

Press release

Epigenomics AG Announces 2017 Second Quarter and Six Months Financial Results

- *Reimbursement in the United States is a focus of the company as it will have the greatest impact upon commercial adoption of Epi proColon*
- *The expected issuance of the convertible bond as agreed in the voluntary takeover offer will improve the financial position of the company with the addition of approximately EUR 6.5 million*

Berlin (Germany) and Germantown, MD (U.S.A.), August 9, 2017 - Epigenomics AG (Frankfurt Prime Standard: ECX, OTCQX: EPGNY) today announced its financial results for the second quarter and the six months 2017 ending June 30.

“In the second quarter, the voluntary takeover offer for Epigenomics was in the focal point of our activities”, said Greg Hamilton, CEO of Epigenomics AG. “After the minimum acceptance threshold of the offer was missed, securing robust financing for Epigenomics remains our key priority in order to successfully commercialize our products and develop innovative cancer tests in the future.”

Q2/6M 2017 Financial Results

- Total Q2 2017 revenue decreased to EUR 0.2 million (Q2 2016: EUR 1.3 million) and 6M 2017 revenue was at EUR 0.5 million (6M 2016: EUR 1.6 million). In the second quarter of the previous year, our joint U.S. commercialization partner Polymedco had initially stocked up on large inventories of Epi proColon following the product's FDA approval. This resulted in a relatively high revenue figure for the quarter. Order volume for 6M 2017 is lower due to the lack of Medicare reimbursement in the United States.
- Adjusted for non-cash expenses related to phantom stock programs, EBITDA in Q2 2017 was at EUR -3.4 million (Q2 2016: EUR -3.5 million); adjusted EBITDA for 6M 2017 amounted to EUR -5.8 million (6M 2016: EUR -5.7 million). Net loss amounted to EUR 4.1 million in Q2 2017 compared to EUR 3.3 million in Q2 2016, and EUR 6.5 million for 6M 2017 (6M 2016: EUR 7.6 million).
- Net loss per share for Q2 2017 rose to EUR 0.18 (Q2 2016: EUR 0.16) and decreased for 6M 2016 to EUR 0.28 (6M 2016: EUR 0.39).
- Cash consumption (cash outflow from operating and investing activities) was EUR 4.7 million in 6M 2017 compared to EUR 4.3 million in 6M 2016.
- Liquid assets (including marketable securities) amounted to EUR 7.7 million at the reporting date (December 31, 2016: EUR 12.3 million).

Outlook for 2017

- On July 6, 2017, after the end of the reporting period, we adjusted our outlook for the second half of the year. Due to the fact that revenue remained below expectations in the first half of 2017 (approximately EUR 0.5 million) and the fact that there would be most likely no Medicare reimbursement in the U.S. market over the remainder of the year, we now expect revenue to amount to between EUR 1.0 million and EUR 1.5 million in fiscal year 2017 (previously: approximately EUR 2.5 million).
- Based on the reduced revenue forecast and due to potential additional costs, adjusted EBITDA (excluding expenses in relation to share-based payments) is now expected to range between EUR -12.5 million and EUR -14.0 million at the end of the year (previously: EUR -12.0 to EUR -13.5 million).
- Given that acceptance of Summit Hero's takeover offer to the shareholders of our Company was insufficient, the Company now faces an uncertain situation with respect to its liquidity, as the available liquid funds as of June 30, 2017 are only expected to last until the first quarter of 2018 based on the current cash consumption. The planned issuance of convertible bonds to Cathay Fortune (CFIC) would provide additional cash in the amount of approximately EUR 6.5 million and extend cash reach to Q3/2018 (based on current cash consumption).
- We will continue to carefully examine all available strategic options for securing the continued existence of the Company in this phase of uncertainty. These options explicitly include further capital market transactions aimed at procuring additional funds.

Further Information

The full interim statement on the financial results can be obtained from Epigenomics' website at: <http://www.epigenomics.com/news-investors/financial-reports/>

Conference call for analysts and investors

The Company will host a conference call and webcast at 4.00 pm CET / 10.00 am EDT, today. The presentation can be followed on the Company's website.

The dial-in numbers for the conference call are:

Germany: +49 30 232531411

UK: +44 203 7887007

USA: +1 312 4799416

A transcript of the conference call will be provided on Epigenomics' website subsequently: <http://www.epigenomics.com/news-investors/financial-reports/>.

About Epigenomics

Epigenomics is a molecular diagnostics company focused on blood-based detection of cancers using its proprietary DNA methylation biomarker technology. The company develops and commercializes diagnostic products across multiple cancer indications with high medical need. Epigenomics' lead product, Epi proColon, is a blood-based screening test for the detection of colorectal cancer. Epi proColon has received approval from the U.S. Food and Drug

Administration (FDA) and is currently marketed in the United States, Europe, and China and selected other countries. Epigenomics' second product, Epi proLung[®], is in development as a blood-based test for lung cancer detection.

For more information, visit www.epigenomics.com.

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Forward-Looking Statements

This communication expressly or implicitly contains certain forward-looking statements concerning Epigenomics AG and its business. Such statements 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. Epigenomics AG is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.