epigenomics

**Press release**

**Epigenomics and BioChain enter into broad strategic collaboration in China and investment into Epigenomics**

- BioChainto acquire exclusive development and commercial Septin9 license for China
- BioChain to invest US$ 1.3 m in Epigenomics
- Initiation of large clinical study with the goal of gaining China Food and Drug Administration (CFDA) approval
- 5,000 Epi proColon® tests ordered for Q4 delivery
- Establishment of a broad research collaboration

***Berlin (Germany) and Newark (California, U.S.A); Beijing (China), October 28, 2013*** - Epigenomics AG (Frankfurt Prime Standard: ECX, OTC: EPGNY), the German-American cancer molecular diagnostics company, and BioChain, a leading clinical diagnostics company in cancer and genetic tests in China and the US, today announced that the companies have signed an agreement regarding a broad strategic collaboration of both companies. In addition, BioChain will acquire 217,935 newly issued shares of the company which corresponds to an investment ofUS$ 1.3m (EUR 0.94m) into Epigenomics.

As part of the agreed collaboration, which significantly expands the license agreement for a laboratory developed test announced earlier this year, BioChain will acquire an exclusive license to develop and commercialize Septin9 in vitro diagnostic (IVD) tests for colorectal cancer (CRC) screening in the Chinese market. Under the terms of the agreement, Epigenomics will receive undisclosed upfront and minimum annual payments as well as mid single-digit royalty payments once the product is approved by the CFDA. Until then, Epigenomics will continue selling laboratory developed test (LDT) components to BioChain.

At its own expense, BioChain will initiate a major clinical trial to validate the Septin9 CRC screening assay with the goal to gain market approval for the blood-based test by the CFDA. In order to execute the clinical trial, BioChain has placed an order for 5,000 Epi proColon® tests with Epigenomics. The trial will start in Q4 2013 and is expected to be completed inthe second half of 2014.

This is the first clinical study to demonstrate the clinical utility of the Septin9 assay in China, where, in accordance with internationally accepted guidelines, nearly 290 million people are currently eligible for CRC screening. In ChinaCRC is a rapidly growing medical problemdemanding for better, simple to use and affordable screening methods.

Grace Tian, CEO of BioChain, commented: “Based on our assessment of Epigenomics’ test and its significant market potential, we decided to broaden our existing collaboration. We are pleased to introduce this advanced cancer screening test to China and are convinced that thesuccess of this method in the planned clinical trial combined withthe simplicity of the EpiproColon® test will pave the way to high participation levels in CRC screening inthe Chinese population.”

Dr. Thomas Taapken, CEO/CFO of Epigenomics, stated: “We are excited about BioChain’s commitment and vigorous approach to accelerate the development of the Chinese CRC screening market with our biomarker. This agreement reached today is the key initial step in translating our blood-based screeningassay into a major tool for colorectal cancer management in this important region. We look forward to collaboratingclosely with our partner BioChain.”

The parties also agreed to work together on the validation of other methylation biomarkers in the cancer field. Epigenomics owns intellectual property around a variety of cancer diagnostic markers for lung, prostate and bladder cancer as well as for other solid tumors and markets a CE-marked product for lung cancer diagnosis based on its proprietary SHOX2 biomarker. BioChain's advanced sample preparation technology is a valuable asset for the clinical validation of Epigenomics' other DNA-methylation cancer markers. Should the companies develop any future products, BioChain shall have the option to acquire commercializationrights for the Chinese market, while Epigenomics will retain rights for the rest of the World.

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**About Epigenomics**
Epigenomics (www.epigenomics.com) is a molecular diagnostics company developing and commercializing a pipeline of proprietary products for cancer. The Company's products enable doctors to diagnose cancer earlier and more accurately, leading to improved outcomes for patients. Epigenomics' lead product, Epi proColon®, is a blood-based test for the early detection of colorectal cancer, which is currently marketed in Europe and is under regulatory review by the FDA for the U.S.A. The Company's technology and products have been validated through multiple partnerships with leading global diagnostic companies and testing laboratories. Epigenomics is an international company with operations in Europe and the U.S.A.

**About BioChain**
BioChain (www.biochain.com, www.biochainbj.com) is a manufacturer of Life Sciences tools and the pioneer of molecular genetics diagnostics in the US and China. It is also the owner and operator of an independent reference laboratory, equivalent of a CLIA lab, in China – Beijing BioChain Medical Laboratory (BBML). BBML is unique in that it focuses on the application of molecular diagnostics technologies and products. BBML is located in the economic development zone of Beijing, China. Through BBML, BioChain is committed to the application of the cutting edge "omics" technologies in the areas of reproductive health and cancer diagnosis.

BBML offers comprehensive services to its customers in China with a list of cellular and molecular test menus based on diverse technologies appropriate to each stage and type of disease. Technology platforms employed by BioChain include karyotyping analysis of cytogenetics, fluorescent in-situ hybridization (FISH), array comparative genomic hybridization (aCGH), quantitative PCR (qPCR), Sanger sequencing, next generation sequencing (NGS), multiplex ligation-dependent probe amplification (MLPA), and genetic linkage analysis. BioChain has a strong bioinformatics team and established the first Chromosomal Health Database for the Chinese population (www.szjkzd.org:8080/app/auth).

**Epigenomics legal disclaimer**

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