

Press release

Epigenomics AG Reports Results for Financial Year 2018

Berlin (Germany) und San Diego, CA (U.S.A.), March 27, 2019 – Epigenomics AG (FSE: ECX, OTCQX: EPGNY; the “Company”) today announced the financial results (according to IFRS) for the year ended December 31, 2018.

KEY HIGHLIGHTS

Financial

- Total revenue of EUR 1.5 million and EBITDA (before share-based payment expenses) of EUR -11.4 million (compared to 2017: EUR 1.9 million and EUR -9.4 million, respectively).
- Liquidity of EUR 17.1 million (incl. marketable securities) at year-end following a successful capital raise in October 2018 (December 31, 2017: EUR 13.7 million)

Corporate

- In December 2018, Centers for Medicare & Medicaid (CMS), the U.S. National Health Insurance, published its official Clinical Lab Fee Schedule (CLFS) 2019, which includes the final reimbursement rate of USD 192.00 for the Epi proColon blood test.
- Epigenomics AG obtains CE Mark for blood test to aid in detecting liver cancer among patients with cirrhosis, which will be commercialized under the brand name HCCBloodTest.

First quarter 2019

- On January 7, 2019, the Company announced positive results from a microsimulation model for the Epi proColon blood test. Microsimulation models are utilized by various screening guideline groups in the U.S. to aid in the development of screening recommendations.
- Reintroduction of the bi-partisan "Donald Payne Sr. Colorectal Cancer Detection Act" (HR 1765) to the U.S. House of Representatives at the end of March 2019 as a necessary step on the legislative path to reimbursement.

Greg Hamilton, Chief Executive Officer of Epigenomics AG: "In the past fiscal year, we achieved some critical milestones including the reimbursement rate for Epi proColon of USD 192.00 per test, completion of the microsimulation model, CE marking of our HCCBloodTest for liver cancer and a successful capital raise. While we did not receive Medicare coverage in 2018, we made progress on both the legislative and NCD paths. We believe we are positioned to receive a positive coverage decision in 2019, which will be a turning point for Epigenomics".

Financial results 2018

- **Total revenue** was EUR 1.5 million in fiscal year 2018 (2017: EUR 1.9 million). The decrease is due to a reduction of EUR 0.6 million in licensing revenue attributed to the one-time patent sale in Q4 of 2017. This decline in licensing revenue was partly offset by an increase of 47% in product revenue.
- **Operating loss (EBIT)** amounted to EUR -12.9 million in 2018 (2017: EUR -10.3 million), the **net loss for the year** to EUR -12.7 million (2017: EUR -10.2 million). The change from 2017 was driven primarily through an increase in R&D of EUR 2.1 million attributed mainly to the post approval study. The **loss per share** rose to EUR -0.47 (2017: EUR -0.44).
- **Cash consumption** decreased to EUR 9.6 million (2017: EUR 10.1 million). With a cash inflow from financing activities of EUR 13.3 million (2017: EUR 11.5 million), **net cash flow** was EUR 3.6 million (2017: EUR 1.4 million).
- The Company's **liquidity** (including marketable securities) increased to EUR 17.1 million at year-end 2018 (Dec. 31, 2017: EUR 13.7 million).

Outlook 2019

Revenue

- We estimate increased U.S. test volume demand based upon the new reimbursement rate of USD 192.00. As a result, the Company expects revenue in 2019 within the range of EUR 3.0 million to EUR 6.0 million even without Medicare coverage.

EBITDA

- For 2019, we expect EBITDA before share-based payment expenses to remain unchanged from the previous year's guidance in a range of EUR -11.5 million to EUR -14.0 million.

Cash consumption

- Based on the Company's 2019 business plan, we expect cash consumption to be in line with our EBITDA guidance (before share-based payment expenses).
- The Company's financial position was significantly strengthened by the successful capital increase in October 2018. The 2018 financial year was concluded with cash and cash equivalents and marketable securities in the amount of EUR 17.1 million, which means that our financial resources are sufficient at our projected cash consumption rate to support the Company's operations well into 2020.

Further information

The annual report 2018 can be downloaded from the Epigenomics Website at: <https://www.epigenomics.com/news-investors/financial-reports/>

Conference call for analysts and investors

Epigenomics AG will host a conference call for analysts and investors today at 2.30 pm (CET) / 9:30 am (EDT). The webcast can be accessed on the company's website: <https://www.epigenomics.com/news-investors/financial-reports/>

The dial-in numbers for the conference call are:

Dial-in number within Germany: +49 30 8687 1728

Dial-in number within the UK: +44 1635 598 062

Dial-in number within the U.S.A.: +1 516 269 8983

Participants are kindly requested to dial in 10 minutes prior to the start of the call.

An audio replay of the conference call will be provided on Epigenomics' website subsequently.

About Epigenomics

Epigenomics is a molecular diagnostics company focused on blood-based detection of cancers using its proprietary DNA methylation biomarker technology. The company develops and commercializes diagnostic products across multiple cancer indications with high medical need. Epigenomics' lead product, Epi proColon, is a blood-based screening test for the detection of colorectal cancer. Epi proColon has received approval from the U.S. Food and Drug Administration (FDA) and is currently marketed in the United States, Europe, and China and selected other countries. Epi proLung® and HCCBloodTest, blood-based tests for lung and liver cancer detection, has received CE mark in Europe.

For more information, visit www.epigenomics.com.

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Epigenomics AG is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.