

## **Invitation to the Annual General Shareholders' Meeting 2018 of Epigenomics AG, Berlin**

- ISIN: DE000A11QW50 / German Security Identification Number: A11QW5 -

Dear Shareholders,

We invite you to attend

### **the Annual General Shareholders' Meeting of Epigenomics AG**

on **Wednesday, May 30, 2018 at 10:00 a.m.**, at Ludwig-Erhard-Haus, Goldberger Saal, Fasanenstr. 85, 10623 Berlin, Germany.

#### **Agenda**

##### **1.**

**Presentation of the approved annual financial statements and the approved consolidated financial statements as well as the management report of Epigenomics AG and the Group management report, the report of the Supervisory Board and the explanatory report of the Executive Board as to the specifications pursuant to Section 289a Paragraph 1, Section 315a Paragraph 1 of the German Commercial Code (HGB) for the fiscal year 2017**

The aforementioned documents can, as of the calling of the meeting, be inspected on the Internet at <http://www.epigenomics.com/news-investors/general-shareholder-meeting/> and at the offices of Epigenomics AG, Geneststr. 5, 10829 Berlin, Germany. Upon request, shareholders will promptly receive a copy of these documents free of charge. These documents will also be available during the Annual General Shareholders' Meeting on May 30, 2018.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Executive Board. By way of the Supervisory Board's approval the annual financial statements are formally approved according to Section 172 Sentence 1 of the German Stock Corporation Act (AktG). The documents specified under this item of the agenda are merely to be presented to the Annual General Shareholders' Meeting. No resolution is therefore to be adopted by the Annual General Shareholders' Meeting regarding item 1 of the agenda.

##### **2.**

**Notice by the Executive Board of a loss amounting to half of the share capital according to Section 92 Paragraph 1 AktG**

Notice is given to the Annual General Shareholders' Meeting that the Company has suffered a loss amounting to half of the share capital.

According to statutory provisions, item 2 of the agenda concerns the notice by the Executive Board of the loss of half of the share capital according to Section 92 Paragraph 1 AktG. No resolution by the Annual General Shareholders' Meeting is foreseen with regard to item 2 of the agenda.

##### **3.**

**Resolution on the approval of the actions of the members of the Executive Board for the fiscal year 2017**

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board holding office in the fiscal year 2017 be approved with regard to such term.

4.

**Resolution on the approval of the actions of the members of the Supervisory Board for the fiscal year 2017**

The Executive Board and the Supervisory Board propose that the actions of the members of the Supervisory Board holding office in the fiscal year 2017 be approved with regard to such term.

5.

**Elections to the Supervisory Board**

According to Sections 95, 96 Paragraph 1 AktG in connection with Section 10 Paragraph 1 of the Articles of Association, the Supervisory Board consists of four members who are elected by the Annual General Shareholders' Meeting. The term of all current Supervisory Board members expires with the end of the Annual General Shareholders' Meeting on May 30, 2018.

The Supervisory Board proposes to elect as members of the Supervisory Board:

- a) **Ms. Ann Clare Kessler, Ph.D.**, Independent consultant, former Head of Global Project Management at F. Hoffmann-La Roche Ltd. in Basel, Switzerland and former Head of the Division of Exploratory Research at Hoffmann-La Roche Inc. in USA, with residence in Rancho Santa Fe, California, USA,
- b) **Ms. Dr. Helge Lubenow**, Independent consultant, former head of molecular diagnostic business at Qiagen GmbH, Hilden, with residence in Langenfeld, Germany,
- c) **Prof. Dr. Günther Reiter**, Professor at the ESB Business School in Reutlingen, with residence in Pfullingen, Germany, and
- d) **Mr. Heino von Prondzynski**, Independent consultant and former member of the group management of Hoffmann-La Roche (CEO of the Division Roche Diagnostics at F. Hoffmann-La Roche Ltd., Basel, Switzerland), with residence in Einsiedeln, Switzerland,

for the term until the end of the shareholders' meeting which resolves on the discharge of the Supervisory Board for the second fiscal year after commencement of the term of office.

In accordance with Section 5.4.3 Sentence 1 of the German Corporate Governance Code the elections will be performed on an individual basis. Please note the following in accordance with Section 5.4.3 Sentence 3 of the German Corporate Governance Code: In the event of his election to the Supervisory Board, Mr. von Prondzynski will seek his re-election as chairman of the Supervisory Board.

The election proposals are in compliance with the profile of skills and expertise which the Supervisory Board has established for itself.

The persons proposed to be elected are – besides their current membership in the Supervisory Board of the Company – not members of any other mandatory supervisory boards. Ms. Kessler., Ph.D. and Prof. Dr. Reiter are further not members of any other comparable German or foreign boards with supervisory functions.

Dr. Lubenow and Mr. von Prondzynski are members in comparable boards with supervisory functions in the following German and foreign undertakings:

Ms. Dr. Lubenow

- ProteoMediX AG, Schlieren, Switzerland

Mr. von Prondzynski

- HTL-Strefa S.A., Warsaw, Poland
- Koninklijke Philips Electronics N.V. (Royal Philips Electronics), Eindhoven, The Netherlands
- Quotient Ltd., Jersey, Great Britain

According to the opinion of the Supervisory Board, there are no personal and business relationships of the persons proposed to be elected to the Supervisory Board within the meaning of Section 5.4.1 Paragraph 6 to 8 of the German Corporate Governance Code with respect to Company, the governing bodies of the Company and any shareholders with a material interest in the Company.

Curricula vitae and further information on the persons proposed to be elected to the Supervisory Board are attached to this invitation as annex and are available on the Internet at <http://www.epigenomics.com/company/supervisory-board/>.

## 6.

### **Resolution on the cancellation of the existing Authorized Capital 2017/I pursuant to Section 5 Paragraph 7 of the Articles of Association and on the creation in Section 5 Paragraph 7 of the Articles of Association of new Authorized Capital 2018/I against contribution in cash and/or in kind with the authorization to exclude subscription rights**

Against the background that the Company needs to be in a position to cover potential financing needs in a flexible manner, the existing and partially used Authorized Capital 2017/I in an amount of currently up to € 994,426.00 shall be canceled and new Authorized Capital 2018/I in an amount of up to € 2,401,436.00 (corresponding to 10% of the present share capital) shall be created. In this context, the existing Authorized Capital 2017/I shall be canceled only if and when it has been ensured that new Authorized Capital 2018/I is available.

Now, therefore, the Executive Board and the Supervisory Board propose to resolve:

- a) Authorized Capital 2017/I pursuant to Section 5 Paragraph 7 of the Articles of Association is canceled. The cancellation becomes effective upon its registration with the commercial register. Authorized Capital 2017/I can be used until its cancellation becomes effective.
- b) New Authorized Capital (Authorized Capital 2018/I) is created and, to this end, Section 5 Paragraph 7 of the Articles of Association is restated as follows:

"(7) The Executive Board is authorized until May 29, 2023 to increase with the consent of the Supervisory Board the share capital of the Company once or several times by up to a total of € 2,401,436.00 against contribution in cash and/or in kind by issuing new non-par value registered shares (Authorized Capital 2018/I). The subscription rights shall be granted to the shareholders. The new shares can also be subscribed by one or more credit institutions or companies acting according to Section 53 Paragraph 1 Sentence 1 or Section 53b Paragraph 1 Sentence 1 or Paragraph 7 of the German Banking Act (KWG) under the obligation to offer the shares to the shareholders for subscription (indirect subscription right). The Executive Board is, however, authorized to exclude, with the consent of the Supervisory Board, the shareholders' statutory subscription rights in the following events:

- for fractional amounts;
- if the new shares are issued according to Section 186 Paragraph 3 Sentence 4 AktG against contribution in cash at an issue price which is not significantly below the stock exchange price of the shares already listed, and the *pro rata* notional portion of the share capital represented by the new shares does not exceed ten per cent (10%) of the share capital at the time this authorization is registered with the commercial register, or, if lower, at the respective time when the authorization is exercised. Other shares which have been newly issued by the Company by way of a capital increase against contribution in cash during the term of this authorization pursuant to Section 186 Paragraph 3 Sentence 4 AktG or Section 203 in connection with Section 186 Paragraph 3 Sentence 4 AktG, or which have been sold following a repurchase, in each case under exclusion of subscription rights, shall be counted towards the 10% limitation. Furthermore, shares for which there is an option or conversion right or obligation, or a share delivery right in favor of the Company, based on bonds with warrants or convertible bonds or participation rights that have been issued during the term of this

authorization under exclusion of subscription rights pursuant to Section 221 Paragraph 4 Sentence 2 in conjunction with Section 186 Paragraph 3 Sentence 4 AktG by the Company or its subordinated affiliated companies, shall be counted towards the 10% limitation;

- for capital increases against contribution in kind in order to offer the new shares to third parties with regard to mergers or upon the purchase (including an indirect purchase) of enterprises, parts of enterprises, shares in enterprises or the purchase (including an indirect purchase) of other assets (including receivables, also to the extent owed by the Company or subordinated affiliated companies);
- to the extent necessary to grant subscription rights for new shares to holders or creditors of option rights or creditors of convertible bonds or participation rights issued by the Company or its subordinated affiliated companies in the amount in which they would be entitled thereto upon the exercise of the option or conversion rights or the exercise of share delivery rights, or fulfillment of option or conversion obligations.

The Executive Board is further authorized to determine, with the consent of the Supervisory Board, the dividend rights of the new shares in deviation from Section 60 Paragraph 2 AktG as well as the further details of the implementation of capital increases from Authorized Capital 2018/I. The Supervisory Board is authorized to amend the wording of the Articles of Association, as appropriate, after implementation of a share capital increase from Authorized Capital 2018/I in accordance with the respective share capital increase or after expiry of the term of the authorization."

- c) The Executive Board is instructed to file the cancellation of the current Authorized Capital 2017/I pursuant to Section 5 Paragraph 7 for registration with the commercial register only together with the resolved creation of the new Authorized Capital 2018/I in Section 5 Paragraph 7 of the Articles of Association. The filing is to be made in a manner that the registration of the creation of the new Authorized Capital 2018/I in the commercial register does not occur before the registration of the cancellation of the current Authorized Capital 2017/I and further that the registration of the cancellation of the current Authorized Capital 2017/I occurs only if immediate registration of the new Authorized Capital 2018/I is ensured.

## 7.

### **Resolution on the cancellation of the existing Authorized Capital 2017/II pursuant to Section 5 Paragraph 8 of the Articles of Association and the creation in Section 5 Paragraph 8 of the Articles of Association of new Authorized Capital 2018/II against contribution in cash and/or in kind with the authorization to exclude subscription rights**

As described in item 6 of the agenda, the Company needs to be in a position to cover potential financing needs in a flexible manner. Therefore, Authorized Capital 2017/II, which has not been used so far and currently amounts to € 9,094,104.00, shall also be replaced by new Authorized Capital 2018/II in a total amount of up to € 9,605,744.00 (corresponding to 40% of the present share capital). In this context, the existing Authorized Capital 2017/II shall be canceled only if and when it has been ensured that new Authorized Capital 2018/II is available.

Now, therefore, the Executive Board and the Supervisory Board propose to resolve:

- a) Authorized Capital 2017/II pursuant to Section 5 Paragraph 8 of the Articles of Association is canceled. The cancellation becomes effective upon its registration with the commercial register. Authorized Capital 2017/II can be used until its cancellation becomes effective.
- b) New Authorized Capital (Authorized Capital 2018/II) is created and, to this end, Section 5 Paragraph 8 of the Articles of Association is restated as follows:

"(8) The Executive Board is authorized until May 29, 2023 to increase with the consent of the Supervisory Board the share capital of the Company once or several times by up to a total of € 9,605,744.00 against contribution in cash and/or in kind by issuing new non-par value registered shares (Authorized Capital 2018/II). The subscription rights shall be granted to the shareholders. The new shares can also be subscribed by one or more credit institutions or companies acting according to Section 53 Paragraph 1 Sentence 1 or Section 53b Paragraph 1 Sentence 1 or Paragraph 7 of the

German Banking Act (KWG) under the obligation to offer the shares to the shareholders for subscription (indirect subscription right). The Executive Board is, however, authorized to exclude, with the consent of the Supervisory Board, the shareholders' statutory subscription rights in the following events:

- for fractional amounts;
- for capital increases against contribution in kind in order to offer the new shares to third parties with regard to mergers or upon the purchase (including an indirect purchase) of enterprises, parts of enterprises, shares in enterprises or the purchase (including an indirect purchase) of other assets (including receivables, also to the extent owed by the Company or subordinated affiliated companies);
- for capital increases in cash, to the extent the capital increases are implemented for the purpose of the placement of the shares in the context of a listing or the subsequent placement on a foreign stock exchange.

The Executive Board is further authorized to determine, with the consent of the Supervisory Board, the dividend rights of the new shares in deviation from Section 60 Paragraph 2 AktG as well as the further details of the implementation of capital increases from Authorized Capital 2018/II. The Supervisory Board is authorized to amend the wording of the Articles of Association, as appropriate, after implementation of a share capital increase from Authorized Capital 2018/II in accordance with the respective share capital increase or after expiry of the term of the authorization."

- c) The Executive Board is instructed to file the cancellation of the current Authorized Capital 2017/II pursuant to Section 5 Paragraph 8 for registration with the commercial register only together with the resolved creation of new Authorized Capital 2018/II in Section 5 Paragraph 8 of the Articles of Association. The filing is to be made in a manner that the registration of the creation of new Authorized Capital 2018/II in the commercial register does not occur before the registration of the cancellation of the current Authorized Capital 2017/II and further that the registration of the cancellation of the current Authorized Capital 2017/II occurs only if immediate registration of new Authorized Capital 2018/II is ensured.

## 8.

**Resolution on the cancellation of the authorization, as resolved by the General Shareholders' Meeting of May 30, 2017 under item 6 subparagraph c) of the agenda to issue bonds with warrants, convertible bonds, participation rights or a combination of such instruments and to exclude the subscription right, on the granting of a new authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right, as well as on the amendment of Conditional Capitals IX and X as well as Section 5 Paragraphs 5 and 6 of the Articles of Association**

The General Shareholders' Meeting of May 30, 2017 has resolved, under item 6 of the Agenda, an authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right as well as amendments of the Conditional Capitals IX and X as well as Section 5 Paragraphs 5 and 6 of the Articles of Association. Part of the authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right has been used to issue convertible bonds in 2017 which allow for the subscription of a maximum of 994,397 shares in the Company. By now, the holders or creditors have not yet made use of their conversion rights resulting from the convertible bonds.

Due to the issuance of convertible bonds, the authorization of May 30, 2017 to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right has been partially used up. In order to give the Company additional flexibility in covering any potential financial needs, a new authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right shall be resolved upon; further, the Conditional Capitals IX

and X, by way of an increase of Conditional Capital X, and Section 5 Paragraph 5 and Paragraph 6 of the Articles of Association shall be amended accordingly.

Now, therefore, the Executive Board and the Supervisory Board propose to resolve:

**a) Cancellation of the authorization granted by the General Shareholders' Meeting of May 30, 2017 under item 6 subparagraph c) of the agenda to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right**

The authorization of the Executive Board to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right as resolved by the Annual General Shareholders' Meeting of the Company of May 30, 2017 under item 6 subparagraph c) of the agenda is canceled.

**b) Authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right**

*(1) Term of authorization, nominal amount, term, number of shares and further specifications of the bonds and/or participation rights*

The Executive Board is authorized until May 29, 2023, with the consent of the Supervisory Board, to issue, once or several times, bearer or registered bonds with warrants, convertible bonds, participation rights or a combination of these instruments in an aggregate nominal amount of up to € 100,000,000.00 with or without a fixed term and to grant option rights to the holders or creditors of bonds with warrants and/or participation rights with warrants and grant conversion rights to the holders or creditors of convertible bonds and/or convertible participation rights for up to a total of 8,991,718 non-par value registered shares of the Company representing an aggregate notional portion of the share capital of the Company of up to € 8,991,718.00 as further specified in the terms and conditions of these bonds or participation certificates. The terms and conditions of the bonds or participation certificates may, instead of conversion or option rights for the holders or creditors of the bonds or participation certificates, within the scope set forth above, provide for (i) an obligation to exercise an option or conversion right at the end of the term or another point in time or (ii) the right of the Company, upon maturity of the bonds or participation rights (in particular upon final maturity or maturity due to the exercise of a termination right), to grant to the holders or creditors non-par value shares of the Company or another listed company instead of the payment of the cash amount due (or parts thereof) ("share delivery right").

The bonds or participation rights may, in addition to euros, be issued in the legal currency of another country, limited to the corresponding value expressed in euro. They may also be issued by a subsidiary of the Company. In such case, the Executive Board is authorized to assume, subject to Supervisory Board approval, the guarantee on behalf of the Company for the bonds or participation rights and to grant to the holders or creditors option or conversion rights for non-par value registered shares of the Company or to agree on option or conversion obligations or a share delivery right.

The bonds shall be divided into notes (*Teilschuldverschreibungen*).

*(2) Subscription right; exclusion of subscription right*

The bonds, to the extent that they provide for option or conversion rights, option or conversion obligations or a share delivery right for the delivery of shares of the Company, and the participation rights shall be offered to the shareholders for subscription. The statutory subscription right may also be granted to the shareholders in such a manner that the bonds and/or participation rights will be underwritten by one or more credit institutions or by one or more companies operating in accordance with Section 53 Paragraph 1 Sentence 1 and/or Section 53b Paragraph 1 Sentence 1 or Paragraph 7 of the German Banking Act (KWG) subject to the obligation to offer the bonds and/or participation rights to the shareholders for subscription. If the bonds or participation rights are issued by a subsidiary, the Company must ensure that the statutory

subscription rights are granted to the shareholders of the Company in accordance with the two preceding sentences.

However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights in the following circumstances:

- The Executive Board is authorized, with the consent of the Supervisory Board, to exclude from the shareholders' subscription rights any fractional amounts resulting from the subscription ratio.
- The Executive Board is authorized, with the consent of the Supervisory Board, to also exclude the shareholders' subscription rights to the extent required to grant a subscription right to the holders or creditors of previously issued bonds with warrants, convertible bonds or convertible participation rights (and/or bonds or participation rights with a share delivery right for the delivery of shares of the Company) in an amount to which such holders or creditors would be entitled as shareholders after the exercise of the option or conversion rights, or in case of the fulfillment of obligations to exercise option or conversion rights, or after the exercise of a share delivery right.
- The Executive Board is further authorized, with the consent of the Supervisory Board, to entirely exclude the shareholders' subscription rights for bonds with warrants or convertible bonds or convertible participation rights which are issued against payment in cash to the extent that the Executive Board has concluded, following an examination in accordance with its legal duties, that the issuing price of the bonds and/or participation rights is not significantly below their hypothetical market value calculated on the basis of recognized, particularly financial mathematical, methods. This authorization to exclude the subscription right only applies to bonds or participation rights with an option or conversion right and/or obligation or with a share delivery right for delivery of shares of the Company representing a notional portion of the share capital which in the aggregate must not exceed 10% of the share capital at the time this authorization takes effect or – if the amount of the share capital is lower at that point in time – at the time of the exercise of this authorization. Treasury shares which are disposed of under an exclusion of the shareholders' subscription rights pursuant to Section 71 Paragraph 1 No. 8 in connection with Section 186 Paragraph 3 Sentence 4 AktG in the time period from the beginning of the term of this authorization until the issuance of the relevant bonds or participation rights shall be counted towards the aforementioned 10% limitation. Furthermore, shares issued in the time period from the beginning of the term of this authorization until the issuance of the relevant bonds or participation rights in connection with a cash capital increase under exclusion of the subscription right pursuant to Section 186 Paragraph 3 sentence 4 AktG or pursuant to Section 203 in connection with Section 186 Paragraph 3 Sentence 4 AktG shall also be counted towards the aforementioned 10% limitation. Finally, shares in respect of which an option or conversion right or obligation or a share delivery right for delivery of shares of the Company in favor of the Company exists under bonds with warrants or convertible bonds or participation rights which have been issued during the term of this authorization based on other authorizations under exclusion of the subscription right pursuant to Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 3 Sentence 4 AktG by the Company or any of its subordinated affiliated companies shall also be counted towards the aforementioned 10% limitation.
- To the extent that participation rights without an option or conversion right or obligation, and without a share delivery right for delivery of shares of the Company are issued, the Executive Board is authorized to entirely exclude the shareholders' subscription right, with the consent of the Supervisory Board, if these participation rights have bond-like characteristics, i.e. do not confer membership rights in the Company, do not provide for a participation in the liquidation proceeds and the amount of interest is not calculated based on the annual surplus, the distributable profit or the dividend (provided that a cap on interest based on the annual surplus, the distributable profit, the dividend or any other ratio determined by reference to these benchmarks shall not be deemed a dependent calculation within the meaning of this provision). In addition, interest and issue price of the participation rights must, in such case, substantially correspond to current market terms at the time of issuance.

(3) *Option right; conversion ratio*

If bonds with warrants or participation rights with warrants are issued, one or more warrants will be attached to each note or each participation certificate which entitle or oblige – including under a share delivery right – the holders or creditors to subscribe for non-par value registered shares of the Company as further specified by the terms and conditions of the bonds or participation certificates determined by the Executive Board. The terms and conditions of the bonds or participation certificates may provide that the option price may also be paid by way of transfer of notes and/or participation certificates or by offsetting against the claim for repayment under the notes and/or the participation rights and, if appropriate, an additional cash payment (respectively an *agio*) or an option premium in cash. Any fractions of shares may, if so provided for in the terms and conditions of the bond and/or participation certificates, be added up for the subscription of whole shares, against additional payment if necessary.

If convertible bonds or convertible participation rights are issued, the holders of bearer bonds or bearer participation certificates or, otherwise, the creditors of the notes and/or participation certificates, have the indefeasible right or – including based on a share delivery right – the obligation to convert their notes and/or participation certificates as further specified in the terms and conditions of the bonds and/or participation certificates determined by the Executive Board into non-par value registered shares of the Company or, as the case may be, to take delivery of such shares. The conversion ratio is determined by dividing the nominal amount by the conversion price determined for one non-par value registered share of the Company. If the issue price of a note or a participation certificate is below its nominal amount, the conversion ratio may also be determined by dividing the issue price by the conversion price determined for one non-par value registered share of the Company. For the calculation of the conversion ratio, an additional cash payment (respectively an *agio* to be paid in cash) or a cash conversion premium may be added to the nominal amount or the issue price of a note or participation certificate. The terms and conditions of the bonds and/or participation certificates may provide for a variable conversion ratio and for the conversion price being determined (subject to the minimum price as described in (4) below) depending on the development of the stock price of the Company during the term of the bond and/or participation right. The conversion ratio may in any event be rounded up or down to the next whole number; also in this case an additional payment (or an *agio*) or a conversion premium, in each case payable in cash, may be determined. Also, it may be provided that fractional amounts resulting from the conversion ratio that cannot be converted are consolidated and/or settled in cash. Section 9 Paragraph 1 and Section 199 Paragraph 2 AktG remain unaffected.

(4) *Option and conversion price; anti-dilution protection*

If a subscription right is granted or if the subscription right is only excluded for fractional amounts, the option or conversion price to be determined for a non-par value share of the Company must at least be equal to 70 % of the non-weighted average closing share price of the shares of the Company as quoted in the electronic trading system of the Frankfurt Stock Exchange (i) during the subscription period, except for those days which are necessary to timely announce the option or conversion price pursuant to Section 186 Paragraph 2 Sentence 2 AktG, or, (ii) if the Executive Board determines and announces the option or conversion price already at an earlier point in time, during the last ten trading days preceding the day of the Executive Board's resolution on the determination of the option or conversion price.

If the subscription right is not only excluded for fractional amounts, the option or conversion price to be determined in each case for a non-par value share of the Company must - subject to the provisions hereinafter - be equal to at least 70 % of the non-weighted average closing share price of the non-par value shares of the Company as quoted in the electronic trading system of the Frankfurt Stock Exchange on the ten trading days preceding the day when the Executive Board has adopted the resolution to issue the bonds and/or participation rights.

If an option or conversion obligation or a share delivery right is provided for, the option or conversion price – as further specified in the terms and conditions of the bond and/or participation certificates – can amount to 70 % or more of the non-weighted average closing share price of the Company as quoted in the electronic

trading system of the Frankfurt Stock Exchange on the ten trading days preceding the day of final maturity or, as the case may be, another specified point in time, even if the price resulting therefrom is lower than the minimum price calculated pursuant to paragraph 1 and 2 of this no. (4) (being 70 %).

The pro rata amount of the share capital attributable in respect of each note or participation certificate to the non-par value shares of the Company to be issued thereunder must not exceed the nominal amount of the note and/or participation certificate including, if applicable, an additional cash payment (or a share premium paid upon issue) or a cash option or conversion premium. Section 9 Paragraph 1 and Section 199 Paragraph 2 AktG remain unaffected.

Notwithstanding Section 9 Paragraph 1 AktG, the option or conversion price may be reduced pursuant or analogously to Section 216 Paragraph 3 AktG based on an anti-dilution provision as further specified in the terms and conditions of the bonds and/or participation certificates to preserve the rights of the holders and/or creditors of the bond and/or participation rights if the Company, during the option or conversion period, (i) increases its share capital by way of a capital increase from the Company's reserves and the issue of new shares, (ii) increases its share capital or sells treasury shares granting an exclusive subscription right to its shareholders (notwithstanding a possible exclusion of subscription rights for fractional amounts) or (iii) while granting an exclusive subscription right to its shareholders (in each case notwithstanding a possible exclusion of subscription rights for fractional amounts) issues, grants or guarantees additional bonds or participation rights with option or conversion rights or with the obligation to exercise an option or conversion or with a share delivery right, and if, in the cases referred to in (i) to (iii), the holders or creditors of already existing option or conversion rights or the debtors of already existing option or conversion obligations or share delivery rights are not granted the subscription rights they would have been entitled to by statute following the exercise of the option or conversion right or fulfillment of the option or conversion obligation, or the exercise of the share delivery right by the Company. The option or conversion price may, to the extent legally permissible, also be reduced by a cash payment upon the exercise of the option or conversion right or the share delivery right or the fulfillment of the option or conversion obligation. To the extent required to protect against dilution, the terms and conditions of the bond and/or participation certificates may in the aforementioned cases also provide for an adjustment of the number of the option or conversion rights or obligations or share delivery rights per note or participation certificate, as applicable.

The terms and conditions of the bonds and/or participation certificates may also provide for an adjustment of the option or conversion rights or obligations or share delivery rights and/or the number of option or conversion rights or, as the case may be, conversion obligations or, as the case may be, share delivery rights per partial bond or, as the case may be, per participation certificate in the event that the Company's capital is reduced, the Company's capital is increased under (partial or complete) exclusion (not only for fractional amounts) of the shareholders' subscription right, or other extraordinary measures are taken or events occur resulting in economic dilution of the value of the option or conversion rights or obligations or share delivery rights (e.g. third parties gaining control of the Company). Section 9 Paragraph 1 and Section 199 Paragraph 2 AktG remain unaffected.

(5) *Further provisions*

The terms and conditions of the bond and/or participation certificates may provide that, if the option or conversion is exercised, the Company shall be entitled – instead of granting new non-par value shares – to pay a cash amount for each share otherwise to be delivered, which is equal to the non-weighted average closing share price of the non-par value shares of the Company in the electronic trading system of the Frankfurt Stock Exchange during the ten trading days following the day on which the declaration of exercise of the option or conversion was made.

The terms and conditions of the bond and/or participation certificates may also provide that, instead of conversion into new shares from conditional capital, the bonds and/or participation rights may, at the option of the Company, be converted into existing shares of the Company or shares of another listed

company or that the option right may be fulfilled or, where an option obligation or a share delivery right is provided for, such obligation may be discharged by delivering such shares.

The Executive Board of the Company is authorized, with the consent of the Supervisory Board, to determine the further details concerning the issuance and features of the bonds and/or participation rights, in particular, interest rate, issue amount, determination of an option or conversion premium to be paid in cash, term and denomination, subscription and/or conversion ratio, creation of an option or conversion obligation or of a share delivery right, settlement or consolidation of fractional amounts, cash payment instead of delivery of shares, anti-dilution provisions, option and conversion period, seniority and a possible sharing of losses, as well as, within the aforementioned range, the option and/or conversion price and the issue price of the new shares, and to provide for a subscription right of the holders or creditors of the bonds or participation rights in the event that the Company or a Group company issues additional bonds or participation rights with option or conversion rights or obligations or a share delivery right for delivery of shares of the Company, or, as the case may be, to determine any such details in coordination with the competent bodies of the Group company issuing the bonds and/or participation rights.

**c) Amendment of Conditional Capital IX**

Conditional Capital IX is amended as follows:

"The Company's share capital is conditionally increased by up to € 521,095.00 through issuance of up to 521,095 new non-par value registered shares (Conditional Capital IX). The conditional capital increase serves the purpose of granting shares to the holders or creditors of bonds or participation rights issued by the Company on the basis of the authorization resolution of the General Shareholders' Meeting of May 30, 2017, or by the Company or a subordinated affiliated company on the basis of the authorization resolution of the General Shareholders' Meeting of May 30, 2018, if option or conversion rights are exercised, if option or conversion obligations are fulfilled or if the Company exercises its optional right to deliver shares of the Company instead of payment of the cash amount due (or parts thereof). The new shares are issued at the respective option or conversion price to be determined in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2017 or the authorization resolution of the General Shareholders' Meeting of May 30, 2018.

The conditional capital increase is only to be implemented if bonds or participation rights are issued in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2017 or in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2018, and only to the extent that

- option or conversion rights are exercised or
- holders or creditors of bonds or participation rights who are under an obligation to exercise an option or under a conversion obligation fulfill their obligation to exercise the option or their conversion obligation or
- the Company exercises its optional right to deliver shares of the Company instead of paying the cash amount due (or parts thereof)

and to the extent that no cash settlement is granted and no shares from an authorized capital, treasury shares or shares of another listed company are delivered. The new shares issued carry dividend rights from the commencement of the fiscal year in which they are issued. The Executive Board is authorized, as far as legally permissible and with the consent of the Supervisory Board, to determine that, if no resolution on the application of the profit of the fiscal year immediately preceding the year of the issuance of the new shares has been adopted when the new shares are issued, the new shares shall carry dividend rights from the commencement of the fiscal year immediately preceding the year of the issuance. The Executive Board is also authorized, with the consent of the Supervisory Board, to determine the further details concerning the implementation of the conditional capital increase."

**d) Amendment of Conditional Capital X**

Conditional Capital X is amended as follows:

"The Company's share capital is conditionally increased by up to € 9,465,020.00 through issuance of up to 9,465,020 new non-par value registered shares (Conditional Capital X). The conditional capital increase serves the purpose of granting shares to the holders or creditors of bonds or participation rights issued by the Company on the basis of the authorization resolution of the General Shareholders' Meeting of May 30, 2017, or by the Company or a subordinated affiliated company on the basis of the authorization resolution of the General Shareholders' Meeting of May 30, 2018, if option or conversion rights are exercised, if option or conversion obligations are fulfilled or if the Company exercises its optional right to deliver shares of the Company instead of payment of the cash amount due (or parts thereof). The new shares are issued at the respective option or conversion price to be determined in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2017 or the authorization resolution of the General Shareholders' Meeting of May 30, 2018.

The conditional capital increase is only to be implemented if bonds or participation rights are issued in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2017 or in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2018, and only to the extent that

- option or conversion rights are exercised or
- holders or creditors of bonds or participation rights who are under an obligation to exercise an option or under a conversion obligation fulfill their obligation to exercise the option or their conversion obligation or
- the Company exercises its optional right to deliver shares of the Company instead of paying the cash amount due (or parts thereof)

and to the extent that no cash settlement is granted and no shares from an authorized capital, treasury shares or shares of another listed company are delivered. The new shares issued carry dividend rights from the commencement of the fiscal year in which they are issued. The Executive Board is authorized, as far as legally permissible and with the consent of the Supervisory Board, to determine that, if no resolution on the application of the profit of the fiscal year immediately preceding the year of the issuance of the new shares has been adopted when the new shares are issued, the new shares shall carry dividend rights from the commencement of the fiscal year immediately preceding the year of the issuance. The Executive Board is also authorized, with the consent of the Supervisory Board, to determine the further details concerning the implementation of the conditional capital increase."

**e) Amendment of Section 5 Paragraph 5 of the Articles of Association**

Section 5 Paragraph 5 of the Articles of Association shall be amended as follows:

"(5) The Company's share capital is conditionally increased by up to € 521,095.00 divided into up to 521,095 non-par value registered shares (Conditional Capital IX). The conditional capital increase is only to be implemented to the extent that

- (a) the holders or creditors of option or conversion rights under bonds or participation rights issued by the Company based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2017, or issued by the Company or a subordinated affiliated company and guaranteed by the Company until May 29, 2023 based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2018, exercise their option or conversion rights, or
- (b) the holders or creditors of bonds or participation rights issued by the Company based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2017, or issued by the Company or a subordinated affiliated company and

guaranteed by the Company until May 29, 2023 based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2018, are obliged to exercise an option or to effect a conversion and fulfill this obligation, or

- (c) the Company exercises its optional right to grant shares of the Company, instead of paying a cash amount due (or parts thereof), to the holders or creditors of bonds or participation rights issued by the Company based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2017, or issued by the Company or a subordinated affiliated company and guaranteed by the Company until May 29, 2023 based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2018,

and to the extent that no cash settlement is granted and no shares from an authorized capital, treasury shares or shares of another listed company are delivered. The new shares are issued at the respective option or conversion price, in each case to be determined in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2017 or, as the case may be, in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2018. The new shares issued carry dividend rights from the commencement of the fiscal year in which they are created. The Executive Board may, as far as legally permissible and with the consent of the Supervisory Board, determine that, if no resolution on the application of the profit of the fiscal year immediately preceding the year of the issuance of the new shares has been adopted when the new shares are issued, the new shares shall carry dividend rights from the commencement of the fiscal year immediately preceding the year of the issuance. The Executive Board is further authorized, with the consent of the Supervisory Board, to determine the further details concerning the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the amount in which the share capital is increased in each case from Conditional Capital IX."

**f) Amendment of Section 5 Paragraph 6 of the Articles of Association**

Section 5 Paragraph 6 of the Articles of Association shall be amended as follows:

- "(6) The Company's share capital is conditionally increased by up to € 9,465,020.00 divided into up to 9,465,020 non-par value registered shares (Conditional Capital X). The conditional capital increase is only to be implemented to the extent that
- (a) the holders or creditors of option or conversion rights under bonds or participation rights issued by the Company based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2017, or issued by the Company or a subordinated affiliated company and guaranteed by the Company until May 29, 2023 based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2018, exercise their option or conversion rights, or
  - (b) the holders or creditors of bonds or participation rights issued by the Company based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2017, or issued by the Company or a subordinated affiliated company and guaranteed by the Company until May 29, 2023 based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2018, are obliged to exercise an option or to effect a conversion and fulfill this obligation, or
  - (c) the Company exercises its optional right to grant shares of the Company, instead of paying a cash amount due (or parts thereof), to the holders or creditors of bonds or participation rights issued by the Company, based on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2017, or issued by the Company or a subordinated affiliated company and guaranteed by the Company until May 29, 2023 based

on the authorization of the Executive Board by resolution of the General Shareholders' Meeting of May 30, 2018,

and to the extent that no cash settlement is granted and no shares from an authorized capital, treasury shares or shares of another listed company are delivered. The new shares are issued at the respective option or conversion price, in each case to be determined in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2017 or, as the case may be, in accordance with the authorization resolution of the General Shareholders' Meeting of May 30, 2018. The new shares issued carry dividend rights from the commencement of the fiscal year in which they are created. The Executive Board may, as far as legally permissible and with the consent of the Supervisory Board, determine that, if no resolution on the application of the profit of the fiscal year immediately preceding the year of the issuance of the new shares has been adopted when the new shares are issued, the new shares shall carry dividend rights from the commencement of the fiscal year immediately preceding the year of the issuance. The Executive Board is further authorized, with the consent of the Supervisory Board, to determine the further details concerning the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the amount in which the share capital is increased in each case from Conditional Capital X."

#### 9.

#### **Appointment of the auditor for the audit of the annual financial statements and the consolidated financial statements for the fiscal year 2018 as well as of the auditor for the review, if applicable, of interim financial statements for the fiscal year 2018 and the first quarter of the fiscal year 2019**

Based on the recommendation issued by the Audit Committee, the Supervisory Board proposes that the audit firm Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, be elected to serve

- a) as auditor for the 2018 annual financial statements and the 2018 consolidated financial statements as well as
- b) for the review of interim (condensed) financial statements and interim management reports for the fiscal year 2018 and for the first quarter of the fiscal year 2019, if and to the extent that such interim financial statements and interim management reports are reviewed.

According to Article 16 Paragraph 2 Subparagraph 3 of Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (EU Audit Regulation), the Audit Committee has stated that its recommendation is free from influence by a third party and that no clause of the kind referred to in Article 16 Paragraph 6 of the EU Audit Regulation has been imposed upon it.

The audit firm Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, has issued the statement according to Section 7.2.1 of the German Corporate Governance Code and the confirmation according to Article 6 Paragraph 2 (a) of the EU Audit Regulation.

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#### **Report of the Executive Board on items 6 and 7 of the agenda pursuant to Section 203 Paragraph 2 Sentence 2 in conjunction with Section 186 Paragraph 4 Sentence 2 AktG**

The Executive Board and the Supervisory Board propose to the Annual General Shareholders' Meeting to be held on May 30, 2018 under items 6 and 7 of the agenda to cancel the Authorized Capitals 2017/I and 2017/II and to create the new Authorized Capitals 2018/I and 2018/II.

Pursuant to Section 203 Paragraph 2 Sentence 2 in conjunction with Section 186 Paragraph 4 Sentence 2 AktG, the Executive Board issues the following written report on each of the authorizations to exclude subscription rights in

relation to new Authorized Capital 2018/I and Authorized Capital 2018/II proposed for resolution in items 6 and 7 of the agenda:

The General Shareholders' Meeting of May 30, 2017 passed a resolution on item 4 of the agenda to the effect that the Executive Board is authorized until May 29, 2022 to increase the share capital of the Company, with the consent of the Supervisory Board, once or several times by up to a total of € 2,273,526.00 against contribution in cash and/or in kind by issuing new non-par value shares (Authorized Capital 2017/I). At the same General Shareholders' Meeting, under item 5 of the agenda, the Executive Board was further authorized until May 29, 2022 to increase the share capital of the Company, with the consent of the Supervisory Board, once or several times by up to a total of € 9,094,104.00 against contribution in cash and/or in kind by issuing new non-par value shares (Authorized Capital 2017/II). Authorized Capital 2017/I has been utilized in part as of the date hereof and currently amounts to € 994,426.00, which corresponds to about 4.14 % of the current share capital of the Company. Authorized Capital 2017/II has not yet been utilized as of the date hereof and, therefore, currently amounts to € 9,094,104.00, which corresponds to about 37.87 % of the current share capital of the Company.

Against the background of the net assets, financial position and results of operations of the Company as well as the fact that Epi proColon® is to be introduced to the U.S. market as the admission procedure has successfully been completed, the Executive Board believes that the current amounts of the existing Authorized Capital 2017/I and the existing Authorized Capital 2017/II are not sufficient to put the Company in a position to cover potential financing needs at short notice and to be capable of acting in a flexible manner in response to the strategic and operational challenges. Therefore, with the proposals under items 6 and 7 of the agenda, the Executive Board shall be authorized, with the consent of the Supervisory Board, to increase the share capital of the Company once or several times by up to a total of € 2,401,436.00 (Authorized Capital 2018/I) and up to a total of € 9,605,744.00 (Authorized Capital 2018/II), in each case until May 29, 2023 and against contribution in cash and/or in kind by issuing new non-par value registered shares. Thus, the amount of Authorized Capital 2018/I corresponds to 10%, and the amount of Authorized Capital 2018/II corresponds to 40%, of the share capital existing as of the preparation of this report.

In case of utilization of Authorized Capital 2018/I and Authorized Capital 2018/II, the shareholders will, in principle, have a subscription right. Subscription rights may also be granted by way of an indirect subscription right (Section 203 Paragraph 1 Sentence 1 in conjunction with Section 186 Paragraph 5 AktG).

In specific cases, the Executive Board shall, however, be authorized, with the consent of the Supervisory Board, to exclude subscription rights of the shareholders.

1. An exclusion of the subscription rights shall thereby be permissible both for Authorized Capital 2018/I and for Authorized Capital 2018/II in the following two instances:
  - Firstly, it is to be permissible in each case to exclude shareholders' subscription rights for fractional amounts. This serves to simplify the process of a share issue in which the subscription right, in principle, is granted to the shareholders. Fractional amounts might result from the respective issuing volume and the necessity of a practical subscription ratio. Such fractional amounts, in general, hold little value for the individual shareholder, whereas the issuing costs would be considerably higher without such exclusion of the subscription right. In addition, the possible dilution effect is normally marginal due to the restriction to fractional amounts. The new shares for which subscription rights have been excluded due to fractional amounts will be realized on the best possible terms for the Company. The exclusion of subscription rights therefore serves practical purposes and simplifies the process of a share issue and is therefore in the interests of the Company and its shareholders. In determining the subscription ratio, the Executive Board will take into account the interest of the shareholders to minimize fractional amounts.
  - Secondly, the Executive Board shall be entitled to exclude shareholders' subscription rights in the event of capital increases against contribution in kind. The Executive Board is thus enabled to use shares of the Company as appropriate in individual cases for the purchase (including an indirect purchase) of enterprises, parts of enterprises, shares in enterprises or for the purchase (including an indirect purchase) of other assets, including receivables. It may become necessary during negotiations to offer shares as consideration rather than cash. The possibility to offer shares in the Company as

consideration offers not only an advantage when competing for attractive acquisition targets but also the required flexibility to seize opportunities where they present themselves to acquire enterprises, parts of enterprises, shares in enterprises or other assets while preserving the Company's cash resources. Assets which can be acquired as contributions in kind also include receivables owed, in particular, by the Company or subordinated affiliated companies. The option to pay such receivables owed by the Company or subordinated affiliated companies by issuing new shares rather than by payment in cash allows the Company to preserve its liquidity and to improve its financing structure. In addition, this option may permit the Company to agree on more favorable terms and conditions with its creditor for the fulfillment of existing receivables. Therefore, from the point of view of the Executive Board, the proposed authorization to exclude subscription rights is in the interest of the Company and its shareholders. The Company does not suffer any disadvantage, since the issuance of shares against contribution in kind requires the contribution in kind to be of fair value in relation to the value of the shares. When determining the value relation, the Executive Board will ensure that the interests of the Company and its shareholders are adequately considered and that adequate consideration will be obtained by the Company for its new shares. To this end, the Executive Board will adequately take into account the stock exchange price of the shares of the Company and retain third party experts to the extent possible and reasonable in the individual case.

2. The proposed Authorized Capital 2018/I provides, in addition to the instances set forth under 1., for two further cases where an exclusion of subscription rights shall be possible:

- It is to be permissible to exclude subscription rights if the new shares are issued in a capital increase against contribution in cash at an issuing price which is not materially below the stock exchange price pursuant to Section 186 Paragraph 3 Sentence 4 AktG. This authorization enables the Company to promptly and flexibly realize opportunities on the market in its different business areas and to satisfy capital needs which may arise therefrom or from other operational reasons, if necessary even on very short notice. The exclusion of subscription rights enables the Company not only to take short-term action in a flexible manner, but also enables the placement of shares at a near-market price, i.e. without the discount which, in general, is required in connection with the issue of shares with subscription rights. This results in higher issue proceeds to the benefit of the Company. In addition, with such placement, new groups of shareholders can be addressed. The German Stock Corporation Act does not provide for a fixed limit on the discount. When utilizing the authorization, the Executive Board will set the discount as low as possible – with the consent of the Supervisory Board – in compliance with legal regulations and taking into account the market conditions prevailing at the time of the placement. The shares issued under exclusion of subscription rights according to Section 186 Paragraph 3 Sentence 4 AktG must not, in aggregate, exceed 10% of the share capital, neither at the time the requested authorization becomes effective nor at the time such authorization will be utilized. Shares newly issued by the Company during the term of the authorization in a capital increase against contribution in cash or shares acquired and subsequently re-sold by the Company during the term of the authorization count towards this limit if and to the extent subscription rights are excluded in accordance with Section 186 Paragraph 3 Sentence 4 AktG or the re-sale occurs in accordance with this provision. If, during the term of the authorization, bonds with warrants, convertible bonds or participation rights or a combination of these instruments are issued under exclusion of subscription rights of the shareholders pursuant to Section 221 Paragraph 4 Sentence 2 in conjunction with Section 186 Paragraph 3 Sentence 4 AktG, shares for which an option or conversion right or obligation or a right in favor of the Company to grant to the holders or creditors, upon final maturity of the bonds or participation rights or at another specific point in time, non-par value shares of the Company instead of payment of the cash amount due (or parts thereof) (share delivery right) exists based on these instruments must also be counted towards this limit.

This caters to the need of the shareholders for dilution protection regarding their investment in accordance with statutory regulations. Due to the limited amount of the capital increase with exclusion of subscription rights, each shareholder may, in principle, purchase the number of shares necessary to preserve its share quota on substantially the same terms and conditions on the stock

exchange. Thus, in the event of utilization of Authorized Capital 2018/I under exclusion of subscription rights, it is ensured that the shareholders' interests regarding their investment as well as their voting rights are adequately preserved in accordance with the legal rationale of Section 186 Paragraph 3 Sentence 4 AktG while the Company is given further flexibility for the benefit of all shareholders.

- Finally, the Executive Board shall be entitled to exclude subscription rights in respect of Authorized Capital 2018/I to the extent that the holders or creditors of option rights or convertible bonds or participation rights issued by the Company or its subordinated affiliated companies in the past or in the future are granted a conversion right or subscription right to new shares in accordance with the relevant terms and conditions of issue or to the extent that a conversion or subscription obligation or a share delivery right exists under such instruments. For easier placement in the capital market, the terms and conditions of bonds with warrants and convertible bonds normally provide for protection against dilution which ensures that holders or creditors of bonds with warrants or convertible bonds or participation rights are granted subscription rights for subsequent share issues. In order to be able to include protection against dilution in the terms and conditions of the relevant bonds with warrants, convertible bonds or participation rights, the subscription rights of the shareholders for these shares need to be excluded. This serves the purpose of easier placement of the issues of bonds with warrants, convertible bonds or participation rights and, thus, the interest of the Company and its shareholders in optimizing the financing structure of the Company.

3. The proposed Authorized Capital 2018/II provides, in addition to the instances set forth in 1., for one further case where an exclusion of subscription rights shall be possible:

- Accordingly, it is to be permissible to exclude subscription rights if the shares are issued against cash contributions in the context of capital increases implemented for the purpose of placement of the shares or of securities representing the shares, such as American Depositary Receipts (ADRs), in the context of a listing or the subsequent placement on a foreign stock exchange. The Company's shares have so far been admitted to trading in the regulated market of one stock exchange in Germany. In addition, ADRs of the Company are traded in the OTCQX market in the U.S. The Company's shares have not been admitted to trading on any other stock exchange or in any other stock exchange segments. The shares and ADRs of the Company are, in particular, not registered in the U.S. under the US Securities Act of 1933.

The Company's business activity has an international focus. This is expected to be reinforced in the future due to the commercialization of Epi proColon® in the U.S., which is currently being pursued after its admission was granted by the FDA in 2016. Against this background, the listing of the Company's shares on one or several foreign stock exchanges, e.g. in the U.S., or the increase in the number of shares of the Company that are admitted to trading or traded on a foreign stock exchange may prove useful in order to attract additional investors to invest in the Company's shares and thus to expand the group of investors. Attracting additional investors may in particular improve the possibilities of raising equity capital in the future, of serving a positive development of the share price and of mitigating volatility. Against this background, a foreign listing of the shares or an increase in the number of shares admitted to trading or traded abroad may also be advantageous for the Company's range of options to take up third party loans by simplifying the raising of debt capital or by enabling the Company to secure more favorable terms for raising debt capital. In the context of the listing or the subsequent placement of shares on a foreign stock exchange, the exclusion of subscription rights not only enables the Company to obtain more flexibility to act but also to list the shares at a near-market issue price without the discount which, in general, is required in connection with the issue of shares with subscription rights, which is also in the interest of the Company and thus of its shareholders. When deciding whether or not to exercise the authorization, the Executive Board will consider the given circumstances in order to determine whether a listing of the Company's shares on a foreign stock exchange or an increase in the number of shares listed abroad and an exclusion of subscription rights for this purpose are in the interest of the Company taking into account the interests of the

shareholders. The same applies to determining the terms and conditions for a listing on the stock exchange or a subsequent placement, if any. In this respect, the Executive Board will ensure that the interests of the Company and its shareholders are adequately considered and that adequate consideration will be obtained by the Company for its new shares. To this end, the Executive Board will take into account in particular the stock exchange price of the shares of the Company and retain third party experts to the extent possible and reasonable in the individual case.

In each individual case, the Executive Board will thoroughly review whether it will make use of the respective authorization to increase the capital under exclusion of shareholders' subscription rights. The Executive Board will make use of this authorization only if the Executive Board and the Supervisory Board, taking into account the terms and conditions of the capital increase, are of the opinion that this is in the interest of the Company and, thus, its shareholders. The Executive Board will report to the General Shareholders' Meeting on each utilization of Authorized Capital 2018/I or of Authorized Capital 2018/II.

**Report of the Executive Board on item 8 of the agenda pursuant to Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 4 Sentence 2 AktG**

Under item 8 of the agenda, the Executive Board and the Supervisory Board propose to the Annual General Shareholders' Meeting to be held on May 30, 2018 to create a new authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right.

The Executive Board issues, pursuant to Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 4 Sentence 2 AktG, the following written report on the authorization to exclude the subscription right in connection with the new authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments under item 8 of the agenda:

The proposed new authorization to issue bonds, participation rights or a combination of these instruments in an aggregate nominal amount of up to € 100,000,000.00 as well as the amendment of Conditional Capitals IX and X and the increase of Conditional Capital X to an amount of up to € 9,465,020.00 are intended to broaden the Company's options to finance its activities (as further described below) and to enable the Executive Board, with the consent of the Supervisory Board, to seize flexible and near-term financing opportunities in the interest of the Company, in particular if favorable capital market conditions arise.

The shareholders are, in principle, entitled to a statutory subscription right for bonds with warrants or conversion rights or option or conversion obligations or with a right of the Company to grant to the holders or creditors of the bonds non-par value shares of the Company instead of payment of the cash amount due (or parts thereof) ("share delivery right"), Section 221 Paragraph 4, Section 186 Paragraph 1 AktG. In the case of participation rights, shareholders generally have a statutory subscription right, regardless of whether the participation rights carry option or conversion rights or obligations or a share delivery right. To the extent that shareholders are not granted the possibility to directly subscribe for the bonds or participation rights, the Executive Board may make use of the possibility to issue bonds or participation rights to a credit institution, to a company which is deemed equivalent to a credit institution by statute and by the proposed resolution, or to several, including to a syndicate of, credit institutions and/or equivalent companies, with the obligation to offer the bonds or participation rights to the shareholders in accordance with their subscription rights (indirect subscription right within the meaning of Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 5 AktG).

However, according to the proposed resolution, the Executive Board is to be authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights in the following circumstances:

1. The authorization provides for the possibility to exclude the subscription right for fractional amounts. This allows for a use of the requested authorization for whole amounts, thereby facilitating the technical implementation of the issue and the handling of the shareholders' subscription rights. Moreover, such fractional amounts are normally of small value to the individual shareholder and the possible dilution effect is generally marginal, too, because of its limitation to fractional amounts. Any bonds or participation rights (or a combination of these instruments) that are excluded from the subscription right on account of

fractional amounts are utilized in the Company's best interests. In the opinion of the Executive Board, the exclusion of the subscription right is thus in the best interest of the Company and its shareholders.

2. Furthermore, the proposed resolution includes the authorization to exclude the subscription right in favor of the holders or creditors of previously issued option or conversion rights or obligations and/or bonds or participation rights in respect of which the Company has a share delivery right. The advantage of this is that the option and/or conversion price for previously issued option or conversion rights or obligations or share delivery rights need not be reduced, thereby enabling an altogether higher cash inflow. This exclusion of the subscription right is thus in the best interest of the Company and its shareholders, too.
3. The Executive Board is further authorized, with the consent of the Supervisory Board, to entirely exclude the shareholders' subscription rights if the bonds with warrants/convertible bonds or the participation rights with warrants/convertible participation rights or the bonds or participation rights with option/conversion obligations or with a share delivery right are issued against cash payment at a price that is not significantly below the market value of these bonds and/or participation rights. This enables the Company to benefit from favorable market conditions very quickly and to obtain better conditions with respect to the interest rate, option and/or conversion price and the issue price of the bonds and/or participation rights by determining the terms and conditions in accordance with prevailing market conditions. If subscription rights were granted, determination of the terms and conditions in accordance with prevailing market conditions and a smooth placement would not be possible. While Section 186 Paragraph 2 AktG allows for a publication of the subscription price (and, thus, publication of the terms and conditions of the bonds and/or participation rights) until the third to last day of the subscription period, taking into account the often volatile stock markets, a market risk exists over several days even in that case, which leads to precautionary discounts when the terms and conditions of the bond and/or participation rights are fixed, and therefore to terms and conditions which do not correspond to market conditions. Also, if a subscription right is granted, there is uncertainty with respect to its exercise (subscription behavior), which constitutes a risk for a successful placement with third parties or causes additional expenses. Moreover, authorizing the Company to exclude subscription rights may facilitate the winning of new investor groups or the placement of the bonds and/or participation rights with a single investor or a small group of investors. This is true in particular even if the investor or investor group is willing to make the investment only subject to the condition of the bonds and/or participation rights acquired by them reaching a certain amount or if the investor or investor group is permitted exclusively to purchase the bonds and/or participation rights. In such a situation, the authorization to exclude the subscription rights allows the Company to fund itself at short notice, quickly, safely and near market terms; in light of the Company's situation and its financing needs, the Executive Board believes it to be in the best interests of the Company if the Company is able to use such possibilities to fund itself. Finally, the Company cannot react quickly to favorable or adverse market conditions if a subscription right is granted due to the length of the subscription period, but is exposed to the possible risk of falling share prices during the subscription period, which might result in situations where equity is raised at unfavorable conditions.

In such case, in which the subscription right is excluded entirely, the provision of Section 186 Paragraph 3 Sentence 4 AktG applies *mutatis mutandis* pursuant to Section 221 Paragraph 4 Sentence 2 AktG. The limit of 10% of the share capital applicable to exclusions of subscription rights provided for in this provision is to be complied with according to the terms of the resolution. The maximum amount of the conditional capital that may be made available to secure option or conversion rights or obligations or a share delivery right may not exceed 10% of the share capital existing when the authorization to exclude the subscription right pursuant to Section 186 Paragraph 3 Sentence 4 AktG takes effect. The authorization resolution contains a corresponding requirement which also ensures that the 10% limit will not be exceeded even in the case of a capital decrease, as the authorization to exclude the subscription right explicitly must not exceed 10% of the share capital, neither when the authorization takes effect nor – if such value is lower – when the authorization granted is exercised. Treasury shares which are disposed of according to Section 71 Paragraph 1 No. 8 in conjunction with Section 186 Paragraph 3 Sentence 4 AktG as well as the new shares that are issued in case of a capital increase against cash contributions under an exclusion of the subscription right pursuant to Section 186 Paragraph 3 Sentence 4 AktG or pursuant to Section 203 in conjunction with

Section 186 Paragraph 3 Sentence 4 AktG will count towards this limit if the disposal and/or issuance occurs during the term of this authorization and prior to an issuance of bonds or participation rights without subscription right pursuant to Section 221 Paragraph 4 Sentence 2, Section 186 Paragraph 3 Sentence 4 AktG; they consequently reduce the number of shares that may be issued based on the authorization under exclusion of subscription rights pursuant to Section 221 Paragraph 4 Sentence 2, Section 186 Paragraph 3 Sentence 4 AktG. The same applies to shares for which option or conversion rights or obligations or share delivery rights in favor of the Company exist under bonds with warrants or convertible bonds or participation rights that have been issued by the Company or its subordinated affiliated companies during the term of this authorization on the basis of other authorizations with exclusion of the subscription right pursuant to Section 221 Paragraph 4 Sentence 2 in conjunction with Section 186 Paragraph 3 Sentence 4 AktG. Such shares, too, will count towards the 10% limit.

It further results from Section 186 Paragraph 3 Sentence 4 AktG that the issue price must not be significantly below the stock market price. This is to prevent a significant economic dilution of the value of the shares. Whether such a dilution effect occurs in case of the issuance of bonds or participation rights without subscription right can be determined by calculating the hypothetical market value of the bond and/or participation right based on recognized, particularly financial mathematical, methods and by comparing this value with the issue price of the bond and/or participation right. If this issue price – after due examination – is not more than insignificantly lower than the hypothetical stock market price at the time when the bonds and/or participation rights are issued, the exclusion of the subscription right is permissible based on the rationale of Section 186 Paragraph 3 Sentence 4 AktG because of the merely insignificant discount. The proposed resolution therefore provides that the Executive Board – prior to the issuance of the bonds and/or participation rights and after due examination in accordance with its legal duties – must have come to the conclusion that the proposed issue price of the bonds and/or participation rights does not lead to any significant dilution of the value of the shares, as the issue price of the bonds and/or participation rights is not significantly below the hypothetical market value calculated pursuant to recognized, in particular financial mathematical methods. As a result, the arithmetical market value of a subscription right would be reduced to nearly zero such that no significant economic disadvantage can arise for the shareholders due to the exclusion of the subscription right. All this ensures that no significant dilution of the value of the shares will result from the exclusion of the subscription right.

In addition, the shareholders have the opportunity to maintain their pro rata share in the share capital of the Company even after the exercise of option or conversion rights or after the point in time when option or conversion obligations are to be fulfilled or a share delivery right is exercised, by purchasing shares on the stock market at any time. In contrast, the authorization to exclude the subscription right enables the Company to determine terms and conditions in accordance with prevailing market conditions, to achieve maximum security with respect to the possibility to place the bonds and/or participation rights with third parties and to benefit from a quick utilization of favorable market situations.

4. To the extent that participation rights are to be issued without option or conversion rights or obligations and without a share delivery right, the Executive Board is authorized, with the consent of the Supervisory Board, to entirely exclude the shareholders' subscription right if these participation rights have bond-like characteristics, i.e. do not confer membership rights in the Company, do not provide for a participation in the liquidation proceeds or the amount of interest is not calculated based on the annual surplus, the distributable profit or the dividend. In this context, a cap on interest based on the annual surplus, the distributable profit, the dividend or any other ratio determined by reference to these benchmarks shall not be deemed a dependent calculation within the meaning of the preceding sentence. In addition, interest and issue price of the participation rights must correspond to current market terms prevailing at the time of issuance. If these conditions are fulfilled, the exclusion of the subscription right does not result in any disadvantages to the shareholders, as the participation rights do not confer membership rights and no share in the liquidation proceeds or in the profit of the Company.

The issue amount of the new shares must in any case be equivalent to at least 70 % of the stock exchange price determined timely upon issuance of the bonds and/or participation rights. If the subscription right is not only

excluded for fractional amounts, the option and/or conversion price may, in case of option/conversion rights or, as the case may be, option/conversion obligations or a share delivery right of the Company, amount to 70% or more of the average stock exchange price of the Company's share before exercise of the option or conversion right or, as the case may be, issuance of the shares, even if such price is lower than the minimum price referred to in the preceding sentence. This option allows the Company to successfully place the bonds or participation rights on the conditions most favorable to the Company based on the market conditions existing at the time of their issuance.

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## **Further information regarding the calling of the Annual General Shareholders' Meeting**

### **1. Total number of shares and voting rights at the time of the calling of the meeting**

The share capital of the Company amounts to € 24,014,360.00 and is divided into 24,014,360 non-par value registered shares. Pursuant to Section 18 Paragraph 1 of the Articles of Association, each share carries one vote in the General Shareholders' Meeting. Therefore, the total number of voting rights at the time of the calling of this Annual General Shareholders' Meeting is 24,014,360. The Company does not hold treasury shares.

### **2. Attendance at the Annual General Shareholders' Meeting**

Only those shareholders who are entered in the share register of the Company and register with the Company to attend the Annual General Shareholders' Meeting are authorized to participate in the Annual General Shareholders' Meeting and to exercise their voting rights.

Registration must be in text form in German or English and must be received by the Company by Wednesday, May 23, 2018, 12:00 midnight (CEST), at the latest.

The registration may, subject to the technical availability of the website, be made especially via the Internet by using the password protected Internet portal of the Company (Shareholders' Portal) under the web address <https://ip.computershare.de/epigenomics?plang=en>. Shareholders gain online access by entering their shareholder's number and the associated password, which are both contained in the materials sent to the shareholders with the invitation to the Annual General Shareholders' Meeting.

If the Shareholders' Portal is not used for registration purposes, registration must be made in text form in German or English and must be received by the Company at the following address:

Epigenomics AG  
c/o Computershare Operations Center  
80249 Munich

or *via* fax: +49 (0)89 30903-74675

or *via* e-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Credit institutions, shareholders' associations and any persons, institutions or companies of equivalent status pursuant to Section 135 Paragraph 8 AktG or Section 135 Paragraph 10 AktG in conjunction with Section 125 Paragraph 5 AktG are not entitled to exercise the voting rights associated with shares not owned by them but recorded under their name in the Company's share register unless they have been authorized to do so by the relevant person owning the shares.

After receipt of the registration by the Company, shareholders shall be sent admission tickets for the Annual General Shareholders' Meeting. In order to ensure timely receipt of the admission tickets, we ask shareholders to please make sure that the registration is sent to the Company at their earliest convenience. Shareholders who register via the Shareholders' Portal may immediately print their own admission ticket.

In contrast to the registration, the admission ticket is not a prerequisite for the attendance at the Annual General Shareholders' Meeting, but only serves the purpose of simplifying the access control for the admission to the Annual General Shareholders' Meeting.

### 3. Changes of registrations in the share register

As stated in Section 2 above, only those shareholders who are entered in the share register and have properly registered in due time with the Company to attend the Annual General Shareholders' Meeting are authorized to participate in the Annual General Shareholders' Meeting and to exercise their voting rights. In this respect, the point in time decisive as to the registration in the share register is the day of the Annual General Shareholders' Meeting. In order to ensure proper preparation and conduct of the Annual General Shareholders' Meeting, the Company will not make any changes to the entries in the share register, i.e. it will not cancel or add any entries, if the request for a change of a register entry is received by the Company after the end of May 23, 2018, i.e. May 23, 2018, 12:00 midnight (CEST). If a request for a change of a register entry is received by the Company after May 23, 2018, the entry in the share register will be changed only after the Annual General Shareholders' Meeting has ended; the right to attend and vote at the Annual General Shareholders' Meeting pertaining to the shares affected by the change of the register entry will remain with the person whose name is to be canceled in the share register as a result of such request for a change of the register entry.

It is therefore recommended to file requests for changes of share register entries in good time before the date of the Annual General Shareholders' Meeting.

### 4. Holders of American Depositary Receipts (ADRs)

Holders of American Depositary Receipts (ADRs) can obtain further information from:

BNY Mellon Shareowner Services  
P.O. Box 30170  
College Station, TX 77842-3170  
U.S.A.

Tel. +1 888-269-2377 (toll-free number in the U.S.)

Tel. +1 201 680 6825 (international)

Website: [www.mybnymdr.com](http://www.mybnymdr.com)

E-mail: [shrrelations@cpushareownerservices.com](mailto:shrrelations@cpushareownerservices.com)

### 5. Proxy voting

Shareholders may exercise their voting rights in the Annual General Shareholders' Meeting also by proxy, e.g. a credit institution, a shareholders' association or any other person of their choice. In the case of proxy voting, too, as stated in Section 2 above, shareholders must be entered in the share register of the Company and must have registered themselves or a proxy in due time with the Company to attend and vote at the Annual General Shareholders' Meeting.

Proxy authorization, its revocation and proof of authorization vis-à-vis the Company must be made in text form. In case of proxy granted to credit institutions, shareholders' associations or any persons, institutions and companies of equivalent status pursuant to Section 135 Paragraph 8 AktG or pursuant to Section 135 Paragraph 10 AktG in conjunction with Section 125 Paragraph 5 AktG, the provisions of Section 135 AktG must be observed which provide in particular that the proxy must be retained by the proxyholder in a verifiable manner, and that the power of attorney must be complete and may only contain declarations relating to the exercise of voting rights. Additional regulations must be observed which are laid down by the proxyholder with respect to its proxy and which should be clarified with the proxyholder.

If neither a credit institution nor a shareholders' association or any person, institution and company of equivalent status pursuant to Section 135 Paragraph 8 AktG or pursuant to Section 135 Paragraph 10 AktG in conjunction with Section 125 Paragraph 5 AktG is authorized, proxy authorization vis-à-vis the Company and transmission of a proof of authorization granted to the proxyholder to, and its possible revocation vis-à-vis, the Company may be made, subject to the technical availability of the website, especially via the Shareholders' Portal under <https://ip.computershare.de/epigenomics?plang=en>. In addition, for proxy authorization vis-à-vis the Company as well as for the transmission of proof of authorization for an authorization granted to the proxyholder and for a possible revocation of proxy to the Company, the following address, fax number and e-mail address are available:

Epigenomics AG  
c/o Computershare Operations Center  
80249 Munich

Fax: +49 89 30903-74675

E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Forms for the authorization of, and giving instructions to, the proxyholder are attached to each admission ticket and are also available on the website of Epigenomics AG at <http://www.epigenomics.com/news-investors/general-shareholder-meeting/>. They will also be provided in text form upon request.

As a special service, the Company offers its shareholders to grant power of attorney in advance of the Annual General Shareholders' Meeting to proxies nominated by the Company and bound by instructions. In the case of voting by the proxies nominated by the Company, the conditions for attendance of the Annual General Shareholders' Meeting and the exercise of voting rights as stated in Section 2 above must likewise be observed. Powers of attorney granted to the proxies nominated by the Company must be in text form. Instructions must be given to the proxies nominated by the Company, which instructions must likewise be given in text form. The proxies nominated by the Company are obliged to exercise the voting rights in accordance with the instructions.

Shareholders may, subject to the technical availability of the website, grant power of attorney and give instructions to the proxies nominated by the Company in particular via the Shareholders' Portal under <https://ip.computershare.de/epigenomics?plang=en> by May 28, 2018, 12:00 midnight (CEST). Up to this point in time powers of attorney and instructions granted or given via the Shareholders' Portal may, subject to the technical availability of the website, be amended or revoked via the Shareholders' Portal under the aforementioned web address. The details for the registration to the Annual General Shareholders' Meeting via the Shareholders' Portal set forth under 2. above apply accordingly to the use of the Shareholders' Portal.

Furthermore, shareholders may grant power of attorney and give instructions in text form to the proxies nominated by the Company also at the address indicated in the form for the granting of proxy to proxies nominated by the Company. The same applies to any revocation of a power of attorney and any revocation or amendments to the instructions that have been given to the proxies nominated by the Company. The granting of power of attorney and making instructions as well as their revocation and amendments to instructions must be received by the Company by May 28, 2018, 12:00 midnight (CEST), at the latest, at the address indicated in the form for the granting of power of attorney to proxies nominated by the Company.

However, the shareholders remain entitled to personally exercise their rights in the Annual General Shareholders' Meeting or to have them exercised by a different proxy. In this case the proxy granted to the proxies who were nominated by the Company and are bound by instructions is deemed to be revoked, and such proxies will therefore not exercise any voting rights on the basis of their proxy. In addition, shareholders or proxies attending the Annual General Shareholders' Meeting may grant power of attorney and give instructions to the proxies nominated by the Company during the Annual General Shareholders' Meeting; in this context, proxies are obliged to satisfy themselves that they are entitled to grant this proxy under their legal relationship with the shareholder represented by them.

## **6. Shareholders' rights pursuant to Section 122 Paragraph 2, Section 126 Paragraph 1, Section 127, Section 131 Paragraph 1 AktG**

### **Requests to include items in the agenda pursuant to Section 122 Paragraph 2 AktG**

Shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent a proportional amount of not less than € 500,000.00 (this is equivalent to 500,000 shares) may request that items be included in the agenda and be published. Reasons or a proposal for a resolution must be attached to every new item. Any such request must be received in writing by the Company by the end of April 29, 2018, i.e. by April 29, 2018, 12:00 midnight (CEST), at the latest. Such request must be addressed in writing to the Executive Board of Epigenomics AG. Please address your request exclusively to:

Epigenomics AG  
The Executive Board  
For the attention of Mr. Peter Vogt  
Geneststr. 5  
10829 Berlin

Unless they have already been announced with the invitation to the [Annual](#) General Shareholders' Meeting, requests for amendments of the agenda that are required to be published will be published in the German Federal Gazette (*Bundesanzeiger*) without undue delay upon receipt of the request. In addition, such requests will be published on the Internet at <http://www.epigenomics.com/news-investors/general-shareholder-meeting/> and communicated in accordance with Section 125 AktG.

The applicants must establish that they have held the shares at least for 90 days prior to receipt of the request and that they will continue to hold the shares until the motion is decided upon by the Executive Board. Section 121 Paragraph 7 AktG applies for calculating the deadline.

#### **Motions by shareholders and nominations for elections pursuant to Section 126 Paragraph 1 and Section 127 AktG**

Each shareholder is entitled to file counter-motions against the Executive Board's and/or the Supervisory Board's proposals with respect to certain items on the agenda as well as nominations for elections even before the Annual General Shareholders' Meeting. Such counter-motions and election nominations by shareholders, including the name of the shareholder, are to be made accessible by the Company pursuant to Section 126 Paragraph 1 and Section 127 AktG if they are received by the Company at the following address:

Epigenomics AG  
Mr. Peter Vogt  
Geneststr. 5  
10829 Berlin

or via fax: +49 (0)30 24345-555

or via e-mail: [HV@epigenomics.com](mailto:HV@epigenomics.com)

by the end of May 15, 2018, i.e. by May 15, 2018, 12:00 midnight (CEST), at the latest, and comply with the statutory requirements in all other respects. These requirements include, in particular, that reasons need to be given for counter-motions (but not election nominations). In addition, Section 126 Paragraph 2, Section 127 Sentences 1 and 3 AktG govern the conditions upon the fulfillment of which counter-motions and election nominations need not be made accessible. Counter-motions and election nominations will be made accessible in compliance with statutory provisions on the Internet at <http://www.epigenomics.com/news-investors/general-shareholder-meeting/>. Any comments by the management on counter-motions and election nominations will likewise be published at this internet address.

In order to be taken into account in the Annual General Shareholders' Meeting, counter-motions and election nominations must be made in the Annual General Shareholders' Meeting even if they have been sent to, and made accessible by, the Company in accordance with Section 126 Paragraph 1 AktG and Section 127 AktG.

#### **Right of shareholders to obtain information pursuant to Section 131 Paragraph 1 AktG**

Each shareholder or shareholder representative present at the Annual General Shareholders' Meeting may request information from the Executive Board on matters concerning the Company provided that it is required to make an informed judgment on the agenda items. The duty to provide information also extends to information on the legal and business relationships between the Company and its affiliates, the financial position of the Group and the entities included in the Group's consolidated financial statements. The information provided shall comply with the principles of conscientious and accurate accounting. Information shall, in principle, be given orally. Therefore, shareholders are not entitled to receive information in written form. Section 131 Paragraph 3 AktG sets out the conditions under which the Executive Board may refuse to provide information.

### **Additional explanations**

Additional explanations regarding shareholders' rights pursuant to Section 122 Paragraph 2, Section 126 Paragraph 1, Section 127, and Section 131 Paragraph 1 AktG can be found on the website of Epigenomics AG at <http://www.epigenomics.com/news-investors/general-shareholder-meeting/>.

### **7. Reference to the Company's website**

This invitation to the Annual General Shareholders' Meeting, the documents that are required to be made available to the Annual General Shareholders' Meeting, in particular the documents with respect to item 1 of the agenda and the reports by the Executive Board with respect to items 6, 7 and 8 of the agenda as well as further information relating to the Annual General Shareholders' Meeting can be downloaded from the following website once the Annual General Shareholders' Meeting has been called: <http://www.epigenomics.com/news-investors/general-shareholder-meeting/>.

The documents that are required to be made available to the Annual General Shareholders' Meeting will also be available during the Annual General Shareholders' Meeting on May 30, 2018.

Berlin, April 2018

Epigenomics AG  
The Executive Board

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### **Annex – Curricula vitae and further information on the persons proposed to be elected to the Supervisory Board under item 5 of the agenda**

#### **Ann Clare Kessler, Ph.D.**

Ann Clare Kessler (\*1943, U.S.A./Switzerland) holds a Bachelor of Science degree in Biology (Notre Dame University of Maryland) and a Master of Science (Northwestern University) as well as a PhD in Biochemistry (New York University).

For twenty six years, Ms. Kessler held several senior positions at Hoffmann-La Roche Inc. in the U.S., including Vice President and Head of Exploratory Research and Vice President of Pharmacology and Chemotherapy. Thereafter, from 1990 to 1995, she was in charge of Global Project Management Group and Portfolio Management of Hoffmann-La Roche in Basel.

Ms. Kessler has been a Supervisory Board member of Epigenomics AG since June 2005. She is an independent member within the meaning of the German Corporate Governance Code.

Ms. Kessler is not a member of other mandatory supervisory boards or comparable boards with supervisory function.

#### **Dr. Helge Lubenow**

Dr. Helge Lubenow (\*1968, Germany) studied Biology and earned the doctoral degree at the University of Cologne and the Max-Planck-Institute in the field of genetics.

After having earned her doctoral degree, Dr. Lubenow joined the diagnostic company Qiagen in 1997. During her career with Qiagen, Dr. Lubenow held various senior positions. From 2011 to 2015, Dr. Lubenow headed the molecular diagnostic business as Senior Vice President. During this time, Dr. Lubenow assumed positions in enterprises newly acquired, such as Corbett Life Science, Sydney and Brisbane, Australia and Digene Inc.,

Gaithersburg, USA and was responsible for the restructuring or the integration of the respective enterprise. In 2016, Dr. Lubenow founded her own consulting firm AGOS Consulting.

Dr. Lubenow has been a Supervisory Board member of Epigenomics AG since June 2016. She is an independent member within the meaning of the German Corporate Governance Code.

Dr. Lubenow is not a member of other mandatory supervisory boards. She is currently a member of a comparable board with supervisory function of the following undertaking:

- ProteoMediX AG, Switzerland

### **Prof. Dr. Günther Reiter**

Prof. Reiter (\*1954, Germany) has graduated with a state examination in Business Economics, Macroeconomics and Mathematics from the University of Tuebingen.

After graduation, Prof. Reiter worked as a research associate at the University of Tuebingen's R&D department for Industrial Management where earned his doctorate degree. Later on, Prof. Reiter held several managing positions, such as Manager Business Administration and Controlling at Trumpf GmbH & Co. in Ditzingen and, finally, as executive board member of the Hofkammer of the Royal House of Wuerttemberg. In the 90's, Prof. Reiter, as a Vice Dean and as a Dean, was actively involved in the development of the European School of Business (ESB) in Reutlingen where he is currently a Professor for Finance and Accounting.

Prof. Reiter has been a Supervisory Board member of Epigenomics AG since June 2005. He is an independent member within the meaning of the German Corporate Governance Code.

Prof. Reiter is not a member of other mandatory supervisory boards or comparable boards with supervisory function.

Prof. Reiter has expert knowledge in the fields of accounting or annual auditing within the meaning of Section 100 Paragraph 5 AktG.

### **Heino von Prondzynski**

Heino von Prondzynski (\*1949, Switzerland/Germany) studied mathematics, geography, and history at the Westfälische Wilhelms University, Münster.

After graduation, he held several positions within Bayer AG. Later on, Mr. von Prondzynski served, inter alia, as CEO of the diagnostics division of F. Hoffmann-La Roche Ltd., Basel, Switzerland, and as a member of the corporate executive committee of Roche. Currently, he is an independent consultant. Mr. von Prondzynski is an expert and business leader in the field of molecular diagnostics with an extensive professional network.

Mr. von Prondzynski was a Supervisory Board member of Epigenomics AG from May 2007 to March 2010. In May 2012, he has been elected to the Supervisory Board again and serves as its Chairman since that point in time. He is an independent member within the meaning of the German Corporate Governance Code.

Heino von Prondzynski is not a member of other mandatory supervisory boards. He is currently member of comparable boards with supervisory function of the following undertakings:

- HTL-STREFA S.A., Warsaw, Poland (vice-chairman)
- Koninklijke Philips N.V. (Royal Philips Electronics), Eindhoven, The Netherlands
- Quotient Ltd., Jersey, Great Britain