



CENTOGENE Reports Full Year 2022 Financial Results

May 16, 2023

- Full Year 2022 total revenues with double-digit growth of 12% at €47.5 million, in line with prior guidance
- Significant expansion of gross profit margin from 32% to 42% and ongoing cost control resulted in significant improvement of net results
- Both Pharma and Diagnostics segments positioned for strong performance in 2023, guidance of FY2023 total revenue growth between 10% to 15%

CAMBRIDGE, Mass. and ROSTOCK, Germany and BERLIN, May 16, 2023 (GLOBE NEWSWIRE) -- Centogene N.V. (Nasdaq: CNTG) ("we" or the "Company"), the essential life science partner for data-driven answers in rare and neurodegenerative diseases, today announced financial results for the fiscal year ended December 31, 2022, and provided a business update.

"2022 reaffirms CENTOGENE's focus and dedication to becoming the essential data-driven partner in rare and neurodegenerative diseases. With renewed focus on our Core Diagnostics and Pharma segments and the exit of the COVID-19 business, we have continued to deliver against our goals – recording double-digit revenue growth compared to the prior year. We expanded the CENTOGENE Biodatabank to over 750,000 patients – representing the world's largest real-world integrated multiomic data repository in rare and neurodegenerative diseases to enable diagnostics, clinical development, and access to life-saving treatments for patients and partners around the world," stated Kim Stratton, Chief Executive Officer at CENTOGENE. "While we continue to navigate a volatile market environment, we are proactively pursuing a number of initiatives to extend our cash runway and continue improving our cost structure. Looking ahead, we expect to see 2023 annual revenue growth between 10% to 15%."

Full Year 2022 Financial Highlights

- Total revenues increased by 12% to €47.5 million in FY2022, compared to €42.2 million in FY2021, reflecting growth in both the Diagnostics and Pharma segments
- Diagnostics segment revenues increased by 18% in 2022 to €31.4 million, primarily related to an increase of 34% in revenues for CentoXome® (CENTOGENE's proprietary Whole Exome Sequencing) and CentoGenome® (CENTOGENE's proprietary Whole Genome Sequencing). Achieved upselling 25% of CentoXome® and CentoGenome® orders to MOx (CENTOGENE's portfolio of multiomic testing solutions) in FY2022
- Pharma segment revenues returned to growth after two years of decline, increasing by 3% year-over-year to €16.1 million, primarily driven by progressing observational studies for patient finding and market access in collaboration with pharma partners to support clinical development stage projects in rare and neurodegenerative disorders. Gross profit margins more than doubled to 55% in FY2022 compared to 26% in FY2021
- The overall gross profit margin improved by 10 percentage points to 42% of revenues or €19.8 million in FY2022, compared to a 32% gross profit margin in FY2021. The gross profit margin was mainly driven by better margins in the Pharma segment and solid margins in the Diagnostics segment due to product mix of innovative, high-end products including CentoXome®, CentoGenome®, and MOx
- The Company improved its net loss position by 31% at €31.8 million in FY2022 compared to a net loss of €46.2 million in FY2021. Net loss from continuing operations showed an improvement of 33% at €38.7 million in FY2022 compared to €57.4 million in FY2021. G&A costs decreased by 25%, or €10.9 million, in FY2022. Discontinued operations reflected the contributions from the COVID-19 testing business, which was ceased end of Q1 2022
- Total segment adjusted EBITDA showed a significant improvement of 69% overall at €13.2 million in FY2022 compared to €7.8 million in FY2021 from the Company's Diagnostics and Pharma segments, representing higher adjusted EBITDA contributions from both business segments. Adjusted EBITDA from the Pharma segment increased by 42% to €6.8 million in FY2022, compared to €4.8 million in FY2021, as a result of strong revenue growth and an increase in gross margins. The Diagnostics segment recorded a notable increase in adjusted EBITDA of 112% to €6.4 million in FY2022, compared to €3.0 million in FY2021, primarily due to revenue growth and improved collections of receivables
- Cash and cash equivalents were €36.0 million as of December 31, 2022, compared to €17.8 million for the period ending December 31, 2021. There is uncertainty about the Company's ability to continue as a going concern. Please refer to the Company's FY2022 financial statements and related disclosures

"We are very encouraged by the accelerating momentum and the performance we delivered in 2022, particularly in continuing to achieve strong

segment adjusted EBITDA and optimizing operational efficiency. We have made a lot of progress towards building a sustainable business – simplifying and strengthening our organization as well as optimizing our cost structure and cost management. The results can be seen in significant improvements across gross margins, which are up 10 percentage points, corporate expenses being reduced, adjusted EBITDA improved, as well as the Company's bottom line. In 2023, we continue to prioritize cost diligence as a key driver for profitability, while actively exploring additional transaction options to extend our cash runway. By strategically managing our expenses, we seek to enhance the stability of our balance sheet and foster sustainable financial performance," added Miguel Coego, Chief Financial Officer at CENTOGENE.

Recent Business Highlights

Corporate

- Expanded the CENTOGENE Biodatabank to over 750,000 patients, over 70% of whom are of non- European descent, approximately 30,000 active physicians, and more than 70 million unique variants thanks to the increasing number of CentoXome® and CentoGenome® analyses, which contain significantly more variants than more targeted diagnostic tests
- Appointed Chief Commercial Officer & General Manager - Pharma, Ian Rentsch, and significantly strengthened Pharma Business Development by more than doubling the team size – underlining the Company's strategic focus to better serve existing partners and significantly increase collaborations with new partners
- Strengthened Diagnostics Sales team and expanded direct footprint distribution network in targeted geographic areas, such as Canada, Colombia, Italy, Spain, and Portugal
- Authored 62 peer-reviewed scientific publications in FY2022, unlocking insights into Parkinson's disease, Gaucher disease, frontotemporal dementia, Fabry disease, muscular dystrophy, Alport syndrome, mucopolysaccharidosis type VI, Suleiman-El-Hattab syndrome, Galloway-Mowat syndrome, HIDEA (hypotonia, hypoventilation, intellectual disability, dysautonomia, epilepsy and eye abnormalities) syndrome, and Diets-Jongmans syndrome, as well as a range of variants associated with epilepsy, genetic cancers, metabolic disorders, developmental disorders, and other rare and neurodegenerative diseases
- Closed \$20 million second tranche of secured loan from Oxford Finance in December 2022, upon achieving trailing twelve-months revenue performance target
- Announced the appointment of Mary Sheahan as Chair of the Audit Committee, as well as Ad Interim Member of the Supervisory Board, which is to be confirmed at the Company's next General Meeting of Shareholders in June

Pharma

- Extended Takeda partnership to April 2024 to continue providing access to genetic testing for patients with lysosomal storage disorders
- Entered strategic collaborations with IQVIA and Premier Research to extend strategy and expand commercialization model with pharma partners via Contract Research Organizations (CROs)
- Extended, alongside Denali Therapeutics, the ROPAD Study, the world's largest observational study on Parkinson's disease genetics with approximately 15,000 enrolled patients to date. Patients enrolled in ROPAD and identified with *LRRK2* genetic variations may be eligible for participation in ongoing interventional clinical studies. Denali, in collaboration with Biogen Inc., is currently evaluating the efficacy and safety of BIIB122 (DNL151), a small molecule LRRK2 inhibitor
- Extended and expanded, with support from Alector, Inc., the observational EFRONT Study to advance the genetic understanding of frontotemporal dementia
- Launched the CENTOGENE Biodata Network, a portfolio of data-driven partnering solutions for biopharma and research institutions, fueled by the CENTOGENE Biodatabank and over 15 years of patient insights. These customizable partnering solutions include Insight Reports, which are tailored data analysis reports that seamlessly enable partners to answer ad hoc research questions via real-world data. Biodata Licenses are also available, which enable partners to securely access CENTOGENE's multiomic, clinical, and sociodemographic datasets via a Trusted Research Environment (TRE)

Diagnostics

- Strong order intake of approximately 70,000 test requests for FY2022, which represents a 23% increase compared to approximately 57,000 in the prior year
- Launched CentoCloud®, one of the world's only CE-marked Software as a Service (SaaS) under the In Vitro Diagnostics Directive (98/79/EC), as well as released CENTOGENE's FilterTool application, one of the first applications to receive CE mark under the new In Vitro Diagnostic Regulation (IVDR). Pairing CentoCloud® and the FilterTool accelerates genetic data interpretation and helps labs and healthcare institutions around the globe to access the leading CENTOGENE Biodatabank, state-of-the-art certified dry labs, and automated bioinformatic pipelines to fully support rare and neurodegenerative patients

- Launched NEW CentoGenome®, the world's most comprehensive Whole Genome Sequencing tool for diagnosis of rare and neurodegenerative diseases, which now detects Copy Number Variations associated with spinal muscular atrophy, as well as complex disease-causing variants associated with Gaucher disease and susceptibility to *GBA1*-related Parkinson's disease
- Launched MOx – CENTOGENE's portfolio of single-step multiomic solutions that combines genomic and biochemical testing to lead to a higher diagnostic yield by up to 25%
- Launched together with TWIST Bioscience three Next Generation Sequencing target enrichment panels, Twist Alliance CNTG Exome, Twist Alliance CNTG Rare Disease Panel, and Twist Alliance CNTG Hereditary Oncology Panel, to support rare disease and hereditary cancer research and support diagnostics
- Utilizing Illumina's new NovaSeq X Sequencing System to further optimize throughput, scale, and cost efficiencies

2023 Revenue Guidance

The Company expects revenue growth to be between 10 to 15% in FY2023 compared to FY2022.

About CENTOGENE

CENTOGENE's mission is to provide data-driven, life-changing answers to patients, physicians, and pharma companies for rare and neurodegenerative diseases. We integrate multiomic technologies with the CENTOGENE Biodatabank – providing dimensional analysis to guide the next generation of precision medicine. Our unique approach enables rapid and reliable diagnosis for patients, supports a more precise physician understanding of disease states, and accelerates and de-risks targeted pharma drug discovery, development, and commercialization.

Since our founding in 2006, CENTOGENE has been offering rapid and reliable diagnosis – building a network of approximately 30,000 active physicians. Our ISO, CAP, and CLIA certified multiomic reference laboratories in Germany utilize Phenomic, Genomic, Transcriptomic, Epigenomic, Proteomic, and Metabolomic datasets. This data is captured in our CENTOGENE Biodatabank, with over 750,000 patients represented from over 120 highly diverse countries, over 70% of whom are of non-European descent. To date, the CENTOGENE Biodatabank has contributed to generating novel insights for more than 275 peer-reviewed publications.

By translating our data and expertise into tangible insights, we have supported over 50 collaborations with pharma partners. Together, we accelerate and de-risk drug discovery, development, and commercialization in target & drug screening, clinical development, market access and expansion, as well as offering CENTOGENE Biodata Licenses and Insight Reports to enable a world healed of all rare and neurodegenerative diseases.

To discover more about our products, pipeline, and patient-driven purpose, visit www.centogene.com and follow us on [LinkedIn](#).

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the U.S. federal securities laws. Statements contained herein that are not clearly historical in nature are forward-looking, and the words “anticipate,” “believe,” “continues,” “expect,” “estimate,” “intend,” “project,” and similar expressions and future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” and “may,” are generally intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors that may cause CENTOGENE's actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, negative economic and geopolitical conditions and instability and volatility in the worldwide financial markets, possible changes in current and proposed legislation, regulations and governmental policies, pressures from increasing competition and consolidation in our industry, the expense and uncertainty of regulatory approval, including from the U.S. Food and Drug Administration, our reliance on third parties and collaboration partners, including our ability to manage growth, execute our business strategy and enter into new client relationships, our dependency on the rare disease industry, our ability to manage international expansion, our reliance on key personnel, our reliance on intellectual property protection, fluctuations of our operating results due to the effect of exchange rates, our ability to streamline cash usage, our continued ongoing compliance with covenants linked to financial instruments, our requirement for additional financing and our ability to continue as a going concern, or other factors. For further information on the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to CENTOGENE's business in general, see CENTOGENE's risk factors set forth in CENTOGENE's Form 20-F filed on May 16, 2023, with the Securities and Exchange Commission (the “SEC”) and subsequent filings with the SEC. Any forward-looking statements contained in this press release speak only as of the date hereof, and CENTOGENE's specifically disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Contact:

CENTOGENE

Ben Legg
Corporate Communications
Press@centogene.com

Lennart Streibel
Investor Relations
IR@centogene.com

Centogene N.V.

Consolidated statements of comprehensive loss for the years ended December 31, 2022, 2021 and 2020

4(in EUR k)

	Note	2022	2021*	2020*
			Restated	Restated
Revenue	7	47,473	42,234	38,453
Cost of sales		27,712	28,735	35,286
Gross profit		19,761	13,499	3,167
Research and development expenses		17,488	19,297	14,935
General administrative expenses		32,587	43,480	37,665
Selling expenses		9,924	9,326	7,580
Impairment of financial assets	22.2	—	827	3,636
Gain on reversal of financial asset impairment		432	—	—
Other operating income	8.1	3,774	2,894	2,392
Other operating expenses	8.2	741	86	182
Operating loss		(36,773)	(56,623)	(58,439)
Changes in fair value of warrants	8.3	2,574	—	—
Interest and similar income		512	3	6
Interest and similar expenses		4,909	802	1,381
Financial costs, net	8.3	(1,823)	(799)	(1,375)
Loss before taxes from continuing operations		(38,596)	(57,422)	(59,814)
Income taxes expenses	10	107	(70)	224
Loss for the year from continuing operations		(38,703)	(57,352)	(60,038)
Net income from discontinued operations, net of tax	9	6,862	11,106	38,052
Loss for the period		(31,841)	(46,246)	(21,986)
Other comprehensive income/(loss), all attributable to equity holders of the parent		(76)	543	(48)
Total comprehensive loss		(31,917)	(45,703)	(22,034)
Attributable to:				
Equity holders of the parent		(31,917)	(45,801)	(22,094)
Non-controlling interests from continuing operations	24	—	98	60
Non-controlling interests from discontinued operations		—	—	—
		(31,917)	(45,703)	(22,034)
Net loss per share - Basic and diluted from (in EUR)				
Continuing operations	11	(1.45)	(2.53)	(2.87)
Loss attributable to parent	11	(1.19)	(2.04)	(1.05)

*The comparative numbers have been re-presented as a result of the discontinued operations. Refer to Note 9 – Discontinued Operations.

The accompanying notes form an integral part of these consolidated financial statements

Centogene N.V.

Consolidated statements of financial position as of December 31, 2022 and 2021

(in EUR k)

Assets	Note	Dec 31, 2022	Dec 31, 2021	Jan 1, 2021
			Restated*	Restated*
Non-current assets				
Intangible assets	12	7,400	9,194	12,407
Property, plant and equipment	13	6,808	9,464	16,590
Right-of-use assets	14	15,351	18,904	22,120
Derivatives assets	22	510	—	—
Other assets	16	2,911	2,972	1,967
		32,980	40,534	53,084

Current assets				
Inventories	15	1,819	3,869	11,405
Trade receivables and contract assets	16	16,548	23,462	28,988
Other assets	16	5,514	5,453	8,286
Cash and cash equivalents	17	35,951	17,818	48,156
		59,832	50,602	96,835
		92,812	91,136	149,919

Equity and liabilities	Note	Dec 31, 2022	Dec 31, 2021	Jan 1, 2021
Equity				
Issued capital	18	3,307	2,708	2,654
Capital reserve	18	145,369	133,897	125,916
Accumulated deficit and other reserves		(141,265)	(109,540)	(63,739)
Non-controlling interests		—	193	95
		7,411	27,258	64,926
Non-current liabilities				
Non-current loans	20.1	40,051	—	401
Lease liabilities	20.1	13,125	15,394	17,677
Deferred tax liabilities		35	79	207
Government grants	20.2	6,687	8,028	8,950
Derivative liabilities	22	376	—	—
Warrant liability	22	260	—	—
Other liabilities	20.2, 21	202	960	640
		60,736	24,461	27,875
Current liabilities				
Government grants	20.2	1,263	1,368	1,342
Current loans	20.1	4,635	3,815	2,492
Lease liabilities	20.1	2,311	3,330	3,528
Liabilities from income taxes	10	89	178	58
Trade payables	20.2	6,317	11,252	31,736
Other liabilities	20.2, 21	10,050	19,474	17,962
		24,665	39,417	57,118
		92,812	91,136	149,919

*Property, plant and equipment and lease liabilities as of December 31, 2021, and Trade receivables and contract assets and other liabilities as of December 31, 2021, and January 1, 2021, have been restated. Refer to Note 2.4 – Restatement of selected assets and liabilities in the consolidated statements of financial position and selected income and expenses in the consolidated statements of comprehensive loss.

The accompanying notes form an integral part of these consolidated financial statements

Centogene N.V.

Consolidated statements of cash flows for the years ended December 31, 2022, 2021 and 2020

(in EUR k)

	Note	2022	2021* (Restated)	2020* (Restated)
Operating activities				
Loss before taxes from continuing operations		(38,596)	(57,422)	(59,815)
Income before taxes from discontinued operations	9	6,875	11,152	38,110
Loss before taxes		(31,721)	(46,270)	(21,705)

Adjustments to reconcile earnings to cash flow from operating activities

Amortization (including impairments) and depreciation	12,13,14	10,378	19,974	15,128
Inventory write-off		—	1,795	—
Interest income	8.3	—	(3)	(6)
Interest expense	8.3	4,909	851	1,400
Gain on the disposal of non-current assets		(754)	(18)	—
Expected credit loss allowances on trade receivables and contract assets	2.4	—	631	3,804
Share-based payment expenses	21	(16)	8,035	5,658
Tax expense		(89)	—	—
Fair value adjustments of warrants	8.3	(2,574)	—	—
Other non-cash items		(1,430)	(625)	(981)
Net foreign exchange differences		963	—	—

Changes in operating assets and liabilities:

Inventories	15	2,050	5,741	(9,596)
Trade receivables and contract assets	16	6,914	4,855	(16,172)
Other assets	16	—	1,828	255
Trade payables	20.2	(4,935)	(20,484)	23,996
Other liabilities	28	(10,182)	1,952	6,681

Thereof cash flow (used in) continuing operating activities	28	<u>(35,497)</u>	<u>(42,635)</u>	<u>(30,603)</u>
Thereof cash flow from discontinued operating activities		<u>9,009</u>	<u>20,897</u>	<u>39,065</u>
Cash flow (used in)/from operating activities		<u>(26,488)</u>	<u>(21,739)</u>	<u>8,462</u>

Investing activities

Cash paid for investments in intangible assets	12	(1,727)	(2,787)	(6,657)
Cash paid for investments in property, plant and equipment	13	(367)	(2,915)	(9,890)
Grants received for investment in property, plant and equipment	20.2	506	168	390
Grants refunded related to disposed property, plant and equipment	20.2	—	—	—
Cash received from disposals of property, plant and equipment		855	171	—
Interest received		—	3	6

Thereof cash flow (used in) continuing investing activities		<u>(1,553)</u>	<u>(2,494)</u>	<u>(5,366)</u>
Thereof cash flow from/(used in) discontinued investing activities		<u>820</u>	<u>(2,866)</u>	<u>(10,785)</u>
Cash flow (used in)/from investing activities		<u>(733)</u>	<u>(5,360)</u>	<u>(16,151)</u>

Financing activities

Cash received from the issuance of shares	18	12,140	—	22,430
Cash received from issuance of warrants		2,833	—	—
Cash paid for acquisition of non-wholly owned subsidiary		(1)	—	(75)
Cash received from loans	20, 22.2	40,568	1,772	438
Cash repayments of loans	20, 22.2	—	(464)	(2,760)
Cash repayments of lease liabilities	20, 22.2	(4,314)	(4,244)	(5,018)
Interest paid	8.3	(4,909)	(267)	(173)

Thereof net cash flow from/(used in) continuing financing activities		<u>46,798</u>	<u>(2,403)</u>	<u>13,561</u>
Thereof net cash flow from/(used in) discontinued financing activities		<u>(481)</u>	<u>(800)</u>	<u>1,281</u>
Cash flow from financing activities		<u>46,317</u>	<u>(3,203)</u>	<u>14,842</u>

Changes in cash and cash equivalents		19,096	(30,302)	7,153
Cash and cash equivalents at the beginning of the period		17,818	48,156	41,095
Effect of movements in exchange rates on cash held		<u>(963)</u>	<u>(36)</u>	<u>(92)</u>
Cash and cash equivalents at the end of the period		<u>35,951</u>	<u>17,818</u>	<u>48,156</u>

*The comparative numbers have been re-presented as a result of the discontinued operations. Refer to Note 9- Discontinued Operations.

The accompanying notes form an integral part of these consolidated financial statements

