

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

Epigenomics AG issues convertible bonds of up to EUR 2.68m

Berlin, Germany, December 3, 2013 – Epigenomics AG (ISIN: DE000A1K0516) announces that its Executive and Supervisory Boards today have resolved on the issuance of convertible bonds in the aggregate principal amount of up to EUR 2,675,000.00, exchangeable in into up to 2,675,000 shares of Epigenomics' common stock.

The convertible bonds will first be offered to the Company's existing shareholders for subscription at an issue price of EUR 100,000 per convertible note with a principal amount of EUR 107,000 each by way of a rights offering. The Rights Offering is expected to be published on the Company's website (www.epigenomics.com) and in the German Federal Gazette ("*Bundesanzeiger*") on December 4, 2013. The subscription period for the Company's shareholders is expected to begin on December 5, 2013 and to end on December 18, 2013, including these two days. Epigenomics has entered into a backstop agreement with an US institutional investor, which agreed to acquire all convertible notes not subscribed for by Epigenomics' shareholders during the rights offering at the same conditions as offered to shareholders.

The convertible notes will bear no interest (*zero coupon*) and are due for redemption at their principal amount on December 31, 2015. The Company has the right to require conversion upon maturity. After August 1, 2014, bondholders have the right to require redemption of the convertible bonds at their principal amount.

Subject to dilution adjustments, each convertible note will be convertible into 107,000 freely tradable shares of Epigenomics' common stock against payment of a conversion premium that equals the product of (A) the conversion price minus EUR 1.00 multiplied with (B) the number of shares to be issued upon conversion (i.e. 107,000). The "**Conversion Price**" will be set on three days prior to the end of the subscription period and shall equal the XETRA-volume weighted average quotation of Epigenomics' shares over the last three (3) trading days prior to the time when the conversion price is determined, but not more than EUR 6.86 (provided that such cap is not less than 80% of the non-weighted average stock exchange price of the shares as quoted on XETRA during the Subscription Period until the third day prior to its end. Epigenomics has certain further rights to require conversion upon maturity of the convertible bonds or upon FDA approval of its lead product Epi proColon[®], a blood-based test for the detection of colorectal cancer.

Epigenomics intends to use the proceeds from the offering and conversion of the bonds to fund its business operations beyond the FDA approval of its lead product, Epi proColon[®]. Among others, certain preparatory activities for the marketing of the test are intended to be funded by the proceeds from the offering.

- End of Ad hoc -

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