

# Q4 & Full Year 2020 Financial Results

Delivering very strong financial results in  
unprecedented year

April 15, 2021

Andrin Oswald, M.D. - CEO  
Richard Stoffelen - CFO



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For further information, please refer to the Risk Factors section in our Annual Report for the year ended December 31, 2020 on Form 20-F filed with the SEC on April 15, 2021 and other current reports and documents furnished to or filed with the U.S. Securities and Exchange Commission (SEC). You may get these documents by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov).

## Today's speakers



Andrin Oswald, M.D.  
Chief Executive Officer



Richard Stoffelen  
Chief Financial Officer

# Agenda

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Business Update

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# Delivering very strong financial results in unprecedented year

## Strong financial performance

- **Revenues** more than doubled in FY 2020 compared to FY 2019, for a record year overall
- Achieved positive and highest annual adjusted EBITDA in company history driven by **COVID-19 testing revenues** in H2 of 2020

## Core business recovery

- **Diagnostic sample order intakes value** from the core business continued to recover throughout 2020, with Q1 2021 approx. on par with Q1 2020
- Diagnostics recovery and **newly signed Pharma partnership** deals indicate a return to solid core business growth

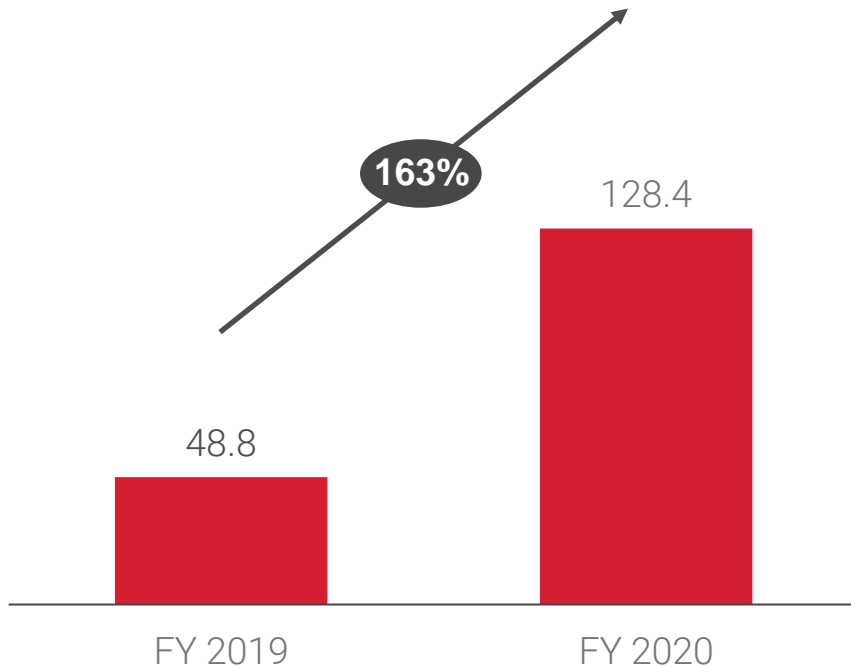
## Path forward

- **Positive adjusted EBITDA contribution** from commercial COVID-19 testing has allowed CENTOGENE to make continuous investments into the Company's rare disease core business
- **Virtual Investor Event** planned for June 22<sup>nd</sup>, with leadership to outline strategy and direction of the company in its next phase of growth

# Record topline growth driven by commercial COVID-19 testing

## Full Year Revenue

(€ Millions)

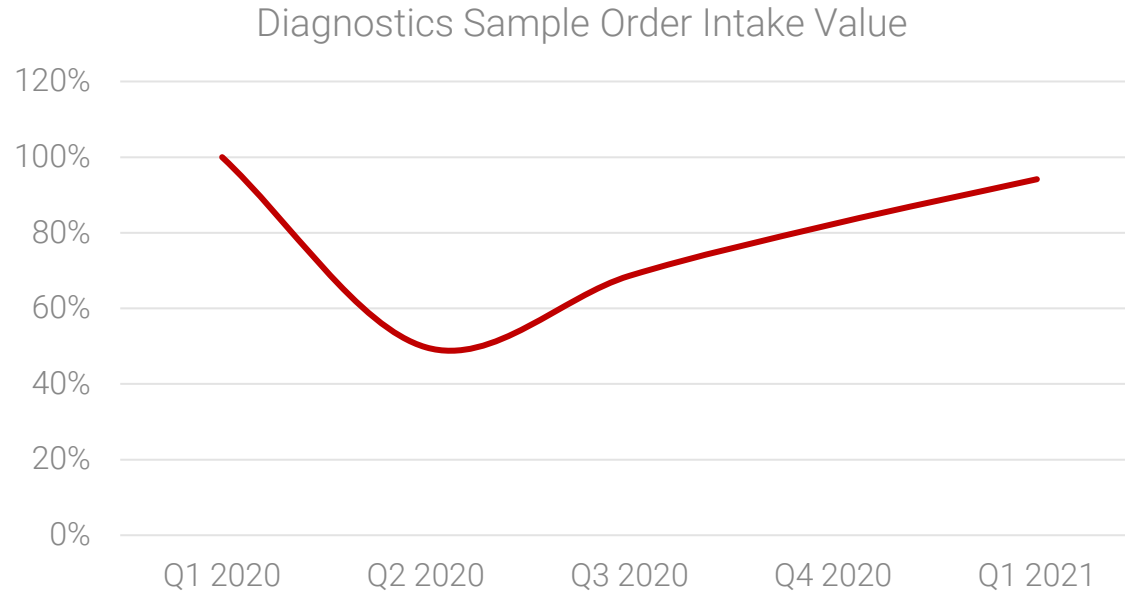


## Financial Highlights

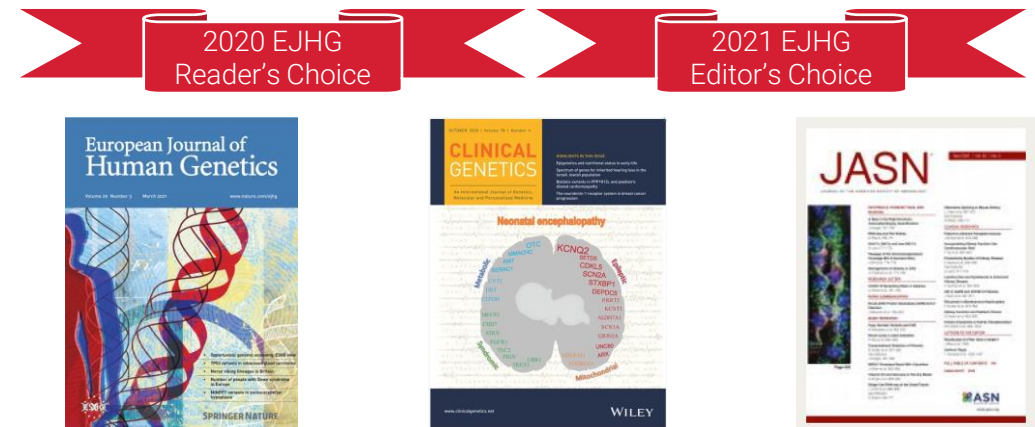
- Revenues more than doubled in FY 2020 compared to FY 2019, driven by growth from COVID-19 testing
- Pharma revenues decreased 21%, while Clinical Diagnostics revenues (excl. COVID) decreased 19% compared to FY 2019
- Commercial COVID-19 testing contributed €59.8 million in revenues in Q4 2020, up from €27.4 million in Q3 2020

# Diagnostics segment: Recovery and momentum for 2021

Maintaining and building leadership in rare disease diagnostics



- Clear recovery of Diagnostics sample order entry and momentum into 2021 demonstrate high need for CENTOGENE testing services
- Scientific insights generated by the unique link of phenotypical and diagnostic information manifested in 55 peer-reviewed publications in 2020



*Genome sequencing as optimal standard for genetic testing<sup>2</sup>*

*Novel X-linked Syndrome Identified<sup>2</sup>*

*Loss-of-function mutations in GFRA1 as a novel cause<sup>2</sup>*

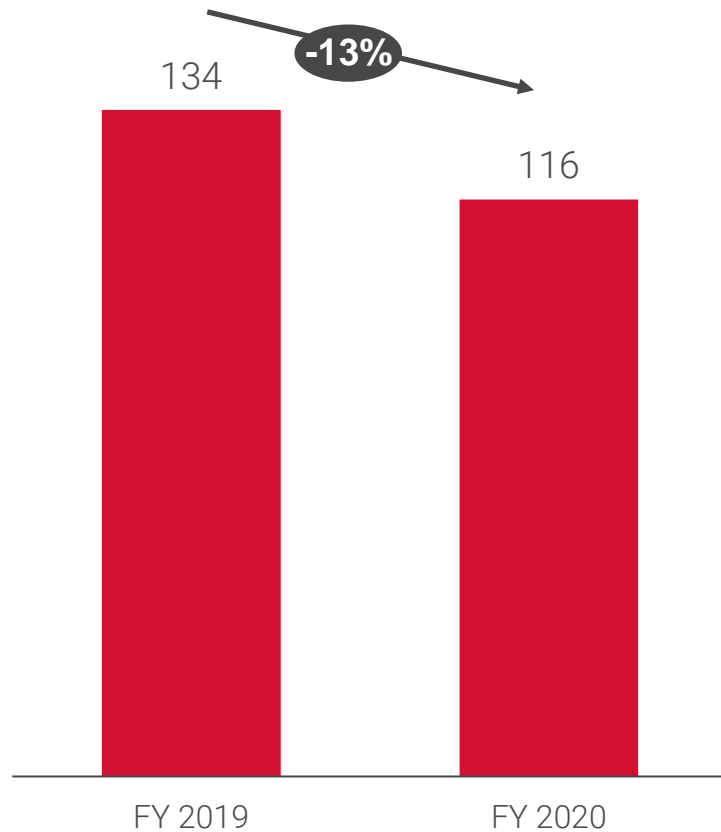
<sup>1</sup> Reflects quarterly average of value of weekly sample order intakes for diagnostic analysis in the Clinical Diagnostics segment relative to Q1 2020. The value for Q1 2021 is based on the first 13 weeks of the year 2021

<sup>2</sup> Sources (from left to right): Bertoli-Avella et al., 2020, Ebrahimi-Fakhari et al., 2020, Tripolszki et al., 2021

# Continuing to expand our knowledge repository

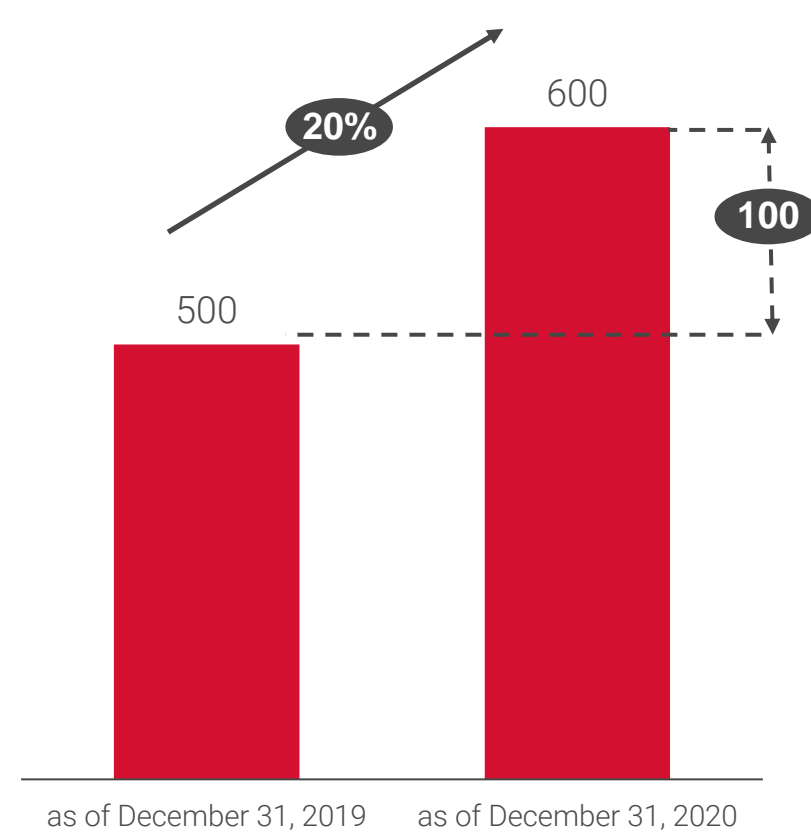
## Sample Order Intake Core Business<sup>1</sup>

(Number in Thousands)



## Patients in Repository<sup>2</sup>

(Number in Thousands, rounded)



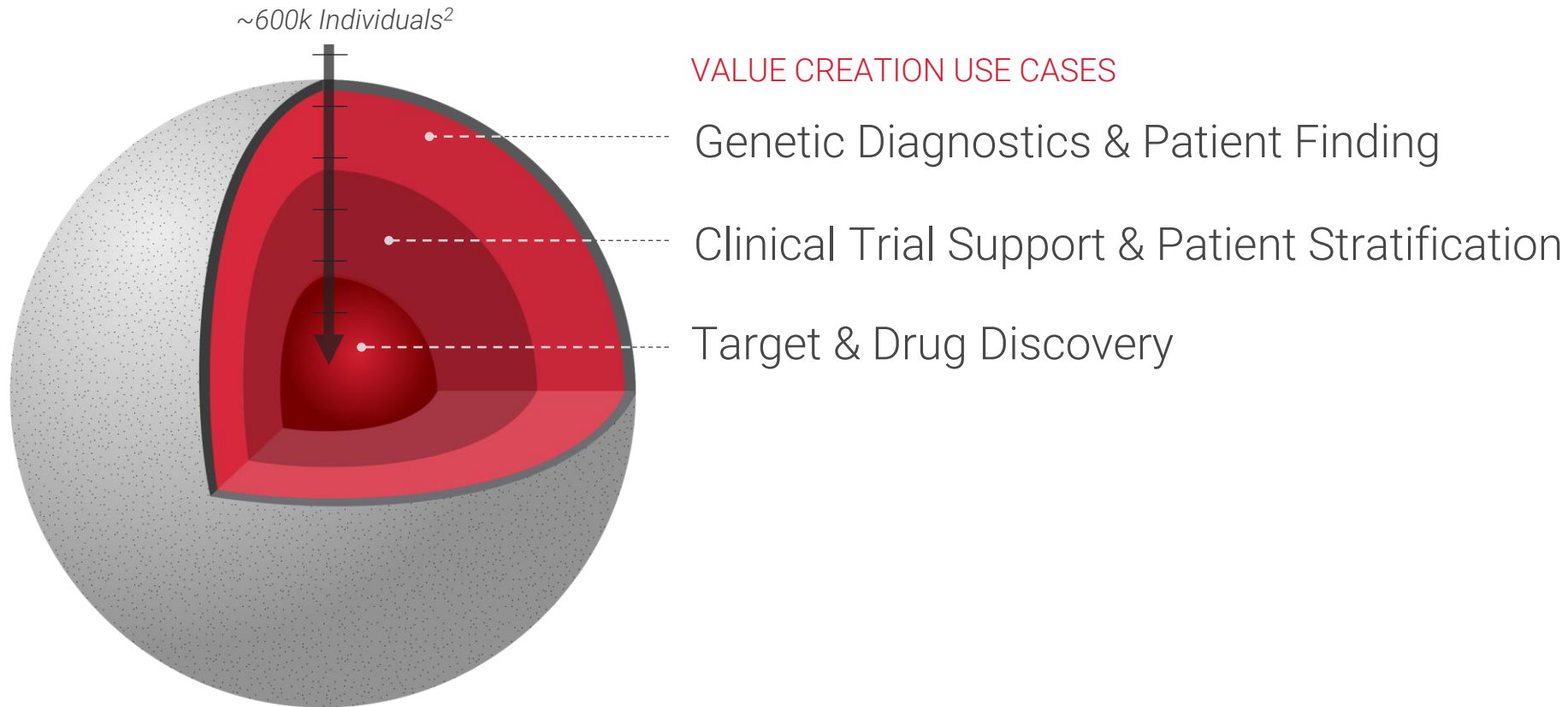
<sup>1</sup> Reflects the number of sample order intakes for diagnostic analysis for individuals from the core business, i.e., including Clinical Diagnostics and Pharma segment, but excluding COVID-19, during the period. Multiple orders may be associated with one individual; an order may relate to analysis of a new sample or to additional (re-)analysis of an existing sample.

<sup>2</sup> Number of patients in repository indicative of registered individuals in CENTOGENE (laboratory) information systems related to the core business, i.e., Clinical Diagnostics and Pharma segment.



# Creating relevant datasets to foster innovation in value creation use cases

Continued improvements in data quantity and data quality<sup>1</sup>



## EXAMPLES

SORD-related neuropathy

Parkinson's disease

Gaucher disease

<sup>1</sup> Average number of HPO terms (Human Phenotype Ontology) per sample received from Clinical Diagnostics segment customers has increased from 5 to 8 in 2020 versus 2019.

<sup>2</sup> Quantitative references illustrative per January 2021, reflective of registered individuals in CENTOGENE (laboratory) information systems related to the core business, i.e., Clinical Diagnostics and Pharma segment, but excl. COVID-19.

# Pharma segment: Creating value for therapy development

Case study on Parkinson's disease - ROPAD Study & Denali cooperation



## 10,000+ Participants

### Additional Novel Insights

- Rare disease biobank offered insights into LRRK2 loss of function – de-risking the development process
- ROPAD Study: created one of the most comprehensive biobanks on genetic Parkinson's disease<sup>1</sup> to date
- Potential for identification of new drug targets outside of LRRK2



<sup>1</sup>Management estimate; >10% of the 10,000 patients were genetically diagnosed



# Management focus on value creation in core segments

## Diagnostics



**Maximilian Schmid**  
Chief Commercial Officer



**Peter Bauer**  
Chief Genomic Officer

## Pharma



**Sun Kim**  
Chief Commercial Officer



**Phil Lambert**  
Chief Scientific Officer

## Functions



**Nathalie Daste**  
Chief Human Resources Officer



**Volkmar Weckesser**  
Chief Information Officer



**Richard Stoffelen**  
Chief Financial Officer



**Florian Vogel**  
Chief Process Officer

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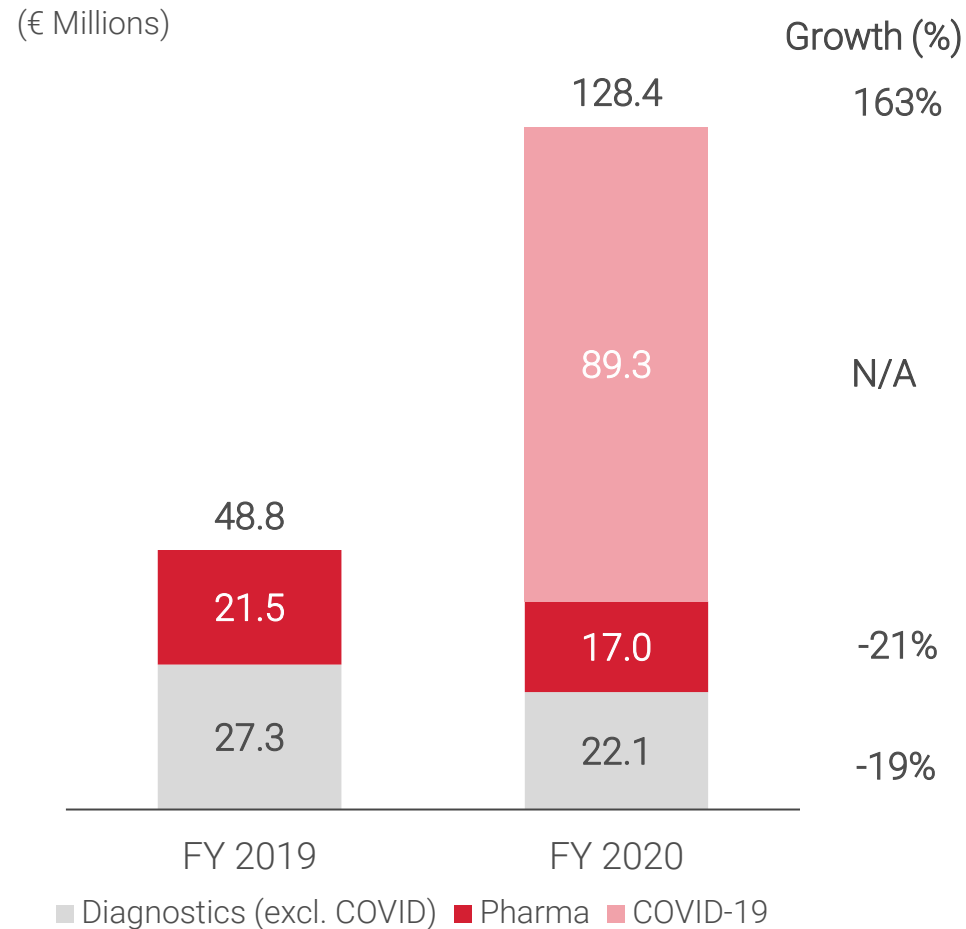
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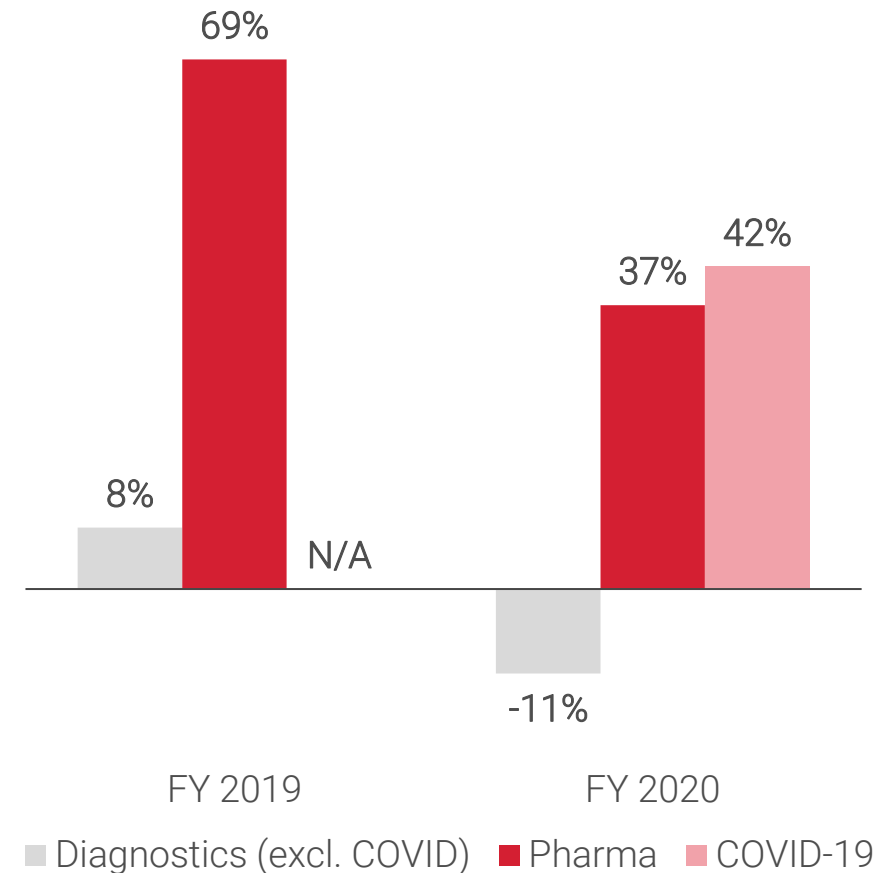
Q&A

Revenue grew by >2.5x compared to prior year

### Revenues by Segment – Full Year

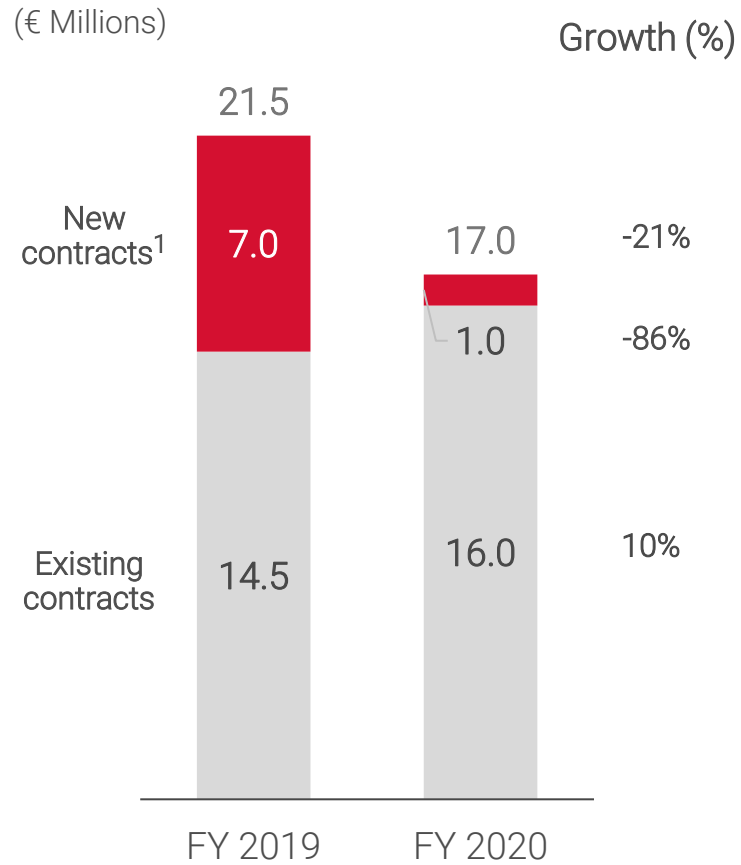


### Segment Adjusted EBITDA – Full Year

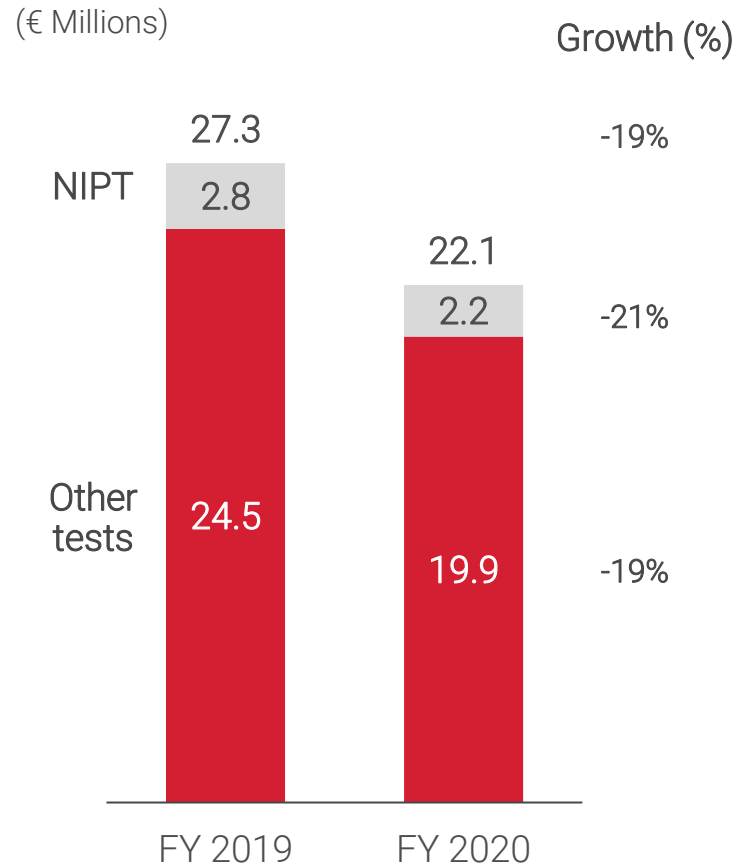


# FY 2020 revenues by segments

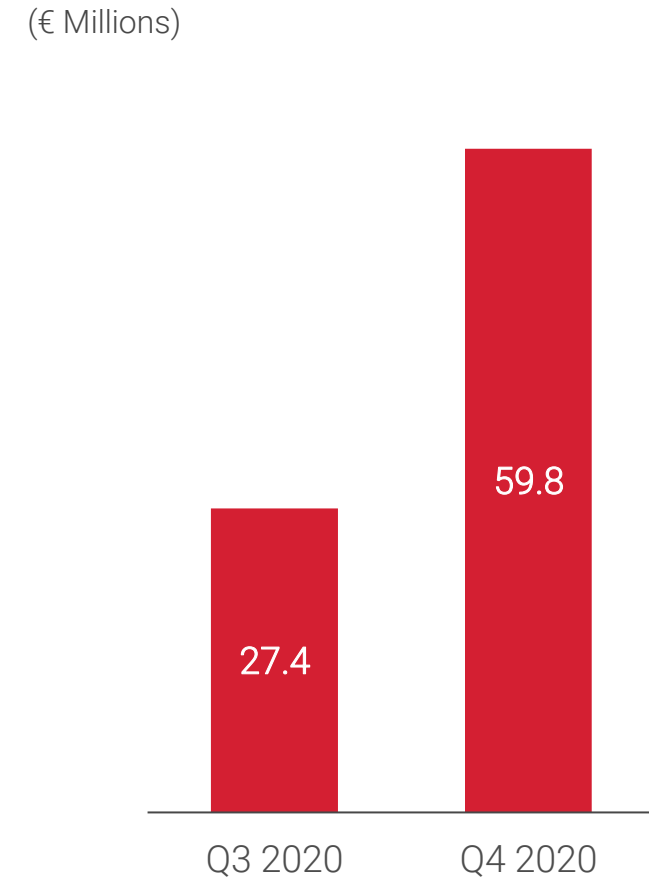
## Pharmaceutical Revenues



## Diagnostic Revenues



## COVID-19 Testing Revenues<sup>2</sup>



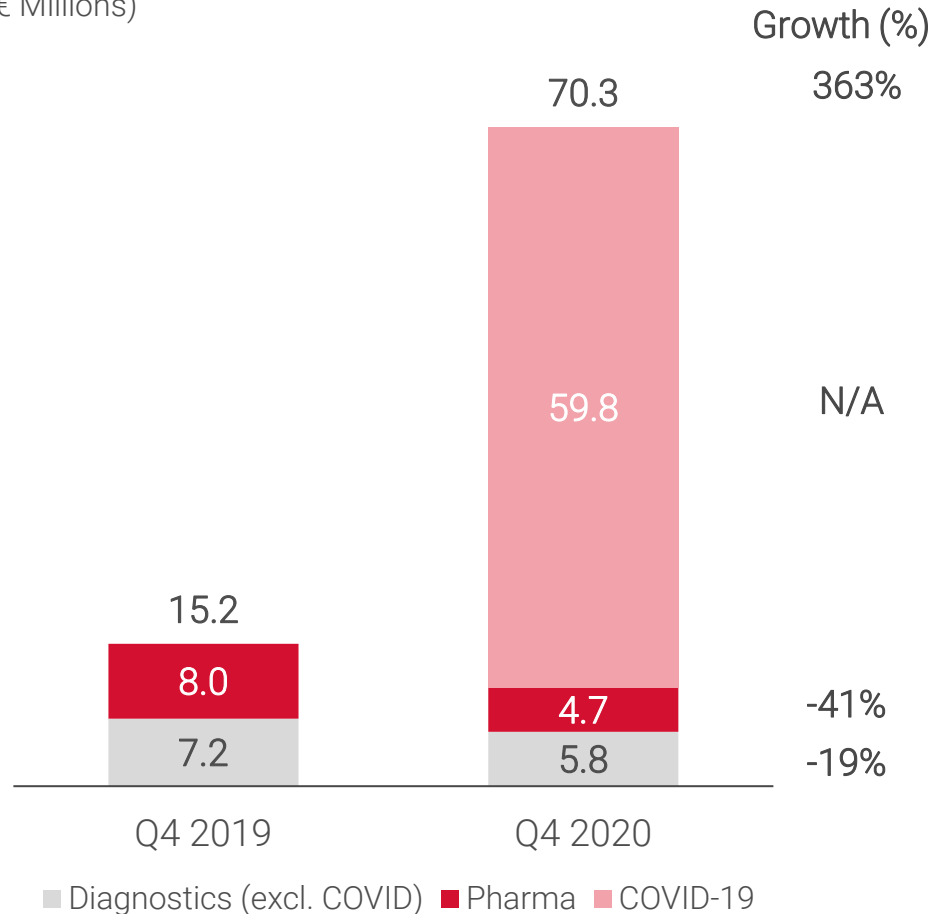
<sup>1</sup> New contracts are defined as contracts signed in the last twelve months

<sup>2</sup> As COVID-19 testing is a new business for the year, Q3 2020 is used as a reference

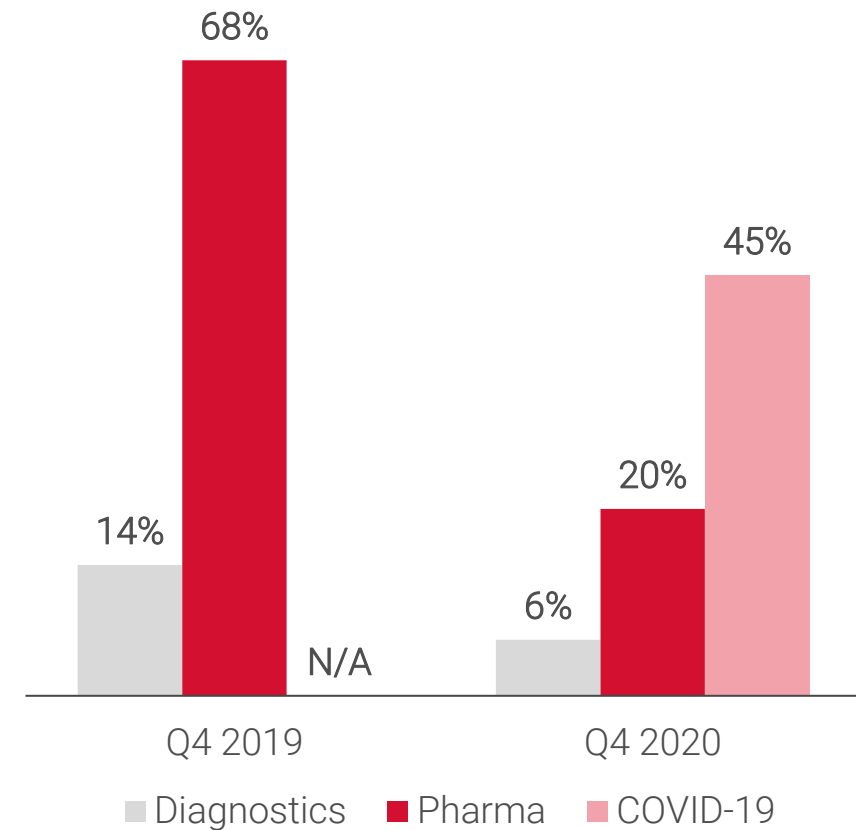
# Q4 2020 revenues nearly quadrupled year-over-year to a record €70.3 million

## Revenues by Segment – Q4

(€ Millions)



## Segment Adjusted EBITDA – Q4





## Income statement<sup>1</sup>

€ Thousands

For the years ended  
December 31,

	2019	2020
Revenues	48,780	128,381
Cost of sales	26,005	86,378
Gross profit	<b>22,775</b>	<b>42,003</b>
Research and development expenses	9,590	14,935
General administrative expenses	23,160	37,665
Selling expenses	9,254	7,580
Impairment of financial assets	752	3,738
Other operating income	3,781	2,394
Other operating expenses	1,284	182
Real estate transfer tax expenses	1,200	-
Operating result	<b>(18,684)</b>	<b>(19,703)</b>

<sup>1</sup>Selected information

## Cash flow & balance sheet<sup>1</sup>

	For the year ended December 31, 2019 € Millions	For the year ended December 31, 2020 € Millions	Period-over- period change
<b>Key Items</b>	Cash flow from/(used in) operating activities	(7.8)	16.3
	Cash flow from/(used in) investing activities	14.2	(30.4)
	Cash flow from financing activities	25.5	(10.7)

	As of Dec 31, 2019 € Millions	As of Dec 31, 2020 € Millions	Period-over- period change
<b>Key Items</b>	Cash & cash equivalents	41.1	7.1
	Debt outstanding <sup>2</sup>	27.0	(2.9)
	Net debt / (net cash)	(14.1)	10.0

<sup>1</sup> Selected information

<sup>2</sup> Debt outstanding includes non-current loans, non-current lease liabilities, current loans and current lease liabilities.

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## Financial Guidance for full-year 2021

- **Core business segments** anticipated to return to solid business growth in 2021
- Non-core business: continue to leverage potential from current commercial COVID-19 testing platform
- Use strong balance sheet position to make strategic investments into core business segments to enhance our leading position in the rare disease space and generate long-term value

## Summary & Outlook

Strong finish to 2020

- Triple digit revenues for FY 2020
- Financial tailwind from COVID-19 testing used to make key strategic investments in core business segments

Diagnostics and Pharma Segments

- Firm focus on core business in FY 2021: Diagnostics and Pharma segments
- Diagnostic sample order intakes returning to pre-pandemic levels
- Pharma deal momentum continuing from H2 2020 into 2021
- Biobank as a key value driver for orphan drug development

Covid-19 Testing

- Volumes robust in 2021 YTD, with pandemic uncertainties still remaining

Save the date

- Virtual Investor Event on June 22, 2021, featuring new and restructured management team

# Thank You for Joining

Q4 & Full Year 2020  
Financial Results



€ Thousands

For the years ended December 31,

P&L

	2018	2019	2020
Revenues	40,478	48,780	128,381
Cost of sales	19,941	26,005	86,378
<b>Gross profit</b>	<b>20,537</b>	<b>22,775</b>	<b>42,003</b>
Research and development expenses	6,300	9,590	14,935
General administrative expenses	18,610	23,160	37,665
Selling expenses	7,474	9,254	7,580
Impairment of financial assets	792	752	3,738
Other operating income	2,306	3,781	2,394
Other operating expenses	273	1,284	182
Real estate transfer tax expenses	-	1,200	-
<b>Operating result</b>	<b>(10,606)</b>	<b>(18,684)</b>	<b>(19,703)</b>
Interest and similar income	33	16	6
Interest and similar expenses	1,075	2,029	1,400
Financial costs, net	(1,042)	(2,013)	(1,394)
<b>Loss before taxes</b>	<b>(11,648)</b>	<b>(20,697)</b>	<b>(21,097)</b>
Income tax expenses/(benefits)	(310)	158	281
<b>Loss for the period</b>	<b>(11,338)</b>	<b>(20,855)</b>	<b>(21,378)</b>
Other comprehensive income/(loss)	(8)	16	(48)
<b>Total comprehensive loss for the period</b>	<b>(11,346)</b>	<b>(20,839)</b>	<b>(21,426)</b>

# Balance sheet

€ Thousands	As of	
	December 31, 2019	December 31, 2020
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible Assets	14,145	12,407
Property, plant and equipment	8,376	16,590
Right-of-use assets	24,932	22,120
Other assets	1,948	1,967
	<b>49,401</b>	<b>53,084</b>
<b>Current assets</b>		
Inventories	1,809	11,405
Trade receivables	16,593	29,199
Other assets	8,612	8,286
Cash and cash equivalents	41,095	48,156
	<b>68,109</b>	<b>97,046</b>
	<b>117,510</b>	<b>150,130</b>

Equity and Liabilities	As of	
	December 31, 2019	December 31, 2020
<b>Equity</b>		
Issued capital	2,383	2,654
Capital reserve	98,099	125,916
Retained earnings and other reserves	(40,622)	(62,888)
Non-controlling interests	(938)	95
	<b>58,922</b>	<b>65,777</b>
<b>Non-current liabilities</b>		
Non-current loans	1,578	401
Lease liabilities	18,069	17,677
Deferred tax liabilities	-	207
Government grants	9,941	8,950
	<b>29,588</b>	<b>27,235</b>
<b>Current liabilities</b>		
Government grants	1,348	1,342
Current loans	3,688	2,492
Lease liabilities	3,635	3,528
Liabilities from income taxes	-	58
Trade payables	8,554	31,736
Other liabilities	11,775	17,962
	<b>29,000</b>	<b>57,118</b>
	<b>117,510</b>	<b>150,130</b>



## Cash flow

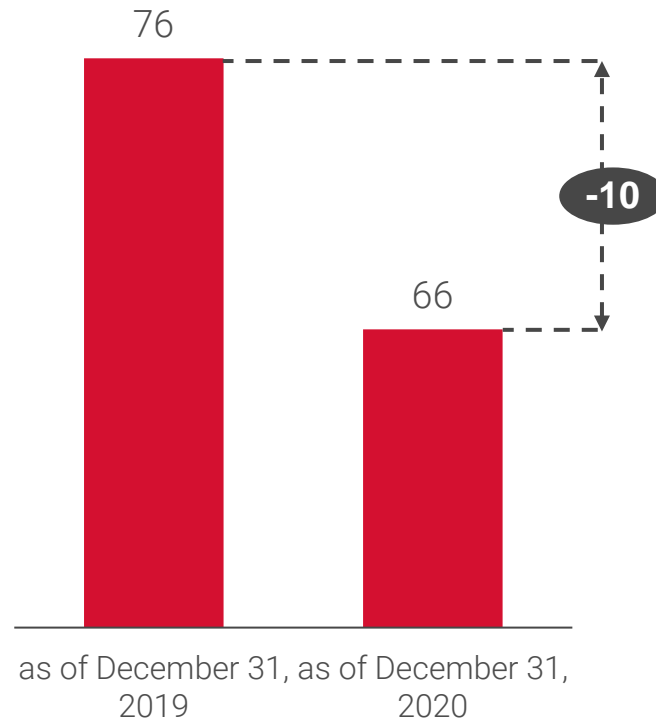
€ Thousands	For the years ended December 31,		
	2018	2019	2020
Loss before taxes	(11,648)	(20,697)	(21,097)
Amortization and depreciation	5,175	6,579	15,128
Interest income	(33)	(16)	(6)
Interest expense	1,075	2,029	1,400
Loss/(gain) on the disposal of property, plant and equipment	-	(532)	-
Expected credit loss allowances on trade receivables and contract assets	792	752	3,738
Share-based payment expenses	5,521	6,418	5,658
Real estate transfer tax expenses	-	1,200	-
Other non-cash items	(966)	(1,856)	(915)
Inventories	(567)	(463)	(9,596)
Trade receivables and contract assets	(4,701)	(6,444)	(16,344)
Other assets	(919)	(1,169)	255
Trade payables	140	3,125	23,996
Other liabilities	1,554	3,299	6,245
<b>Cash flow used in operating activities</b>	<b>(4,577)</b>	<b>(7,775)</b>	<b>8,462</b>
Cash paid for investments in intangible assets	(3,059)	(7,280)	(6,657)
Cash paid for investment in property, plant and equipment	(8,710)	(296)	(9,890)
Grants received for investment in property, plant and equipment	3,042	793	390
Cash received from the disposals of property, plant and equipment	-	(358)	-
Grants refunded related to disposed property, plant and equipment	-	21,300	-
Interest received	33	16	6
<b>Cash flow (used in)/from investing activities</b>	<b>(8,694)</b>	<b>14,175</b>	<b>(16,151)</b>
Cash received from the issuance of shares	20,073	41,899	22,430
Cash paid for acquisition of non-wholly owned subsidiary	-	-	(75)
Cash received from loans	3,631	721	438
Cash repayments of loans	(2,851)	(12,072)	(2,760)
Cash repayments of lease liabilities	(442)	(3,046)	(5,018)
Interest paid	(1,075)	(2,029)	(173)
<b>Cash flow from financing activities</b>	<b>19,336</b>	<b>25,473</b>	<b>14,842</b>
Changes in cash and cash equivalents	6,065	31,873	7,153
Cash and cash equivalents at the beginning of the period	3,157	9,222	41,095
Effect of movements in exchange rates on cash held	-	-	(92)
<b>Cash and cash equivalents at the end of the period</b>	<b>9,222</b>	<b>41,095</b>	<b>48,156</b>

## Reconciliation of segment adjusted EBITDA to Group loss for the period

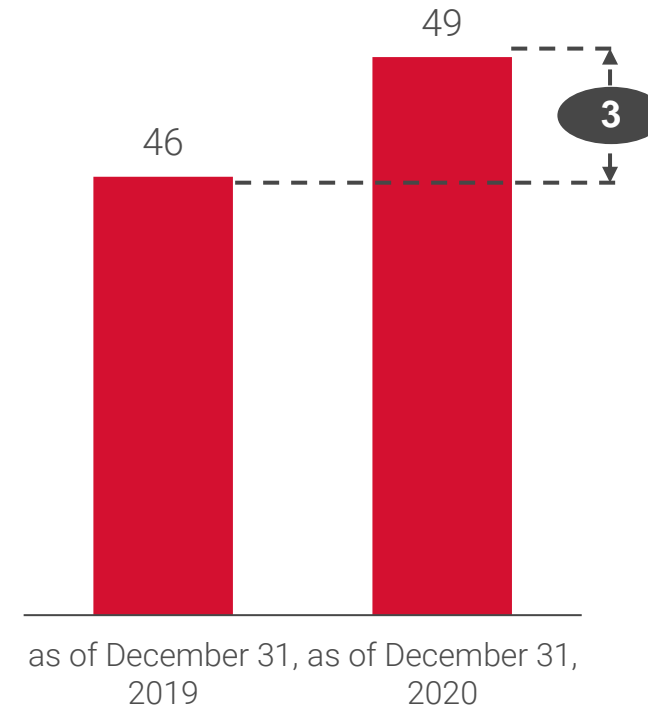
€ Thousands	For the years ended December 31,		
	2018	2019	2020
Reported segment adjusted EBITDA	15,926	17,262	41,001
Corporate expenses	(15,836)	(22,949)	(39,918)
	<b>90</b>	<b>(5,687)</b>	<b>1,083</b>
Share-based payment expenses	(5,521)	(6,418)	(5,658)
Depreciation and amortization	(5,175)	(6,579)	(15,128)
<b>Operating loss</b>	<b>(10,606)</b>	<b>(18,684)</b>	<b>(19,703)</b>
Financial costs, net	(1,042)	(2,013)	(1,394)
Income taxes	310	(158)	(281)
<b>Loss for the period</b>	<b>(11,338)</b>	<b>(20,855)</b>	<b>(21,378)</b>

# Pharma segment operating metrics

# of Pharma Collaborations<sup>1</sup>



# of Diseases Under Partnership<sup>2</sup>



- New contract deals and extensions signed in 2020
  - Signed 16 new deals covering the pharma service universe, incl. 9 on clinical trial support, 5 on sponsored genetic testing
  - Signed 16 extensions of existing contracts

<sup>1</sup> Active and ongoing collaborations as of December 31, respectively.

<sup>2</sup> Cumulative diseases under active or completed pharma collaborations.