

Press release

Epigenomics AG secures financing of up to EUR 5m

Berlin, Germany, and U.S.A., August 19, 2013 - Epigenomics AG (Frankfurt Prime Standard: ECX, OTC: EPGNY), the German-American cancer molecular diagnostics company, announced that it has entered into an agreement with YA Global Master SPV Ltd. (“Yorkville”) through which it secured a convertible bond financing for up to EUR 5m. Under the terms of the agreement, YA Global Master SPV Ltd., over a period of up to two years, is obliged to purchase convertible notes with a total nominal amount of EUR 5m at a purchase price of 95% of the nominal amount. Epigenomics may issue the convertible notes in tranches of EUR 500,000 each at its sole discretion. A tranche comprises 500 convertible notes in the form of bearer bonds each with a nominal value of EUR 1,000 and transferrable only upon approval of Epigenomics. The convertible notes will only be issued and may only be traded in lots with a total nominal value of EUR 125,000.

The bonds carry no interest, have a term of nine months and are convertible into shares of Epigenomics immediately upon issuance at the discretion of the bearer of the bonds. The conversion price equals the average trading price of Epigenomics shares during a 5 day period prior to the time of conversion less a 5% discount, but cannot be lower than 80% of the prevailing share price at the time of the issuance of the convertible bonds.

To the extent permitted by the existing authorization of Epigenomics’ General Shareholders’ Meeting, the bonds will be issued without pre-emptive rights to existing shareholders. Currently Epigenomics has the authorization to issue convertible bonds that may be converted into up to 1,196,783 shares without offering those pre-emptive rights. Further convertible bonds resulting in the issuance of up to an additional 3,933,217 shares may be issued with pre-emptive rights to existing shareholders.

Epigenomics expects that the proceeds from the issuance of these bonds will help to fund the business operations up to and possibly beyond the FDA approval of its lead product Epi proColon®, a blood-based test for the detection of colorectal cancer.

Dr. Thomas Taapken, CEO/CFO of Epigenomics commented: ”This positive agreement with Yorkville provides us with a flexible financing tool that will help to improve the financial situation of the company ahead of the FDA approval decision for our lead product Epi proColon®, which we still await in 2013. We will consider alternative financing options in parallel.”

Saad Gilani, Head-Healthcare Group at Yorkville Advisors, commented: “We are very excited to be investing in Epigenomics and working with its accomplished management team in its quest to develop and market easy to administer blood-based diagnostic tests for early detection of cancer.”

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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 in development 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.

Epigenomics legal disclaimer

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