epigenomics

3-MONTH REPORT

JANUARY 1 – MARCH 31

Q1 2013

QUARTERLY DEVELOPMENT OF KEY FIGURES (UNAUDITED)

in EUR thousand except where indicated	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Statement of Profit or Loss					
Revenue	243	156	272	368	355
Gross profit	194	131	193	229	244
EBIT	-2,301	-3,442	-3,688	-2,692	-1,712
EBITDA	-2,006	-3,230	-3,478	-2,486	-1,509
Net loss for the period	-2,338	-3,386	-3,693	-2,780	-1,716
Balance Sheet (at the respective reporting dates)					
Non-current assets	3,735	3,526	3,331	3,053	2,832
Investments in non-current assets	12	4	50	21	0
Current assets	12,815	10,226	7,168	3,825	6,342
Current liabilities	2,541	3,112	3,576	2,720	2,210
Equity	14,009	10,640	6,923	4,158	6,964
Equity ratio in %	84.7	77.4	65.9	60.5	75.9
Total assets	16,550	13,752	10,499	6,878	9,174
Cash Flow Statement					
Cash flow from operating activities	-2,543	-2,207	-2,764	-3,370	-1,762
Cash flow from investing activities	-12	-6	967	5	0
Cash flow from financing activities	-25	-159	-125	-113	4,555
Net cash flow	-2,580	-2,372	-1,922	-3,478	2,793
Cash consumption	-2,555	-2,214	-2,796	-3,365	-1,762
Cash and cash equivalents at the end of the period	9,977	7,605	5,683	2,205	4,998
Stock					
Weighted-average number of shares issued	8,818,417	8,818,417	8,818,417	8,818,417	10,918,038
Earnings per share basic and diluted (in EUR)	-0.27	-0.38	-0.42	-0.32	-0.16
Share price (in EUR) at the end of the period	2.22	1.52	1.22	2.10	1.59
Number of employees at the end of the period	46	44	45	39	33

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EPIGENOMICS AG – INTERIM REPORT ON THE FIRST QUARTER OF 2013

DEAR SHAREHOLDERS,

During the first quarter of 2013, we kept focusing and continued to make progress on the regulatory path towards U.S. approval of Epi proColon®. After completion of our Premarket Approval (PMA) submission late last year, the U.S. Food and Drug Administration (FDA) announced that it has accepted our application for review and has granted us priority review status. We are very positive about this decision and are now in a fruitful discussion with the agency. Several audits have already been scheduled and we are excited with the progress made so far. We will keep updating you on any major developments on this front, including the details on the advisory board panel review meeting which we expect to be called in by the FDA later as part of the review process.

We were also pleased to see that the sales of our products are slowly picking up. While this demonstrates the growing acceptance for our products in the market, it also is a result of our maturing basis of customers and distributors. During the first quarter, we were able to execute an agreement with BioChain, one of the leading cancer diagnostics laboratories in Beijing/China, which we have high expectations in to become an important customer once the test is fully deployed in this emerging market.

In April, after the reporting period, we announced Dr. Uwe Staub's appointment to join the Executive Board of the Company as Chief Operating Officer, a position he held since September of last year in a non-executive function. The developments in the Company over the last months have been very encouraging and exciting. We are extremely pleased to work with the entire Epigenomics team in order to achieve our shared vision of developing Epigenomics into a commercial success story.

It remains our primary goal to bring the advantages of Epi proColon®, a convenient blood-based testing for early detection of colorectal cancer, to the screening-eligible population. In order to achieve this, we successfully completed a small financing round of EUR 5 million (gross) in January, which has extended the cash runway of the Company into early next year. This financing brings the Company closer to a potential FDA approval for Epi proColon® and possibly own initial U.S. product revenue. Through the pursued FDA approval and the successful commercialization of Epi proColon® we should also be able to create sustainable value for our shareholders.

However, we will also continue to review all strategic options for the Company, including the possibility of a further capital increase in order to accelerate the commercialization of our cancer diagnostics. 2013 will be an exciting and pivotal year for Epigenomics and we are truly grateful to have the full support of our shareholders, employees, customers and partners.

Yours sincerely,

Dr. Thomas Taapken
(CEO/CFO)

Dr. Uwe Staub
(COO)

OUR STOCK

Epigenomics AG – Common Shares	Frankfurt Stock Exchange, Regulated Market (Prime Standard)
ISIN	DE000A1K0516
Security code number	A1K051
Stock exchange abbreviation	ECX
Reuters	ECXG.DE
Bloomberg	ECX:GR
Designated sponsor	equinet Bank AG
Analyst coverage	Edison Investment Research (Wang Chong, Robin Dawson) equinet Bank AG/ESN (Marietta Miemitz)

Market data	Mar 31, 2012	June 30, 2012	Sept 30, 2012	Dec 31, 2012	**Mar 31, 2013**
Number of shares outstanding	8,818,417	8,818,417	8,818,417	8,818,417	11,967,847
Closing price (in EUR)	2.22	1.52	1.22	2.10	1.59
Market capitalization (in EUR)	19,576,886	13,403,994	10,758,469	18,518,676	19,028,877

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	**Q1 2013**
Average daily trading volume (units)	32,733	13,823	12,449	50,348	43,781
Highest price (in EUR)	3.55	2.30	1.85	2.25	2.30
Lowest price (in EUR)	1.21	1.40	1.17	0.83	1.59

FINANCIALS

FINANCIAL POSITION AND CASH FLOW

Cash outflow from operating activities was EUR 1.8 million in Q1 2013 – a decrease of EUR 0.8 million compared to Q1 2012. This outflow included subsequent payments in connection with our FIT comparison study finished at the end of Q4 2012 and was further affected by the ongoing FDA approval process. In this context, payments were mainly made for consulting and regulatory services. The essential effect for our liquidity in Q1 2013 was our successful capital increase, when we recorded a net cash inflow of EUR 4.6 million by issuing 3.1 million new shares. Therefore, total net cash flow in the first three months of 2013 added up to EUR 2.8 million (Q1 2012: EUR -2.6 million).

RESULTS OF OPERATIONS

In Q1 2013, we recognized revenue in the amount of EUR 355 thousand – an increase compared to Q1 2012 of more than 46%. This increase was mainly driven by an increase in product sales (up 31%) and R&D service income. Cost of sales increased from EUR 49 thousand in Q1 2012 to EUR 111 thousand in Q1 2013, which equates an increase from 20.2% to 31.3%. The decrease of the gross margin is attributable to a lower share of licensing income in total revenue.

Other income of EUR 148 thousand in Q1 2013 (Q1 2012: EUR 486 thousand) was mainly due to refunds from insurance carriers, to foreign exchange rate gains and to recognized income from third-party research grants.

Our R&D costs in Q1 2013 dropped to EUR 1,050 thousand from EUR 1,447 thousand in the comparable quarter of the previous year. This drop is mainly attributable to the clinical trial (i.e. FIT study) which was finished at the end of 2012 and had significantly affected the 2012 numbers. Furthermore, this decrease mirrors our reduction in headcount from 46 employees at the end of Q1 2012 to 33 at the reporting date; an effect which also played a major role in the drop of our selling, general and administrative costs (SG&A costs) from EUR 1,385 thousand to EUR 1,014 thousand year on year.

Other expenses of EUR 40 thousand in the reporting quarter are almost exclusively attributable to foreign exchange rate losses.

Altogether, we reduced our operating costs in the first quarter of 2013 to EUR 2.2 million, down from EUR 3.0 million in the first quarter of 2012, i.e. by 27%.

Correspondingly, EBIT for Q1 2013 amounted to EUR -1,712 thousand (Q1 2012: EUR -2,301 thousand) and net loss for Q1 2013 amounted to EUR 1,716 thousand (Q1 2012: EUR 2,338 thousand) – an improvement of 25.6% and 26.6%, respectively, compared to the first quarter of the previous year.

NET ASSETS POSITION

In the absence of any capital expenditures in the first quarter of 2013, total non-current assets decreased to EUR 2.8 million in the reporting period (Dec 31, 2012: EUR 3.1 million). Simultaneously, current assets increased from EUR 3.8 million at the end of 2012 to EUR 6.3 million at the reporting date due to the capital increase by the issuance of new shares in January 2013 with a net cash inflow of EUR 4.6 million.

The issuance of new shares was as well the cause of the increase in subscribed capital (up by EUR 3.1 million) and in the capital reserve (up by EUR 1.4 million), improving our equity ratio to 75.9% at the reporting date from 60.5% at year-end 2012.

Current liabilities decreased from EUR 2.7 million at December 31, 2012, to EUR 2.2 million at March 31, 2013, mainly driven by a reduction of trade payables.

EMPLOYEES

The total headcount of 33 at the reporting date comprises 15 employees in R&D.

	Berlin	Seattle	Total
Number of employees as of March 31, 2013	**29**	**4**	**33**
Number of employees as of December 31, 2012	32	7	39
Number of employees as of March 31, 2012	40	6	46

SUPPLEMENTARY REPORT

On April 3, 2013, we announced that Dr. Uwe Staub, Chief Operating Officer (COO) of the Company, has been appointed to the Executive Board, effective April 1, 2013. He has joined the board as a second member next to Dr. Thomas Taapken, acting CEO and CFO of Epigenomics AG.

Uwe Staub joined Epigenomics in November 2008 as Senior Vice President for Product Development and was promoted to COO in September 2012, when his duties were expanded to now encompass R&D, Medical and Regulatory Affairs, Customer Support and Manufacturing. He joined the Company with 14 years of experience in the IVD industry in different positions in R&D and QA/RA at Abbott Diagnostics, Digene and Qiagen. He holds a Ph.D. in biochemistry from the University of Würzburg, Germany.

OPPORTUNITIES AND RISKS

Opportunities and risks in relation to the Company's business operations are described in detail in the management report published with the consolidated financial statements 2012 which are available on the Company's website (www.epigenomics.com). There were no significant changes in the current reporting period.

An updated assessment of the situation regarding our financial risks from today's perspective can be found in the following prognosis report.

PROGNOSIS REPORT FOR 2013

With regard to the financial prognosis for the current business year, there are no significant changes compared to the statements in our recently published consolidated management report 2012.

The transformation of Epigenomics into a commercially driven molecular diagnostics company with growing revenue from product sales remains the goal for the medium and long term.

The most significant milestone for us over the next months to come is the expected approval for our product by the FDA to be able to start the commercialization of Epi proColon® in the most relevant market of the world – the United States of America. The future value of the Company and its financial situation are heavily dependent on achieving this milestone.

In order to be able to protect the continuity of our business operations, sufficient liquidity has to be available. We continuously rely on the capital markets to raise equity and debt financing as needed and we expect having to make use of this option again in the near future. In order to not having to rely exclusively on a capital market financing of our business, we will continue to evaluate other reasonable strategic options for our further development.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of March 31

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)

EUR thousand	Q1 2012	Q1 2013
Revenue	243	355
Cost of sales	-49	-111
Gross profit	**194**	**244**
Gross margin in %	*79.8*	*68.7*
Other income	486	148
Research and development costs	-1,447	-1,050
Selling, general and administrative costs	-1,385	-1,014
Other expenses	-149	-40
Operating result (EBIT)	**-2,301**	**-1,712**
Interest income	41	5
Other financial result	-42	26
Net loss for the period before taxes on income	**-2,302**	**-1,681**
Taxes on income	-36	-35
Net loss for the period	**-2,338**	**-1,716**
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustments of available-for-sale securities	114	23
Other comprehensive income for the period	**114**	**23**
Total comprehensive income for the period	**-2,224**	**-1,693**
Earnings per share (basic and diluted) in EUR	**-0.27**	**-0.16**

GROUP BALANCE SHEET
AS OF MARCH 31 (UNAUDITED)

ASSETS EUR thousand	**Dec 31, 2012**	**Mar 31, 2013**
Non-current assets		
Intangible assets	2,589	2,421
Tangible assets	358	323
Deferred taxes	106	88
Total non-current assets	**3,053**	**2,832**
Current assets		
Inventories	31	32
Trade receivables	314	193
Marketable securities	509	532
Cash and cash equivalents	2,205	4,998
Other current assets	766	587
Total current assets	**3,825**	**6,342**
Total assets	**6,878**	**9,174**

EQUITY AND LIABILITIES EUR thousand	**Dec 31, 2012**	**Mar 31, 2013**
Equity		
Subscribed capital	8,818	11,968
Capital reserve	22,299	23,649
Retained earnings	-14,272	-26,469
Net loss for the period	-12,197	-1,716
Other comprehensive income	-491	-468
Total equity	**4,158**	**6,964**
Current liabilities		
Trade payables	1,681	1,132
Deferred income	306	288
Other liabilities	357	374
Provisions	376	416
Total current liabilities	**2,720**	**2,210**
Total equity and liabilities	**6,878**	**9,174**

GROUP CASH FLOW STATEMENT
FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)

EUR thousand	Q1 2012	Q1 2013
Cash and cash equivalents at the beginning of the period	**12,557**	**2,205**
Operating activities		
Net loss for the period before taxes on income	**-2,302**	**-1,681**
Corrections for:		
Depreciation of tangible assets	49	35
Amortization of intangible assets	246	168
Losses from the disposal of assets	1	0
Stock option expenses	47	1
Foreign currency exchange results	2	-3
Interest income	-41	-5
Taxes	-15	-13
Operating result before changes in net current assets	**-2,013**	**-1,498**
Changes in trade receivables and other current assets	138	304
Changes in inventories	30	-1
Changes in current liabilities from operating activities	-712	-567
Liquidity earned from operating activities	**-2,557**	**-1,762**
Interest received	14	0
Cash flow from operating activities	**-2,543**	**-1,762**
Investing activities		
Payments for investments in tangible assets	-4	0
Payments for investments in intangible assets	-8	0
Cash flow from investing activities	**-12**	**0**
Financing activities		
Proceeds from the issue of new shares	0	4,976
Payments for the creation of new shares	0	-421
Other financing-related payments	-25	0
Cash flow from financing activities	**-25**	**4,555**
Total net cash flow	**-2,580**	**2,793**
Cash and cash equivalents at the end of the period	**9,977**	**4,998**

At the balance sheet date, an amount of EUR 85 thousand of bank deposits was restricted cash.

STATEMENT OF CHANGES IN GROUP EQUITY
AS OF MARCH 31 (UNAUDITED)

EUR thousand	Subscribed capital	Capital reserve	Retained earnings	Net loss for the period	Other comprehensive income	**Group equity**
December 31, 2011	**8,818**	**22,212**	**1,303**	**-15,575**	**-572**	**16,186**
Total comprehensive income	**0**	**0**	**0**	**-2,338**	**114**	**-2,224**
Transfer of net loss for the year 2011 to retained earnings	0	0	-15,575	15,575	0	0
Stock option expenses	0	47	0	0	0	47
March 31, 2012	**8,818**	**22,259**	**-14,272**	**-2,338**	**-458**	**14,009**
December 31, 2012	**8,818**	**22,299**	**-14,272**	**-12,197**	**-491**	**4,158**
Total comprehensive income	**0**	**0**	**0**	**-1,716**	**23**	**-1,693**
Capital increase from the issue of shares	3,150	0	0	0	0	3,150
Premium from the issue of shares	0	1,827	0	0	0	1,827
Costs for the creation of new shares	0	-478	0	0	0	-478
Transfer of net loss for the year 2012 to retained earnings	0	0	-12,197	12,197	0	0
Stock option expenses	0	1	0	0	0	1
March 31, 2013	**11,968**	**23,649**	**-26,469**	**-1,716**	**-468**	**6,964**

NOTES

to the Interim Consolidated Financial Statements

BASIC INFORMATION, PRINCIPLES AND METHODS

GENERAL PRINCIPLES

The presented unaudited interim consolidated financial statements of Epigenomics AG were prepared according to the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB), London, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) under consideration of IAS 34 *Interim Financial Reporting* in effect at the closing date March 31, 2013, as mandatory applicable in the European Union. Further, these statements are in accordance with German Accounting Standards (GASs) under consideration of GAS 16 *Interim Financial Reporting*. New standards adopted by the IASB and/or the German Accounting Standards Committee (GASC) apply from the date on which they came into effect. A critical review of this interim report was performed by the Company's auditor.

The Group has mandatorily applied the following new and amended standards during the reporting period:

- *Amendments to IFRSs: Annual Improvements to IFRSs 2009–2011 Cycle, except for the amendments to IAS 1*
- *Amendments to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- *IFRS 10: Consolidated Financial Statements*
- *IFRS 11: Joint Arrangements*
- *IFRS 12: Disclosure of Interests in Other Entities*
- *Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition Guidance*
- *IFRS 13: Fair Value Measurement*
- *IAS 19 (as revised in 2011): Employee Benefits*
- *IAS 27 (as revised in 2011): Separate Financial Statements*
- *IAS 28 (as revised in 2011): Investments in Associates and Joint Ventures*
- *IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine*

The adoption of these new or amended standards did not have a material impact on the Group's accounting.

The reporting period as defined in these interim consolidated financial statements is the period from January 1, 2013, to March 31, 2013. The reporting currency is the euro (EUR).

The Group Statement of Profit or Loss has been prepared using the cost of sales method.

CONSOLIDATION GROUP

The consolidation group remained unchanged compared to the one as of December 31, 2012, and comprises the two companies Epigenomics AG, Berlin, Germany, and Epigenomics, Inc., Seattle, WA, U.S.A.

CONSOLIDATION, ACCOUNTING AND VALUATION PRINCIPLES

The presented unaudited interim consolidated financial statements should be read in connection with the audited consolidated financial statements of Epigenomics AG for the year ended December 31, 2012. The consolidation, accounting and valuation principles presented in those statements were still valid during the reporting period unless explicitly mentioned otherwise below.

All intercompany transaction results, revenue, expenses, profits, receivables, and payables between the Group companies were eliminated in full upon consolidation.

CURRENCY TRANSLATION

Applied foreign currency exchange rates in the reporting period:

Reporting date rates	Dec 31, 2012	Mar 31, 2013
EUR/USD	1.3194	1.2805
EUR/GBP	0.81610	0.84560
EUR/CAD	1.3137	1.3021

Average rates	Q1 2012	Q1 2013
EUR/USD	1.3325	1.3160
EUR/GBP	0.83763	0.85520
EUR/CAD	1.3242	1.3353

NOTES TO THE GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVENUE

Revenue source by revenue type:

	Q1 2012		Q1 2013	
	EUR thousand	in %	EUR thousand	in %
Product sales (own and third-party)	125	51.2	163	46.0
Licensing income	114	47.0	66	18.7
R&D income	4	1.8	126	35.3
Total revenue	**243**	**100.0**	**355**	**100.0**

Revenue source by geographical market:

	Q1 2012		Q1 2013	
	EUR thousand	in %	EUR thousand	in %
Europe	137	56.3	290	81.9
North America	76	31.2	50	14.0
Rest of the world	30	12.5	15	4.1
Total revenue	**243**	**100.0**	**355**	**100.0**

OTHER INCOME

EUR thousand	Q1 2012	Q1 2013
Recoveries and refunds	0	82
Foreign exchange rate gains	43	34
Third-party research grants	0	24
Income from the reversal of provisions	382	0
Income from the sale of assets	41	0
Income from option exercises	18	0
Other	2	8
Total other income	**486**	**148**

COST ALLOCATION BY FUNCTION

Q1 2012

EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	**Total**
Materials and consumables	26	140	20	0	186
Depreciation and amortization	1	266	28	78	373
Personnel costs	4	541	742	0	1,287
Other costs	18	500	595	71	1,184
Total	**49**	**1,447**	**1,385**	**149**	**3,030**

Q1 2013

EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	**Total**
Materials and consumables	41	1	1	0	43
Depreciation and amortization	1	181	21	0	203
Personnel costs	47	346	503	0	896
Other costs	22	522	489	40	1,073
Total	**111**	**1,050**	**1,014**	**40**	**2,215**

PERSONNEL COSTS

EUR thousand	Q1 2012	Q1 2013
Personnel remuneration	1,107	769
Stock option expenses	47	1
Social security expenses	133	126
Total personnel costs	**1,287**	**896**

OTHER EXPENSES

EUR thousand	Q1 2012	Q1 2013
Foreign exchange rate losses	15	39
Unscheduled amortization	78	0
Restructuring expenses	21	0
Corrections for former periods	33	0
Other	2	1
Total other expenses	**149**	**40**

OPERATING RESULT (EBIT) AND EBITDA

EUR thousand	Q1 2012	Q1 2013
Operating result / earnings before interest and taxes (EBIT)	-2,301	-1,712
Depreciation of tangible assets	49	35
Amortization of intangible assets	246	168
EBIT before depreciation and amortization (EBITDA)	-2,006	-1,509

FINANCIAL RESULT

EUR thousand	Q1 2012	Q1 2013
Interest from available-for-sale securities	8	5
Interest from cash and cash equivalents	33	0
Total interest income	**41**	**5**
Fair value adjustment for derivative instruments	0	27
Other financial income	*0*	*27*
Fair value adjustment for derivative instruments	-41	0
Other finance costs	-1	-1
Other financial expenses	*-42*	*-1*
Total other financial result	**-42**	**26**
Total financial result	**-1**	**31**

TAXES ON INCOME

EUR thousand	Q1 2012	Q1 2013
Current tax expenses	21	14
Deferred tax expenses	15	21
Total taxes on income	**36**	**35**

EARNINGS PER SHARE

The earnings per share (basic and diluted) are calculated by dividing the Group's net loss for the period by the weighted-average number of shares issued and admitted to trading in the respective period.

	Q1 2012	**Q1 2013**
Net loss for the period in EUR thousand	-2,338	-1,716
Weighted-average number of shares issued	8,818,417	10,918,038
Earnings per share (basic and diluted) in EUR	-0.27	-0.16

The outstanding stock options granted by the Company are anti-dilutive according to IAS 33.41 and 33.43. Therefore, the earnings per share (diluted) equal the earnings per share (basic). The number of shares issued as of the reporting date amounted to 11,967,847 (March 31, 2012: 8,818,417).

NOTES TO THE GROUP BALANCE SHEET

NON-CURRENT ASSETS

EUR thousand	Dec 31, 2012	Mar 31, 2013
Software	128	112
Licenses, patents	241	228
Development costs	2,220	2,081
Total intangible assets	**2,589**	**2,421**
Technical equipment	332	299
Other tangible assets	26	24
Total tangible assets	**358**	**323**
Deferred tax assets	**106**	**88**
Total non-current assets	**3,053**	**2,832**

CURRENT ASSETS

EUR thousand	Dec 31, 2012	Mar 31, 2013
Inventories	**31**	**32**
Trade receivables	**314**	**193**
Marketable securities	**509**	**532**
Cash and cash equivalents	**2,205**	**4,998**
Prepaid expenses	362	282
Receivables from tax authorities	260	151
Claims based on projects granted by public authorities	54	54
Deposits	33	34
Interest receivables	10	15
Advance payments	8	8
Other	39	43
– thereof with a maturity of > 1 year	*38*	*38*
Total other current assets	**766**	**587**
Total current assets	**3,825**	**6,342**

EQUITY

Equity increased in the first three months of 2013 by EUR 2.8 million, mainly due to the capital increase by the issuance of 3.1 million new shares, partly compensated by the net loss for the period of EUR 1.7 million. As of March 31, 2013, the subscribed capital therefore amounted to EUR 11,967,847.

CURRENT LIABILITIES

Deferred income

Deferred income in the amount of EUR 288 thousand at March 31, 2013 (Dec 31, 2012: EUR 306 thousand), comprised predominantly of payments received in advance for projects granted by public authorities (EUR 282 thousand; Dec 31, 2012: EUR 0). As of the balance sheet date, there are no repayment obligations for the Company resulting from deferred income.

Other liabilities

EUR thousand	Dec 31, 2012	Mar 31, 2013
Payables due to staff	149	133
Accrued audit fees	55	84
Payables due to financial / tax authorities	98	67
Accrued Supervisory Board fees	1	43
Payables due to social security institutions	17	37
Down payments received	9	9
Liabilities from derivative instruments	25	0
Other	3	1
Total other liabilities	**357**	**374**

Provisions

EUR thousand	Dec 31, 2012	Mar 31, 2013
Contract-related provisions	188	188
Payroll provisions	77	172
Statutory provisions	70	52
Other provisions	41	4
Total provisions	**376**	**416**

NOTES TO THE GROUP CASH FLOW STATEMENT

Cash comprises bank deposits and cash in hand. Cash equivalents are defined as instruments being convertible on a short-term basis to a known amount of cash and carrying a very low risk of changes in value.

OPERATING ACTIVITIES

Cash flow from operating activities is derived indirectly on the basis of the net loss for the period before taxes on income.

INVESTING ACTIVITIES

Cash flow from investing activities is ascertained in respect of payment.

FINANCING ACTIVITIES

Cash flow from financing activities is ascertained in respect of payment.

In January 2013, the Company completed a capital increase by way of a rights issue and a subsequent private placement. A total number of 3,149,430 new shares were subscribed at a subscription price of EUR 1.58 each, resulting in gross proceeds of EUR 5.0 million. Simultaneously, a cash outflow of EUR 0.4 million was recorded in connection with costs incurred for this rights issue.

CASH CONSUMPTION

The total of cash flow from operating activities and cash flow from investing activities less transactions in securities is monitored by the Company as "cash consumption" key figure.

EUR thousand	Q1 2012	Q1 2013
Cash flow from operating activities	-2,543	-1,762
Cash flow from investing activities	-12	0
Net proceeds from transactions in securities	0	0
Cash consumption	**-2,555**	**-1,762**

OTHER INFORMATION

INFORMATION ON OTHER TRANSACTIONS WITH RELATED PARTIES

In the first quarter of 2013, the Company has closed a consulting agreement with the Chairman of its Supervisory Board, Mr. Heino von Prondzynski. According to this agreement, Mr. von Prondzynski shall consult the Company due to his particular experience in different business areas especially in the evaluation and the development of product concepts with regard to future business opportunities. These consulting services have a significantly broader scope than his regular duties as a member of the Supervisory Board. The agreement has a term until September 30, 2013. Mr. von Prondzynski will provide his services at arm's length conditions and is entitled to charge an amount of up to EUR 40 thousand to the Company for his services. During the reporting quarter, Mr. von Prondzynski has rendered and invoiced services under this agreement in an amount of EUR 20 thousand to the Company. The Company has paid this amount to Mr. von Prondzynski after the end of the reporting period.

INFORMATION ON SHARE TRANSACTIONS AND STOCK OPTIONS

Changes in shareholdings of the Board members of Epigenomics AG ("Directors' Dealings") in the reporting period:

Date	Board member	Transaction type	Number of shares	Share price (in EUR)	Transaction value (in EUR)
January 30, 2013	Dr. Thomas Taapken	Purchase	20,000	1.58	31,600
January 30, 2013	Heino von Prondzynski	Purchase	78,000	1.58	123,240

(Dr. Thomas Taapken is the CEO/CFO of the Company and Heino von Prondzynski is the Chairman of the Company's Supervisory Board.)

Changes in stock options

In the reporting period, no stock options were granted. No stock options were exercised during Q1 2013. The total number of outstanding stock options as of March 31, 2013, amounted to 370,587.

Share and stock option holdings of the Board members of Epigenomics AG (as of March 31, 2013):

	Number of shares	Number of stock options
Executive Board	**25,000**	**80,000**
Dr. Thomas Taapken (CEO/CFO)	25,000	80,000
Supervisory Board	**92,900**	**0**
Heino von Prondzynski (Chairman)	90,100	0
Ann Clare Kessler, Ph.D.	2,800	0

This interim report has been approved and cleared for publication by the Executive Board of the Company on May 2, 2013.

Berlin, May 2, 2013

The Executive Board

DISCLAIMER

This interim report expressly or implicitly contains certain forward-looking statements concerning Epigenomics AG and its business. Such statements are not historical facts and sometimes are expressed by the words “will”, “believe”, “expect”, “predict”, “plan”, “want”, “assume” or similar expressions. Forward-looking statements are based on current plans, estimates, prognoses and expectations of the Company and on certain assumptions, and they involve certain known and unknown risks, uncertainties and other factors which could cause the actual results, financial condition, performance or achievements of Epigenomics AG to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers of this interim report are explicitly warned not to inadequately trust these forward-looking statements, which are only valid as of the date of this interim report. Epigenomics AG does not intend to and will not undertake to update any forward-looking statements contained in this interim report as a result of new information, future events or otherwise.

CORPORATE CALENDAR 2013

6-Month Report 2013 January 1 – June 30, 2013	Wednesday, August 7, 2013
9-Month Report 2013 January 1 – September 30, 2013	Wednesday, November 6, 2013

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This interim report is also available on the Company's website *(www.epigenomics.com)* in both a German and an English version.