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Epigenomics AG issues mandatory convertible bond in the amount of up to EUR 5.5 million

Berlin, Germany, January 7, 2021 – The Executive Board of Epigenomics AG (Frankfurt Prime Standard: ECX, OTCQX: EPGNY; the “Company”) today resolved, with the consent of the Supervisory Board, to issue a subordinated mandatory convertible bond in an aggregate principal amount of up to EUR 5,500,000.00. It may be converted into up to a total of 5,000,000 registered no-par value shares of the Company with a share in the Company’s share capital of up to a total of EUR 5,000,000.00.

The mandatory convertible bond consists of up to 500,000 notes with a nominal amount of EUR 11.00 each, which will be offered for subscription at an issue price of EUR 11.00 each by means of a rights offering initially to the existing shareholders of Epigenomics AG. Shareholders will be given the option of over-subscription. The rights offering is scheduled for publication on the Company’s website (www.epigenomics.com) and in the German Federal Gazette on January 11, 2021. The subscription period for the Company’s shareholders is scheduled to start on January 13, 2021 and to end on January 27, 2021 (including each of these two days). Epigenomics AG has signed a back-stop agreement with its shareholder Deutsche Balaton Aktiengesellschaft, under which Deutsche Balaton Aktiengesellschaft has undertaken to acquire notes in an aggregate principal amount of up to EUR 4,000,000.00 by exercising its subscription rights and by the acquisition of notes not subscribed for via subscription rights and oversubscription rights. An application has been made for the subscription rights to be traded on the open market of the Hamburg Stock Exchange.

The notes are non-interest-bearing (zero coupon) and have a term until February 29, 2024. In addition to the conversion rights of the holders or creditors of the bonds, the terms and conditions of the bonds also include a conversion obligation for all outstanding notes not yet converted on February 29, 2024.

Subject to any anti-dilution adjustments, the conversion price per share is EUR 1.10 and the conversion ratio is 1:10. This means that each note is convertible into ten no-par value shares with a share in the Company’s share capital of EUR 1.00 per share.

Epigenomics AG plans to use the proceeds from the issue of the mandatory convertible bond to finance its business operations. The proceeds primarily serve to mitigate the financial pressure to act following the pending announcement of the final decision by the U.S. Centers for Medicare & Medicaid Services (CMS) in connection with the ongoing reimbursement process for the Epi proColon colorectal cancer screening test in the U.S.A. (National Coverage Determination, NCD) and not to be dependent on the capital market environment in the short term. Furthermore, the funds will help to financially secure any delay in the announcement of the CMS decision.

M.M. Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien is acting as sole underwriter of the transaction.

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This publication expressly or implicitly contains forward-looking statements concerning Epigenomics AG and its business. These statements involve certain known and unknown risks, uncertainties and other factors that may cause Epigenomics AG's actual results, financial condition and performance to be materially different from any future results, performance or achievements expressed or implied by such statements. Epigenomics makes this announcement as of the date of this release and does not intend to update any forward-looking statements contained herein as a result of new information or future events or otherwise.