6-MONTH REPORT

JANUARY 1 – JUNE 30

6M 2019

QUARTERLY DEVELOPMENT OF KEY FIGURES (UNAUDITED)

in EUR thousand except where indicated	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Statement of Profit or Loss					
Revenue	462	544	218	331	348
Gross profit	337	416	66	238	276
EBIT	-2,578	-3,038	-4,029	-3,313	-4,666
EBITDA	-2,502	-2,961	-3,949	-3,210	-4,528
EBITDA before share-based payment costs	-2,200	-2,618	-3,433	-2,958	-4,287
Net loss for the period	-2,554	-2,974	-3,944	-3,018	-4,398
Balance Sheet (at the respective reporting dates)					
Non-current assets	3,189	3,372	3,553	4,472	4,985
Current assets	10,977	9,116	18,274	14,185	10,562
Non-current liabilities	43	44	47	646	851
Current liabilities	9,083	10,067	3,167	2,226	2,993
Equity	5,040	2,377	18,613	15,785	11,703
Equity ratio (in %)	35.6	19.0	85.3	84.6	75.3
Total assets	14,166	12,488	21,827	18,657	15,547
Statement of Cash Flows					
Cash flow from operating activities	-1,763	-2,674	-3,531	-4,305	-3,468
Cash flow from investing activities	7	-17	775	-27	-17
Cash flow from financing activities	-2	-65	13,413	-190	-77
Net cash flow	-1,758	-2,755	10,656	-4,522	-3,563
Cash consumption	-1,756	-2,691	-2,756	-4,332	-3,485
Cash and cash equivalents at the end of the period	8,579	5,829	16,487	12,126	8,437
Stock					
Weighted-average number of shares issued	24,014,360	24,014,360	36,021,540	36,021,540	36,021,540
Earnings per share (basic and diluted, in EUR)	-0.11	-0.12	-0.11	-0.08	-0.12
Share price at the end of the period (in EUR)	2.21	2.19	1.77	1.80	1.79
Number of employees at the end of the period	42	43	44	43	44

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INTERIM GROUP MANAGEMENT REPORT

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

EPIGENOMICS AG – REPORT ON THE FIRST SIX MONTHS OF 2019

DEAR SHAREHOLDERS,

➛ **REIMBURSEMENT FOR EPI PROCOLON** The first major progress in the first half of 2019 was the announcement of positive results from a microsimulation model at the beginning of January. Microsimulation models are important because many of the key guideline groups, whose opinions are highly valued by CMS, utilize these models to evaluate the effectiveness of a cancer screening test. We then submitted the results to a scientific journal for publication. Although, contrary to our expectations, the publication has taken longer than expected, we are very optimistic that the results will convince CMS and relevant clinical groups of the benefits of Epi proColon in terms of performance and increased screening rates in the U.S..

In March, U.S. Congressmen Donald Payne Jr. and Kenny Marchant introduced the "Donald Payne Sr. Colorectal Cancer Detection Act" (HR 1765) into the House of Representatives. The reintroduction of the bipartisan draft bill is a necessary step towards the reimbursement of our test via the legislative route. Meanwhile, the law has won numerous supporters on both sides of the aisle and especially in the key committees of Congress, which is why we are optimistic that the law will be voted on – if not individually, then as part of a larger legislative package.

On May 3, we achieved an important milestone. CMS accepted our application to review Epi proColon as part of a National Coverage Determination (NCD). With this step, no decision has yet been made on coverage. However, CMS are required to reach a final reimbursement decision within a maximum of nine months once they open the review process. Due to limited resources, CMS has not yet started the review process. We hope, however, that it will start soon so that we have a fixed timeframe, at the end of which there will be clarity about the reimbursement of Epi proColon.

Medicare reimbursement remains our key focus. Regretfully, the process is taking longer than we would like but we still remain optimistic and will continue to pursue all available paths to achieve coverage for Epi proColon.

➛ **RESEARCH AND DEVELOPMENT** We continue to progress the development of our hepatocellular carcinoma (HCC – the most common type of liver cancer) test. The cross-sectional study in the United States is on track to be completed this year as well as the initiation of the FDA prospective study by year-end. Additionally, our automation project has been successfully completed with publication of the methods in the journal of a leading instrument manufacturer (Tecan). We are also tracking well with our FDA post-approval study. These R&D efforts will broaden the application of our core DNA methylation technologies for liquid biopsy solutions.

➛ **FINANCIAL SITUATION** After a reported loss of EUR 7.4 million at the end of the first half of the year, our liquidity fell to EUR 9.1 million compared with December 31, 2018. We still have adequate cash for the remainder of 2019 but as we have disclosed numerous times, we will need to raise funds in the second half of 2019 for 2020.

➛ **LOOKING AHEAD** Due to the above-mentioned delays in the reimbursement decision in the U.S., we are adjusting our sales target of EUR 3 million to EUR 6 million for 2019, to EUR 2 million to EUR 4 million. We still expect to be within our estimated adjusted EBITDA range. We have important 2019 milestones to be achieved in the second half of 2019, specifically the publication of the microsimulation model and the opening of the NCD review process. We remain confident that we will achieve these goals.

Yours sincerely,

Greg Hamilton	**Jorge Garces**	**Albert Weber**
(CEO)	(CSO)	(EVP Finance)

OUR STOCK

Epigenomics AG – Common Shares	Frankfurt Stock Exchange, Regulated Market (Prime Standard)
ISIN	DE000A11QW50
Security code number	A11QW5
Ticker symbol	ECX
Reuters	ECXG.DE
Bloomberg	ECX:GR
Designated sponsor	Pareto Securities AS
Analysts	Pareto Securities AS (Dennis Berzhanin) First Berlin Equity Research GmbH (Simon Scholes) goetzpartners (Martin Brunninger)

Market data (Xetra/Frankfurt)	June 30, 2018	Sept 30, 2018	Dec 31 2018	Mar 31, 2019	June 30, 2019
Numbers of shares outstanding	24,014,360	24,014,360	36,021,540	36,021,540	36,021,540
Closing price (in EUR)	2.21	2.19	1.77	1.80	1.79
Market capitalization (in EUR)	53,071,736	52,591,448	63,758,126	64,838,772	64,478,557

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Average daily trading volume (units)	57,687	17,722	86,486	52,498	49,648
Highest closing price (in EUR)	4.02	2.49	2.70	2.00	2.08
Lowest closing price (in EUR)	1.89	2.11	1.70	1.57	1.77

Epigenomics AG – American Depositary Receipts (ADRs)	OTCQX Trading
Structure	Sponsored Level 1 ADR
Ratio	1 ADR = 5 shares
Ticker symbol	EPGNY
CUSIP	29428N102
ISIN	US29428N1028
Depository bank/PAL	BNY Mellon

FINANCIALS

FINANCIAL POSITION AND CASH FLOW

In the first half of 2019, cash outflow from operating activities increased by EUR 3,626 thousand from EUR 4,147 thousand in the first half of 2018 to EUR 7,773 thousand due to higher operating costs in the first six months of 2019. In addition, the receipt of payments for third-party projects in the previous year led to a lower cash outflow in 6M 2018.

Cash outflow from investing activities increased insignificantly in the first half of 2019 by EUR 11 thousand to EUR 44 thousand (6M 2018: EUR 33 thousand).

Cash outflow from financing activities amounted to EUR 268 thousand in the first half of 2019 (6M 2018: EUR 73 thousand). Included are payments for leasing contracts in the amount of EUR 94 thousand in accordance with the application of IFRS 16.

Our net cash outflow for the first six months of 2019 was EUR 8,085 thousand (6M 2018: EUR 4,253 thousand). Cash consumption increased to EUR 7,817 thousand in the first half of 2019, compared to EUR 4,180 thousand in the same period of the previous year.

Cash and cash equivalents amounted to EUR 8,437 thousand at the reporting date (December 31, 2018: EUR 16,487 thousand).

RESULTS OF OPERATIONS

In the second quarter of 2019, we recorded revenue of EUR 348 thousand, a decrease compared to the second quarter of 2018 (EUR 462 thousand). In the first six months of 2019, total revenue decreased by 12% from EUR 771 thousand in the first half of 2018 to EUR 679 thousand. This was due to lower licensing revenue, which could not be fully offset by higher product revenue.

Product revenue increased by 36% – from EUR 250 thousand in the second quarter of 2018 to EUR 339 thousand in the second quarter of 2019 – and by 84% – from EUR 358 thousand in the first six months of 2018 to EUR 660 thousand in the first six months of 2019 – respectively. Licensing revenue decreased from EUR 212 thousand in the second quarter of 2018 to EUR 9 thousand in the second quarter of 2019, and from EUR 413 thousand in the first six months of 2019 to EUR 19 thousand in the first six months of 2019. The main reason for the decrease was the termination of the contract with our Chinese licensing partner.

Cost of sales amounted to EUR 72 thousand in the second quarter of 2019 (Q2 2018: EUR 125 thousand) and to EUR 165 thousand in the first half of 2019 (6M 2018: EUR 160 thousand). Our gross margin increased from 73% in the second quarter of 2018 to 79% in the same period of 2019 and decreased slightly from 79% in the first half of 2018 to 76% in the first half of 2019.

Other income of EUR 269 thousand in the second quarter of 2019 (Q2 2018: EUR 482 thousand) was mainly due to exchange rate gains from currency translation.

R&D costs increased from EUR 1,497 thousand in the second quarter of 2018 to EUR 2,284 thousand in the second quarter of 2019. In the six-month period, R&D costs increased by EUR 824 thousand from EUR 3,043 thousand in the previous year to EUR 3,867 thousand in the reporting period, which resulted from expenses in connection with the post-approval study for Epi proColon and the HCC study in the U.S.A..

Our selling and administrative expenses increased to EUR 2,465 thousand in the second quarter of 2019 from EUR 2,069 thousand in the comparable period of 2018. In the six-month period, selling and administrative expenses rose by EUR 976 thousand from EUR 3,883 thousand in the previous year to EUR 4,859 thousand in the reporting period, resulting from increased costs for legal advice and an increase in sales and marketing activities. In addition, the valuation of phantom stock rights in 2018 led to a reduction in costs.

Other expenses of EUR 462 thousand in the second quarter of 2019 (Q2 2018: EUR -169 thousand) were mainly due to exchange rate losses from currency translation.

In total, our operating costs increased to EUR 5.3 million in the second quarter of 2019 for the reasons mentioned above, compared to EUR 3.5 million in the same period of the prior year. Total operating costs rose from EUR 7.1 million to EUR 9.4 million in the first half of the year, which was less than planned.

The reported tax income of EUR 232 thousand in the second quarter of 2019 (Q2 2018: EUR 161 thousand) and of EUR 482 thousand in the first half of the year (6M 2018: EUR 328 thousand) relates exclusively to deferred taxes on the loss carryforwards of our U.S. subsidiary.

In the second quarter of 2019, a net loss of EUR 4.4 million (Q2 2018: EUR 2.6 million) was recognized. This resulted in a net loss of EUR 7.4 million for the first half of 2019 (6M 2018: EUR 5.8 million). The net loss per share for the quarter increased slightly from EUR 0.11 to EUR 0.12 and fell to EUR 0.21 (6M 2018: EUR 0.24) for the first half of 2019 due to the increase in the number of shares (as a result of the capital increase in the second half of 2018).

NET ASSET POSITION

As of the reporting date, non-current assets rose from EUR 3.6 million as of December 31, 2018 to EUR 5.0 million; this was due to the increase in deferred tax assets and the first-time application of the new accounting standard IFRS 16, under which rights of use from rental agreements were capitalized. Current assets decreased from EUR 18.3 million at the beginning of the reporting period to EUR 10.6 million as of June 30, 2019 – largely due to the use of cash and cash equivalents during this period.

Due to the net loss for the period, total equity decreased by EUR 6.9 million to EUR 11.7 million as of the reporting date (December 31, 2018: EUR 18.6 million). The equity ratio decreased to 75.3% as of the reporting date (December 31, 2018: 85.3%).

Compared to the closing balance sheet of 2018, non-current liabilities increased to EUR 851 thousand as of June 30, 2019 (December 31, 2018: EUR 47 thousand). Due to the first-time application of IFRS 16, this includes liabilities from rental and leasing agreements in the amount of EUR 804 thousand.

Current liabilities fell slightly from EUR 3.2 million as of December 31, 2018 to EUR 3.0 million as of June 30, 2019.

EMPLOYEES

The total headcount of the Company as of June 30, 2019, was 44 (December 31, 2018: 44) and comprised 22 employees in R&D and 22 employees in SG&A functions.

OPPORTUNITIES AND RISKS

Opportunities and risks in relation to the Company's business operations are described in detail in the management report published with our 2018 consolidated financial statements, which are available on the Company's website (*www.epigenomics.com*). There were no significant changes to the opportunities and risks during the reporting period.

OUTLOOK

After estimating at the beginning of the year sales in the 2019 financial year in a range of EUR 3.0 million to EUR 6.0 million, we have to reduce our expectations due to the delays in the reimbursement decision in the U.S.A. and now regard a range of EUR 2.0 million to EUR 4.0 million as achievable. On the other hand, the aforementioned delays also lead to lower costs on the marketing and sales side, e.g. as a result of postponed marketing measures or positions to be filled later in the sales area. This will enable us to continue to meet our initial forecast for EBITDA before share-based payments while at the same time narrowing our bandwidth. We now expect EBITDA before share-based payments for 2019 to range from EUR -12.5 million to EUR -14.0 million. In the first quarter of 2019, adjusted EBITDA of EUR -3.0 million was offset by cash consumption of EUR 4.3 million. This was mainly due to payments for which the corresponding expenses had already been incurred in 2018. This period effect led to the unusually large gap between adjusted EBITDA and cash consumption. We currently assume that this effect will not be compensated in the second half of the year, so that our cash compensation will be correspondingly higher in 2019, which means a range of EUR -13.5 million to EUR -15.0 million.

CORPORATE GOVERNANCE

ANNUAL GENERAL SHAREHOLDERS' MEETING 2019

Epigenomics AG held this year's Annual General Shareholders' Meeting (AGM) in Berlin on May 15, 2019. Of the share capital, 25% was represented. The shareholders approved the management's amended proposals on all items of the agenda. The actions of the members of the Company's Executive Board and the Supervisory Board in the 2018 fiscal year were ratified.

SUPERVISORY BOARD

In addition, the number of Supervisory Board seats was increased to five. The expansion is intended to gain additional expertise for the Company – also taking into account the constantly increasing demands on the Supervisory Board's activities and with a view to the operational and financial challenges facing the Company and the goals the Company is pursuing with regard to the reimbursement and marketing of Epi proColon in the U.S. as well as the development and marketing of additional products.

Mr. Franz Thomas Walt was elected by the shareholders as a new member of the Company's Supervisory Board. Mr. Walt has been Chief Executive Officer since 2018 of NASDAQ-listed Quotient Ltd., a diagnostics company headquartered in Newtown, PA, U.S.A.. He is also the owner of Walt Consulting, a consulting firm. He is not a member of any other statutory Supervisory Boards or comparable domestic or foreign supervisory bodies of commercial enterprises. Mr. Walt has over 30 years of experience in executive positions with two of the world's largest healthcare companies, Siemens Healthineers and Roche, and as an expert in the in vitro diagnostics industry. Mr. Walt has particular expertise in the areas of innovation, launch and commercialization of new products, quality management and restructuring.

AUTHORIZED AND CONDITIONAL CAPITAL

The new Authorized Capitals 2019/I and 2019/II were created as part of the resolutions passed at the Annual General Meeting. Conditional Capitals IX and X were amended. Conditional Capital VII was cancelled and Conditional Capital XIII was created. Further information on these resolutions can be found in the invitation to the 2019 Annual General Meeting and in the documentation of the amended resolution proposals of the Management Board and Supervisory Board on items 7, 9 and 10 of the agenda, which are published on the Company's website (*www.epigenomics.com/news-investors/general-shareholder-meeting/*).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1 TO JUNE 30 (UNAUDITED)

EUR thousand	Q2 2018	Q2 2019	6M 2018	6M 2019
Revenue	**462**	**348**	**771**	**679**
Cost of sales	-125	-72	-160	-165
Gross profit	**337**	**276**	**611**	**514**
Gross margin (in %)	*72.9*	*79.3*	*79.2*	*75.7*
Other income	482	269	492	768
Research and development costs	-1,497	-2,284	-3,043	-3,867
Selling, general and administrative costs	-2,069	-2,465	-3,883	-4,859
Other expenses	169	-462	-6	-536
Operating result/Earnings before interest and taxes (EBIT)	**-2,578**	**-4,666**	**-5,829**	**-7,980**
Interest income	4	55	9	112
Interest expenses	-141	-18	-281	-29
Other financial result	0	-1	-1	-1
Net loss for the period before taxes on income	**-2,715**	**-4,630**	**-6,102**	**-7,898**
Taxes on income	161	232	328	482
Net loss for the period	**-2,554**	**-4,398**	**-5,774**	**-7,416**
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences from the conversion of foreign entities	-317	132	-198	-37
Fair value adjustment of financial instruments measured at fair value through other comprehensive income	-116	-47	-124	47
Other comprehensive income for the period	**-433**	**85**	**-322**	**10**
Total comprehensive income for the period	**-2,987**	**-4,313**	**-6,096**	**-7,406**
Earnings per share (basic and diluted, in EUR)	**-0.11**	**-0.12**	**-0.24**	**-0.21**

CONSOLIDATED BALANCE SHEET
AS OF JUNE 30 (UNAUDITED)

ASSETS EUR thousand	**Dec 31, 2018**	**June 30, 2019**
Non-current assets		
Intangible assets	474	412
Property, plant and equipment	701	1,686
Deferred taxes	2,378	2,887
Total non-current assets	**3,553**	**4,985**
Current assets		
Inventories	364	422
Trade receivables	164	326
Marketable securities	653	700
Cash and cash equivalents	16,487	8,437
Other current assets	606	677
Total current assets	**18,274**	**10,562**
Total assets	**21,827**	**15,547**

EQUITY AND LIABILITIES EUR thousand	**Dec 31, 2018**	**June 30, 2019**
Equity		
Subscribed capital	36,022	36,022
Capital reserve	68,802	69,299
Retained earnings	-73,115	-85,807
Net loss for the period	-12,692	-7,416
Other comprehensive income	-404	-395
Total equity	**18,613**	**11,703**
Non-current liabilities		
Liabilities from leasing contracts	0	804
Provisions	47	47
Total non-current liabilities	**47**	**851**
Current liabilities		
Trade payables	1,411	1,503
Liabilities from leasing contracts	0	205
Deferred income	23	23
Other liabilities	771	762
Provisions	962	500
Total current liabilities	**3,167**	**2,993**
Total equity and liabilies	**21,827**	**15,547**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD FROM JANUARY 1 TO JUNE 30 (UNAUDITED)

EUR thousand	**6M 2018**	**6M 2019**
Cash and cash equivalents at the beginning of the period	**12,826**	**16,487**
Operating activities		
Net loss for the period	**-5,774**	**-7,416**
Adjustments for:		
Share-based payment expenses	558	507
Amortization of intangible assets	96	99
Depreciation of property, plant and equipment	55	141
Foreign currency exchange results	0	-30
Financial income	-9	-112
Financial expenses	282	30
Taxes	-328	-481
Operating result before changes in operating assets and liabilities	**-5,120**	**-7,262**
Changes in operating assets and liabilities:		
Inventories	-65	-66
Trade receivables	413	-162
Other assets	1,171	-71
Non-current and current provisions	-541	-460
Trade payables and other liabilities	-62	263
Deferred income	65	1
Tax paid	-8	-16
Cash flow from operating activities	**-4,147**	**-7,773**
Investing activities		
Payments to acquire intangible assets	-3	-32
Payments to acquire property, plant and equipment	-48	-56
Interest received	18	44
Cash flow from investing activities	**-33**	**-44**

EUR thousand	6M 2018	6M 2019
Financing activities		
Payments from the issue of new shares	-71	-174
Payments from conversion of convertible notes	-2	0
Payments from leasing contracts	0	-94
Cash flow from financing activities	**-73**	**-268**
Net cash flow	**-4,253**	**-8,085**
Currency translation effects	6	35
Cash and cash equivalents at the end of the period	**8,579**	**8,437**

At the reporting date, EUR 24 thousand of cash and cash equivalents included restricted cash.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF JUNE 30 (UNAUDITED)

EUR thousand	Subscribed capital	Capital reserve	Retained earnings	Net loss for the period	Other comprehensive income	**Group equity**
Dec 31, 2017	**24,014**	**59,509**	**-62,880**	**-10,235**	**169**	**10,577**
Total comprehensive income	**0**	**0**	**0**	**-5,774**	**-322**	**-6,096**
Transfer of net loss for the year 2017 to retained earnings	0	0	-10,235	10,235	0	0
Share-based payment expenses	0	558	0	0	0	558
June 30, 2018	**24,014**	**60,067**	**-73,115**	**-5,774**	**-153**	**5,040**
Dec 31, 2018	**36,022**	**68,802**	**-73,115**	**-12,692**	**-404**	**18,613**
Total comprehensive income	**0**	**0**	**0**	**-7,416**	**10**	**-7,406**
Transfer of net loss for the year 2018 to retained earnings	0	0	-12,692	12,692	0	0
Costs for the creation of new shares	0	-10	0	0	0	-10
Share-based payment expenses	0	507	0	0	0	507
June 30, 2019	**36,022**	**69,299**	**-85,807**	**-7,416**	**-395**	**11,703**

NOTES

TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

BASIC INFORMATION, PRINCIPLES AND METHODS

CORPORATE INFORMATION AND DESCRIPTION OF BUSINESS ACTIVITY

Epigenomics AG („Epigenomics", the „Group", or the „Company") was founded in 1998 as a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) under German law with its registered office in Berlin, Germany. It was converted into a stock corporation (Aktiengesellschaft – AG) under German law in 2000 and has been listed in the Prime Standard segment of the Frankfurt Stock Exchange since July 19, 2004 (stock exchange symbol: ECX). The Company is entered in the commercial register (Handelsregister) of Charlottenburg under HRB 75861. Its registered business address is Geneststrasse 5, 10829 Berlin, Germany.

Epigenomics is a molecular diagnostics company focused on blood-based cancer detection. Detection is performed by proprietary biomarkers identified by Epigenomics' proprietary DNA methylation technology. The Company develops and markets diagnostics for oncological indications in which there is a high unmet medical need.

GENERAL PRINCIPLES

This unaudited interim report of the Epigenomics Group comprises the condensed interim consolidated financial statements and the interim Group management report in accordance with Section 115 of the German Securities Trading Act (WpHG). The condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), taking into account IAS 34 Interim Financial Reporting, which were effective as of the reporting date June 30, 2019 and which are mandatory in the European Union. The interim financial statements also comply with the German Accounting Standards (DRS) and DRS 16 Interim Financial Reporting, which were in force and applicable as of the reporting date June 30, 2019.

These condensed consolidated interim financial statements are based on the reporting period from January 1 to June 30, 2019. The Group currency is the euro (EUR).

This interim report should be read in conjunction with the annual report for the 2018 financial year, which contains a more detailed description of the Group's business activities and explanatory notes on the Group's accounting policies for the reporting period.

The Consolidated Statement of Comprehensive Income (Consolidated Statement of Profit or Loss and Other Comprehensive Income) has been prepared using the cost of sales method.

This interim report of the Company has been reviewed by the Company's auditors.

APPLICATION OF NEW AND REVISED IFRSs AND INTERPRETATIONS IN THE REPORTING PERIOD AND EFFECTS ON THE COMPANY'S INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2019

In the reporting period, the Group made use of the following new and revised IFRS and interpretations issued by the IASB, adopted by the European Union and mandatory for the accounting period from 1 January 2019. In general, the amendments listed below require prospective application.

- IFRS 16 Leases (endorsed by the EU on October 31, 2017)
- IFRIC 23 Income Tax Liabilities (endorsed by the EU on October 23, 2018)
- Amendments to IFRS 9 Early repayment options with negative early repayment penalty (endorsed by the EU on March 22, 2018)
- Amendments to IAS 19 Plan amendments, curtailments or settlements (endorsed by the EU on March 13, 2019)
- Amendments to IAS 28 Non-current Investments in Associates and Joint Ventures (endorsed by the EU on February 8, 2019)
- Annual improvements to IFRS (2015–2017 cycle) (endorsed by the EU on March 14, 2019)

The application of IFRS 16 has had the expected effect on the Company's financial statements since the beginning of the 2019 financial year. The Company opted for the modified retrospective model when applying it for the first time and is making use of the transitional relief for short-term leases and low-value assets. As a result of this new standard for leases, the rental agreements of the Company for office and laboratory premises at its headquarters in Berlin and at its subsidiary in the U.S.A. are no longer treated as off-balance-sheet obligations, but were recognized as liabilities as of January 1, 2019 (Berlin) and April 2019 (San Diego), respectively. Correspondingly, based on the current contractual situation and parameters, the rental agreement of the parent company was capitalized as a non-current asset in the amount of EUR 685 thousand as of January 1, 2019. This value takes into account the contractually agreed extension option for the Company during the term of the contract. The rental agreement of the subsidiary was capitalized as a non-current asset in the amount of EUR 393 thousand in April 2019. Earlier capitalization was omitted as the contract had a term of only a few months and was not expected to be extended by the landlord until April 2019. These reclassifications led to an extension of the balance sheet and a reduction in the equity ratio compared with the closing balance sheet for the 2018 financial year. The statement of comprehensive income now shows amortization and interest expense from the leases in question instead of the rental expense previously recognized, which led to a slight improvement in EBIT, EBITDA and EBITDA before share-based payment expenses. The discount rates applied were 6.25% (Berlin) and 8.75% (San Diego).

As expected, the adoption of all other new or amended standards has not had a material impact on the Company's financial statements. The application of all new or amended standards is not expected to have a material impact on the Company's accounting in the future.

SCOPE OF CONSOLIDATION

The scope of consolidation remained unchanged compared to December 31, 2018, and comprises the two companies Epigenomics AG, Berlin, Germany, and Epigenomics, Inc., Seattle, WA, U.S.A. (business address: San Diego, CA, U.S.A.).

FAIR VALUE MEASUREMENT

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or their fair values at the end of each reporting period.

For determining and disclosing the fair value of financial instruments, the Company uses the following hierarchy in accordance with IFRS 13 *Fair Value Measurement:*

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying amounts of financial assets and liabilities such as cash and cash equivalents, marketable securities, trade receivables, trade payables, convertible notes and other current liabilities approximate their fair values due to their short-term maturities. The fair value of marketable securities is based on quoted market prices (level 1). There were no transfers between level 1 and level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements during the reporting period.

CURRENCY TRANSLATION

Foreign currency exchange rates applied in the reporting period are as follows:

Closing rates	Dec 31, 2018	June 30, 2019
EUR/USD	1.1450	1.1380

Average rates	6M 2018	6M 2019
EUR/USD	1.2071	1.1315

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVENUE

Revenue by type:

	Q2 2018		Q2 2019	
	EUR thousand	in %	EUR thousand	in %
Product sales (own and third party)	250	54.1	339	97.3
Licensing income	212	45.9	9	2.7
Total revenue	**462**	**100.0**	**348**	**100.0**

	6M 2018		6M 2019	
	EUR thousand	in %	EUR thousand	in %
Product sales (own and third party)	358	46.5	660	97.2
Licensing income	413	53.5	19	2.8
Total revenue	**771**	**100.0**	**679**	**100.0**

Revenue by geographical market

	Q2 2018		Q2 2019	
	EUR thousand	in %	EUR thousand	in %
Europe	60	12.9	61	17.6
North Amerika	200	43.2	287	82.4
Rest of the world	202	43.9	0	0.0
Total revenue	**462**	**100.0**	**348**	**100.0**

	6M 2018		6M 2019	
	EUR thousand	in %	EUR thousand	in %
Europe	128	16.6	139	20.4
North Amerika	247	32.0	504	74.3
Rest of the world	396	51.4	36	5.3
Total revenue	**771**	**100.0**	**679**	**100.0**

OTHER INCOME

EUR thousand	Q2 2018	Q2 2019	6M 2018	6M 2019
Foreign exchange rate gains	247	210	247	689
Correction of deferred liabilites	20	25	20	25
Recoveries and refunds	1	25	9	25
Income from the reversal of provisions	183	0	183	20
Third-party research grants	24	9	26	9
Adjustment	3	0	3	0
Other	4	0	4	0
Total other income	**482**	**269**	**492**	**768**

COST ALLOCATION BY FUNCTION

Q2 2018 EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	**Total**
Materials and consumables	121	53	2	0	176
Depreciation and amortization	0	55	21	0	76
Personnel costs	0	708	1,069	0	1,777
Other costs	4	681	977	-169	1,493
Total	**125**	**1,497**	**2,069**	**-169**	**3,522**

Q2 2019 EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	**Total**
Materials and consumables	69	362	7	0	438
Depreciation and amortization	0	67	70	0	137
Personnel costs	0	678	1,154	0	1,832
Other costs	3	1,177	1,234	462	2,876
Total	**72**	**2,284**	**2,465**	**462**	**5,283**

6M 2018 EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	**Total**
Materials and consumables	153	213	3	0	369
Depreciation and amortization	0	110	41	0	151
Personnel costs	0	1,318	1,959	0	3,277
Other costs	7	1,402	1,880	6	3,295
Total	**160**	**3,043**	**3,883**	**6**	**7,092**

6M 2019 EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	**Total**
Materials and consumables	158	463	9	0	630
Depreciation and amortization	0	138	103	0	241
Personnel costs	0	1,357	2,365	0	3,722
Other costs	7	1,909	2,382	536	4,834
Total	**165**	**3,867**	**4,859**	**536**	**9,427**

Personnel costs in Q2 2019 included share-based payment expenses of EUR 241 thousand (Q2 2018: EUR 302 thousand) and in 6M 2019 of EUR 494 thousand (6M 2018: EUR 293 thousand).

OPERATING RESULT (EBIT) AND EBITDA

EUR thousand	Q2 2018	Q2 2019	6M 2018	6M 2019
Operating result/earnings before interest and taxes (EBIT)	**-2,578**	**-4,666**	**-5,829**	**-7,980**
Depreciation of property, plant and equipment	28	89	55	141
Amortization of intangible assets	48	49	96	99
EBIT before depreciation and amortization (EBITDA)	**-2,502**	**-4,528**	**-5,678**	**-7,740**
Share-based payment expenses	302	241	293	494
EBITDA before share-based payment expenses	**-2,200**	**-4,287**	**-5,385**	**-7,246**

EARNINGS PER SHARE

The earnings per share (basic and diluted) are calculated by dividing the Group's net loss for the period by the weighted-average number of shares issued and admitted to trading in the respective period. The outstanding stock options and convertible notes issued by the Company are anti-dilutive according to IAS 33.41 and 33.43. Therefore, the earnings per share (diluted) equal the earnings per share (basic).

	Q2 2018	Q2 2019	6M 2018	6M 2019
Net loss for the period (in EUR thousand)	-2,554	-4,398	-5,774	-7,416
Weighted average number of shares issued	24,014,360	36,021,540	24,014,360	36,021,540
Earnings per share (basic and diluted, in EUR)	-0.11	-0.12	-0.24	-0.21

NOTES TO THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

EUR thousand	Dec 31, 2018	June 30, 2019
Software	132	141
Licenses, patents	12	0
Development costs	331	271
Total intangible assets	**475**	**412**
Fixtures/leasehold improvements	342	1,311
Technical equipment	319	338
Other fixed assets	39	37
Total property, plant and equipment	**700**	**1,686**
Deferred tax assets	**2,378**	**2,887**
Total non-current assets	**3,553**	**4,985**

CURRENT ASSETS

EUR thousand	Dec 31, 2018	June 30, 2019
Inventories	**364**	**422**
Trade receivables	**164**	**326**
Marketable securities	**653**	**700**
Cash and cash equivalents	**16,487**	**8,437**
Prepaid expenses	338	391
Receivables from tax authorities	197	165
Interest receivables	9	76
Claims from granted projects	1	5
Other	61	40
Total other current assets	**606**	**677**
Total current assets	**18,274**	**10,562**

EQUITY

As of June 30, 2019, the share capital of Epigenomics AG exclusively comprised 36,021,540 no-par value ordinary registered shares. In 6M 2019, total equity decreased by EUR 6.9 million to EUR 11.7 million at the reporting date (December 31, 2018: EUR 18.6 million).

CURRENT LIABILITIES

Other liabilities

EUR thousand	Dec 31, 2018	June 30, 2019
Payables due to staff	512	640
Accrued audit fees	127	73
Payables due to tax authorities	100	37
Advance payments received from customers	27	0
Payables to social security institutions	0	7
Other	5	5
Total other liabilities	**771**	**762**

Provisions

EUR thousand	Dec 31, 2018	June 30, 2019
Payroll provisions	879	443
Contract-related provisions	50	50
Provisions for claims from phantom stock rights	20	1
Other provisions	13	6
Total provisions	**962**	**500**

FINANCIAL INSTRUMENTS

			as of Dec 31, 2018		as of June 30, 2019	
EUR thousand	Measurement principle	Fair value hierarchy level	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Marketable securities	FVOCI	1	653	653	700	700
Cash and cash equivalents	n/a		16,487	16,487	8,437	8,437

FVOCI = measured at fair value through other comprehensive income
n/a = not applicable

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash consists of bank deposits and cash in hand. Cash equivalents are defined as instruments convertible to a known amount of cash on a short-term basis and carrying a very low risk of changes in value.

Cash flow from operating activities is derived indirectly from the net result for the period.

Cash flow from investing activities is calculated based on actual payments.

Cash flow from financing activities is calculated based on actual payments.

CASH CONSUMPTION

Cash flow from operating activities and cash flow from investing activities less transactions in securities is monitored by the Company as "cash consumption". Until December 31, 2018, this key figure comprised also payments from operating leasing contracts, which are now included in cash flow from financing activities in accordance with IFRS 16.

Cash consumption amounted to EUR 7.8 million in the first six months of 2019 (6M 2018: EUR 4.2 million). In the first six months of 2019, cash outflow from leasing contracts amounted to EUR 0.1 million.

OTHER INFORMATION

INFORMATION ON STOCK OPTIONS

611,170 new stock options were granted in the reporting period. No options were exercised in the reporting period. 8,750 options expired during the period under review. The total number of stock options still outstanding as of June 30, 2019, amounted to 1,944,000 with an average strike price of EUR 3.81.

INFORMATION ON PHANTOM STOCK PROGRAMS

No further phantom stock rights were issued in the reporting period.

The number of outstanding phantom stock rights from the Company's phantom stock programs amounted to 98,400 from PSP 2015, 254,833 from PSP 2014. The phantom stock programs PSP 2013 and PSP 03–15 have expired.

DIRECTORS' DEALINGS

In the first half of 2019, the following reportable securities transactions were published by executives of the Company:

- March 29, 2019: Purchase of 24,852 shares for USD 49,986.78 by Dr. Ann Clare Kessler (member of the Supervisory Board)
- May 9, 2019: Purchase of 30,000 shares for EUR 56,900.85 by Mr. Heino von Prondzynski (chairman of the Supervisory Board)
- May 20, 2019: Purchase of 15,000 shares for EUR 29,968.43 by Mr. Franz Walt (member of the Supervisory Board)
- May 30, 2019: Purchase of 18,000 shares for USD 39,898.35 by Dr. Ann Clare Kessler (member of the Supervisory Board)

HOLDINGS OF EPIGENOMICS AG'S EQUITY INSTRUMENTS AND PHANTOM STOCK RIGHTS BY MEMBERS OF THE COMPANY'S EXECUTIVE BOARD AND SUPERVISORY BOARD AND DISCLOSURES ON DIRECTORS' DEALINGS

(in units as of June 30, 2019)	Shares	Stock options	Phantom Stock Rights
Greg Hamilton (CEO)	2,500	391,580	0
Jorge Garces, Ph.D. (CSO)	1,000	170,000	0
Albert Weber (EVP Finance)	100	170,000	40,000
Total Executive Board	**3,600**	**731,580**	**40,000**
Heino von Prondzynski (Chairman)	275,000	0	0
Dr. Ann Clare Kessler (Vice Chairwoman)	105,852	0	0
Dr. Helge Lubenow	6,000	0	0
Franz Thomas Walt	15,000	0	0
Total Supervisory Board	**401,852**	**0**	**0**

REPORT ON POST-REPORTING DATE EVENTS

On July 15, 2019 – after the end of the reporting period – we announced that the Reexamination and Invalidation Department of the Patent office, China National Intellectual Property Administration (CNIPA) has, today, deemed Epigenomics' Septin9 patent in China only partially valid. It has not been recognized for the detection of hepatocellular cancer. For the detection of colorectal cancer it has been recognized to the extent the detection is based on biological samples consisting of cell lines, histological slides, biopsies, paraffin-embedded tissue, stool, colonic effluent and combinations thereof, but not for detections based on body fluids (urine, blood plasma, blood serum, whole blood, isolated blood cells, cells isolated from the blood and combinations thereof). The decision is not yet legally effective. Epigenomics will appeal.

This decision of the CNIPA has no impact on revenue estimates for 2019 as Epigenomics did not include any Chinese licensing revenue in 2019 guidance. The decision by the CNIPA in China has no impact on Epigenomics' Septin9 patents in other parts of the world.

This interim report was approved and cleared for publication by the Executive Board of the Company on August 7, 2019.

Berlin, August 7, 2019

The Executive Board

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the current fiscal year.

Berlin, August 7, 2019

The Executive Board

DISCLAIMER

This interim report expressly or implicitly contains certain forward-looking statements concerning Epigenomics AG and its business. Such statements are not historical facts and sometimes are expressed by the words “will”, “believe”, “expect”, “predict”, “plan”, “want”, “assume” or similar expressions. Forward-looking statements are based on the current plans, estimates, forecasts and expectations of the Company and on certain assumptions, and they involve certain known and unknown risks, uncertainties and other factors which could cause the actual results, financial position, performance or achievements of Epigenomics AG to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers of this interim report are explicitly warned not to place undue reliance on these forward-looking statements, which are only valid as of the date of this interim report. Epigenomics AG does not intend to and will not undertake to update any forward-looking statements contained in this interim report as a result of new information, future events or otherwise.

Berlin, August 7, 2019

The Executive Board

REVIEW REPORT

To Epigenomics AG, Berlin

We have reviewed the condensed interim consolidated financial statements – comprising the statement of profit or loss and other comprehensive income, balance sheet, the statement of cash flows, statement of changes in equity and selected explanatory notes – together with the interim group management report of Epigenomics AG, Berlin, for the period from January 1, 2019 to June 30, 2019 that are part of the consolidated half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": "German Securities Trading Act"). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS as adopted by the EU and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports is the responsibility of the Company´s legal representatives. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim management report of the Group based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports.

Munich, August 1st, 2019

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

signed Hund	signed Weissinger
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Disclaimer
This Document is a respective non-binding English translation of the official signed leading German version.

CORPORATE CALENDAR 2019

Interim Statement 2019– January 1–September 30, 2019 .... Wednesday, November 6, 2019

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This interim statement is available in both German and English on the Company's website (*www.epigenomics.com*).