

# epigenomics

**Ad hoc Announcement Pursuant to § 15 WpHG (German Securities Trading Act):**

## **Epigenomics and BioChain sign agreement for broad strategic collaboration in China**

*Berlin, Germany, October 27, 2013* – Epigenomics AG (ISIN: DE000A1K0516) announces that it has signed an agreement with BioChain regarding a broad strategic collaboration of both companies. BioChain is a leading clinical diagnostics company in cancer and genetic tests in China and the US.

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 Chinese Food and Drug Administration (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<sup>®</sup> tests with Epigenomics. The trial will start in Q4 2013 and is expected to be completed in the 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 China CRC is a rapidly growing medical problem demanding for better, simple to use and affordable screening methods.

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 commercialization rights for the Chinese market, while Epigenomics will retain rights for the rest of the World.

**- End of Ad hoc –**

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