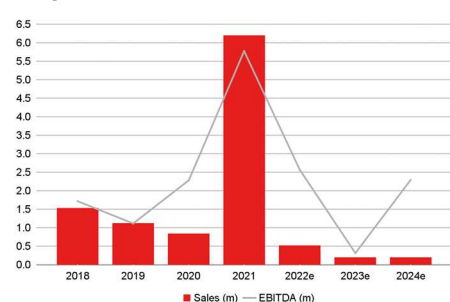
*Adjustments made for: EBITDA before share-based payment expenses

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

Financial Ratios

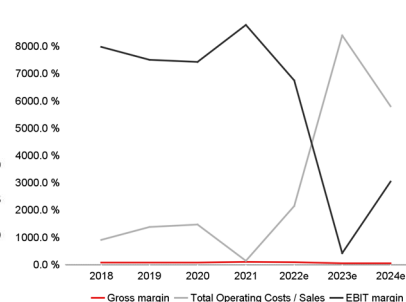
	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	912.5 %	1381.8 %	1463.7 %	135.8 %	2147.2 %	8400.0 %	5798.0 %
Operating Leverage	-1.4 x	-0.5 x	0.8 x	-0.1 x	-3.9 x	-0.9 x	n.a.
EBITDA / Interest expenses	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Tax rate (EBT)	5.5 %	-16.8 %	-0.2 %	-0.7 %	0.0 %	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	5,405	5,405

Sales, EBITDA in EUR m



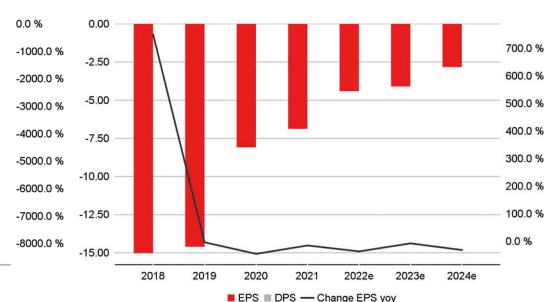
Source: Warburg Research

Operating Performance in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

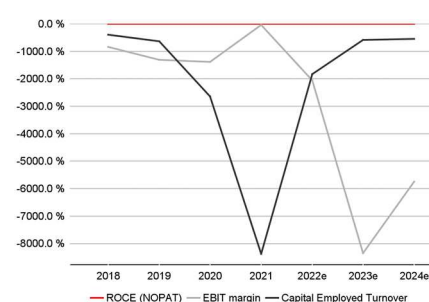
Consolidated balance sheet

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	0.0	0.0
Accounts receivable	0.2	0.1	0.3	0.1	0.1	0.0	0.0
Liquid assets	17.1	11.0	4.5	23.0	29.7	31.5	38.3
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	31.9	38.7
Total Assets	21.8	14.0	6.8	24.7	30.8	32.0	38.4
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	-120.7	-132.3
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	-5.4	-17.1
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	-5.4	-17.1
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	0.0	0.0
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	37.5	55.5
Total liabilities and shareholders' equity	21.8	14.0	6.8	24.7	30.8	32.0	38.4

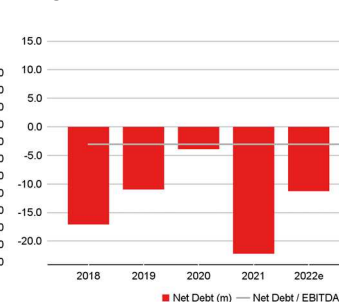
Financial Ratios

	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	0.9 x	-1.9 x
Capital Employed Turnover	1.0 x	-0.8 x	-16.9 x	-62.7 x	-10.4 x	-0.4 x	-0.2 x
ROA	-1080.2 %	-912.1 %	-880.0 %	-252.5 %	-2000.6 %	-13737.7 %	3890.9 %
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 %	-581.2 %	102.5 %
Adj. ROE	-90.9 %	-120.0 %	-149.4 %	-18.7 %	-64.9 %	-581.2 %	102.5 %
Balance sheet quality							
Net Debt	-17.1	-11.0	-3.9	-22.2	-11.3	5.0	16.1
Net Financial Debt	-17.1	-11.0	-4.5	-23.0	-12.1	4.1	15.3
Net Gearing	-91.8 %	-113.9 %	-101.3 %	-100.4 %	-100.4 %	-91.4 %	-94.2 %
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	-1.3	-4.2
Book value per share ex intangibles	2.7	0.9	2.5	5.7	2.7	-1.3	-4.1

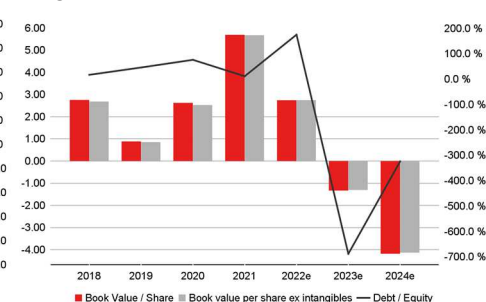
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

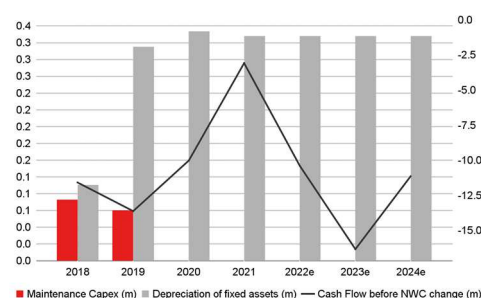
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	-12.7	-17.0	-11.7	-2.4	-10.8	-16.8	-11.6
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	-16.3	-11.1
Increase / decrease in inventory	-0.1	0.0	0.2	-0.1	0.1	0.1	0.0
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	-0.1	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	0.0
Net cash provided by operating activities [1]	-10.4	-13.5	-9.6	-4.2	-11.0	-16.2	-11.1
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	1.8	6.9
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	31.5	38.3

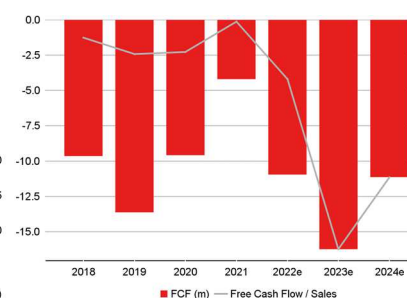
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	-9.6	-13.6	-9.6	-4.2	-11.0	-16.2	-11.1
Free Cash Flow / Sales	-629.1 %	-1211.4 %	-1138.0 %	-67.6 %	-2100.2 %	-8120.5 %	-5568.5 %
Free Cash Flow Potential	-11.9	-16.7	-11.1	-2.0	-10.3	-16.3	n.a.
Free Cash Flow / Net Profit	76.0 %	80.1 %	82.0 %	173.1 %	101.2 %	96.9 %	96.4 %
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 %	25.0 %	0.0 %
Trade Debtors / Trade Creditors	11.6 %	6.2 %	39.9 %	10.4 %	100.0 %	n.a.	n.a.
Inventory Turnover	1.2 x	0.8 x	1.2 x	0.8 x	0.8 x	n.a.	n.a.
Receivables collection period (days)	39	29	109	4	70	0	0
Payables payment period (days)	1,170	2,063	1,583	1,879	431	0	0
Cash conversion cycle (Days)	-829	-1,583	-1,167	-1,402	70	n.a.	n.a.

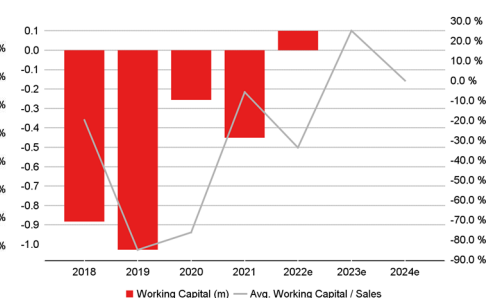
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Epigenomics	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A32VN83.htm

INVESTMENT RECOMMENDATION

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.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

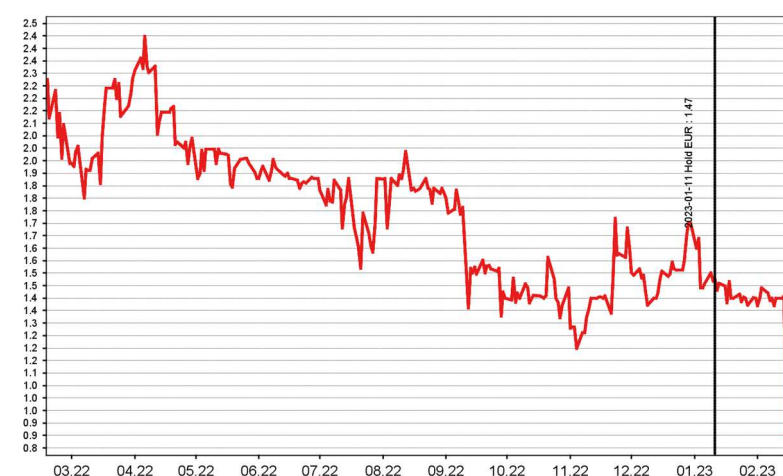
Rating	Number of stocks	% of Universe
Buy	162	76
Hold	43	20
Sell	6	3
Rating suspended	3	1
Total	214	100

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 16.02.2023



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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