epigenomics

6-MONTH REPORT
JANUARY 1 – JUNE 30 2021

SAVING LIVES THROUGH BLOOD-BASED CANCER DETECTION

QUARTERLY DEVELOPMENT OF KEY FIGURES (UNAUDITED)

– according to the financial reporting –

in EUR thousand except where indicated	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Statement of Profit or Loss					
Revenue	83	219	301	106	117
Gross profit	68	176	271	83	91
EBIT	-3,356	-2,741	-2,564	-1,174	-2,310
EBITDA	-3,220	-2,611	-2,433	-941	-2,232
EBITDA before share-based payment costs	-3,018	-2,430	-2,372	-985	-2,179
Net loss for the period	-3,373	-2,754	-2,577	-1,201	-2,327
Balance Sheet (at the respective reporting date)					
Non-current assets	1,606	1,466	1,328	1,101	1,028
Current assets	9,435	7,364	5,469	8,398	8,662
Non-current liabilities	625	563	496	474	452
Current liabilities	3,099	2,723	2,437	2,546	2,877
Equity	7,317	5,544	3,864	6,479	6,361
Equity ratio (in %)	66,3	62,8	56,8	68,2	65,6
Total assets	11,041	8,830	6,797	9,499	9,690
Statement of Cash Flows					
Cash flow from operating activities	-2,244	-1,983	-2,072	-2,397	-1,826
Cash flow from investing activities	18	2	-5	996	-3
Cash flow from financing activities	-213	-96	-72	5,267	1,247
Net cash flow	-2,439	-2,077	-2,149	3,866	-582
Cash consumption	-2,226	-1,981	-2,077	2,386	1,829
Cash and cash equivalents at the end of the period	7,809	5,735	3,566	7,446	6,949
Stock[1]					
Weighted average number of shares issued	5,891,230	5,891,230	5,891,230	5,891,230	11,166,381
Earnings per share (basic and diluted, in EUR)	-0.57	-0.47	-0.43	-0.20	-0.21
Share price at the end oft he period (in EUR)	11.28	19.60	3.40	2.32	1.27
Number of employees at the end of the period	39	38	37	32	31

[1] Due to the capital reduction carried out in the previous year at a ratio of 8:1, the previous year's figures stated here have been adjusted where necessary for reasons of comparability.

CONTENTS

INTERIM GROUP MANAGEMENT REPORT

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTERIM REPORT FOR THE FIRST HALF OF 2021

DEAR SHAREHOLDERS,

The beginning of 2021 was adversely impacted by the negative Centers for Medicare and Medicaid Services (CMS) reimbursement decision for Epi proColon. While we are disappointed with the decision, we still have the opportunity to overturn the NCD via legislation or a successful appeal of the decision.

As disclosed previously we are also in the process of evaluating strategic alternatives including the sale of the Company and/or its assets. Due to non-disclosure requirements all we can say at this time is the process is ongoing and we will publish an update at the appropriate time.

REIMBURSEMENT FOR EPI PROCOLON In January CMS issued the final National Coverage Determination (NCD) for blood-based colorectal cancer (CRC) screening with a negative coverage decision for Epi proColon. We are extremely disappointed and disagree with the CMS decision. Epi proColon was denied coverage because CMS decided to keep the arbitrary point estimate requirements for sensitivity and specificity despite numerous experts including the American Cancer Society (ACS) and the Early Research Detection Network (ERDN) of the National Cancer Institute stating this is the wrong approach. Additionally, CMS ignored the "gold standard" microsimulation modeling datapublished in the Journal of the National Cancer Institute (JNCI), which stated Epi proColon should be the "test of choice" for patients who refuse colonoscopy and Fecal Immunochemical Test (FIT) screening as our test yielded better incidence and mortality reduction than both Cologuard and FIT.

We still have two possibilities to achieve reimbursement for Epi proColon. First is via legislation. The Donald Payne, Sr., Colorectal Cancer Detection Act of 2021 (H.R. 1655) was reintroduced into the new session of congress in March 2021. The bill has taken on a higher profile as blood-based testing for CRC is relevant in two key areas of the new administration, racial disparity and the COVID-19 pandemic. CRC disproportionately affects people of color. In addition, COVID-19 has reduced CRC screening rates significantly across the U.S. As the only Food and Drug Administration (FDA) approved blood test for CRC, Epi proColon has the opportunity to save lives today. These factors have resulted in a significant increase in the bill sponsorship which is now at 62 co-sponsors. In addition, this June identical bi-partisan legislation was introduced in the U.S. Senate (S.2149) that, as it currently stands, will allow reimbursement for blood-based, FDA-approved colorectal cancer screening tests. Identical bi-partisan legislation in both the U.S. Senate and House of Representatives further demonstrates the support for our legislative efforts. We believe the legislation is a viable path, however, the very natural of legislation makes it difficult to predict timing or the likelihood of success.

EPI PROCOLON NEXT-GEN While we disagree with the CMS criteria for coverage, the one positive outcome is that future reimbursement criteria are firmly established as an FDA approved screening test with 74% sensitivity and 90% specificity. Any future blood-based test that meets these criteria will automatically receive CMS coverage upon FDA approval.

We are excited about the Next-Gen version of Epi proColon which will incorporate an additional biomarker. We have run this test against prospective clinical samples and are confident this new assay will meet the CMS reimbursement criteria. The gating factor to commercialize this new test is the clinical trial which is required to apply for market approval and FDA review time. The trial design for CRC screening tests is well established. The trial requires approximately 12,500 patients and takes at least two years. The industry standard is to initiate sample collection but not run the test until enrollment is complete or near completion. This means even though we are confident the test meets the criteria today we have additional time to optimize the assay further via automation and/or additional markers. There are two key benefits for Epi proColon beyond increased performance. First, the patent protection for the new version of the test is extended by over 15 years with the incorporation of the additional biomarker and second, despite increased competition for blood-based CRC tests that is expected three to four years from now we believe Epi proColon Next-Gen will be the only FDA approved test kit available for sale to independent U.S. laboratories. Currently all future competitors who are developing a blood-based test, such Exact and Freenome, intend to offer their solutions through their own respective CLIA labs thus eliminating all hospital labs from sharing in the CRC screening revenue stream. We are convinced this will give us a commercial advantage.

FINANCIAL SITUATION During the first half of 2021 we have completed two capital measures that raised approximately EUR 7.5 million in gross proceeds. This capital provides the company with liquidity well into 2022 based upon our current cash consumption which was reduced significantly in 2020 through multiple cost saving measures. In addition, we have recently announced a new capital measure to raise up to approximately EUR 18 million (gross) through the issuance of convertible bonds for 15 million new shares which is back-stopped by our largest shareholder, Deutsche Balaton. We expect to issue the convertible bond still in the third quarter of this year. This will not secure our financing up to market maturity, but a significant part of further product development will be secured by the then increased liquidity.

LOOKING AHEAD We are committed to maximizing shareholder value and thus upon the news of the negative NCD have begun evaluating strategic options. While this process is ongoing and we are limited as to what we can discuss at this time, a couple of things become clear as we discuss alternatives with various parties. 1) If legislation has a chance of passing, which we believe it does, then why abandon that opportunity as it potentially would be a game changer? 2) Why wait on the development of the Epi proColon "Next-Gen" test? To maximize shareholder value Epigenomics would be in a better position if we could demonstrate advancement of these items.

Ultimately, the evaluation of our strategic options has not yet been completed but it is clear that we cannot stand still. We have not made a determination yet on these or other potential options but based upon the feedback to date it is clear that we only can optimize the value of the Company if we continue to move the business forward. Therefore, our go forward strategy at this point is to focus on achieving CMS reimbursement of Epi proColon possibly via legislation and advancement of Epi proColon "Next-Gen" which is enabled through our upcoming capital measure. We are excited about the future of Epigenomics and are committed to maximizing the value of our Company.

Yours sincerely

Greg Hamilton
(CEO)

Albert Weber
(EVP Finance)

OUR STOCK

Epigenomics AG – Common Shares	Frankfurt Stock Exchange, Regulated Market (Prime Standard)
ISIN	DE000A3H2184
Security code number	A3H218
Ticker symbol	ECX
Reuters	ECXG.DE
Bloomberg	ECX:GR
Designated sponsor	Pareto Securities AS
Analysts	Pareto Securities AS (Dennis Berzhanin) M.M. Warburg & Co. (Ulrich Huwald) Encode Ideas L.P. (Hogan Mullally)

Market data[1]	**Q2 2020**	**Q3 2020**	**Q4 2020**	**Q1 2021**	**Q2 2021**
Volumes (over all marketplaces)					
Number of sares outstanding (end of quarter)	5,891,230	5,891,230	5,891,230	5,891,230	11,823,227
Total trading volume	1,022,082	1,482,027	7,893,696	4,098,317	5,002,730
Trading volume daily average	16,755	22,455	127,318	64,894	80,689
XETRA prices in EUR					
Highest daily closing price	11.60	25.04	20.32	5.55	2.33
Lowest daily closing price	8.00	11.44	2.74	2.10	1.15
Closing price	11.28	19.60	3.40	2.32	1.27
Market capitalization at end of quarter (in EUR thousand)	66,453	115,468	20,030	13,668	14,968

[1] Due to the capital reduction carried out in the previous year at a ratio of 8:1, the previous year's figures stated here have been adjusted where necessary for reasons of comparability

Epigenomics AG – American Depositary Receipts (ADRs)	OTCQX Trading
Structure	Sponsored Level 1 ADR
Ratio	1 ADR = 5 shares
Ticker symbol	EPGNY
CUSIP	29428N201
ISIN	US29428N1028
Depository bank/PAL	BNY Mellon

FINANCIALS

FINANCIAL POSITION AND CASH FLOW

In the first half of 2021, cash outflow from operating activities decreased by EUR 1,293 thousand from EUR 5,516 thousand in the first half of 2020 to EUR 4,223 thousand. This was due to the significant year-on-year improvement of EUR 2,494 thousand in earnings before before depreciation, amortization and share-based payment expenses in the first half of 2021. However, this figure included non-cash foreign currency effects of EUR 391 thousand. In addition, there was an offsetting effect from changes in working capital, which were EUR 816 thousand lower than in the same period of the previous year.

Cash inflow from investing activities of EUR 6 thousand in the first half of 2020 was offset by a cash inflow of EUR 993 thousand in the six months of 2021. Of this amount, EUR 984 thousand resulted from the sale of marketable securities.

Cash inflow from financing activities amounted to EUR 6,514 thousand in the first half of 2021, compared with a cash inflow of EUR 3,149 thousand in the same period of the previous year. This was due to the issue of convertible bonds in the first quarter of 2021 and the capital increase through the issue of new shares in the second quarter. Payments for leases are included in the financing cash flow in the amount of EUR 131 thousand (6M 2020: EUR 123 thousand).

Our net cash flow for the six months of 2021 was EUR 3,284 thousand (6M 2020: EUR -2,361 thousand).

Cash consumption decreased to EUR 4,214 thousand in the first six months of 2021, compared to EUR 5,510 thousand in the same period of the previous year.

Cash and cash equivalents amounted to EUR 6,949 thousand as of the reporting date (December 31, 2020: EUR 3,566 thousand).

RESULTS OF OPERATIONS

In the second quarter of 2021, we recorded revenue of EUR 117 thousand and thus remained at a similar level as in the second quarter of 2020 (EUR 83 thousand). As a consequence of the Covid-19 pandemic, the U.S. business remained at a low level. In the six months of 2021, total revenue decreased by 31% from EUR 322 thousand in the first half of 2020 to EUR 223 thousand, with product revenue increasing from EUR 73 thousand in the second quarter of 2020 to EUR 109 thousand in the second quarter of 2021. In the 6-month period, product revenue decreased by 28% – from EUR 293 thousand to EUR 210 thousand.

Cost of sales was EUR 26 thousand in Q2 2021 (Q2 2020: EUR 15 thousand) and EUR 49 thousand in the first half of 2021 (6M 2020: EUR 71 thousand). Our gross margin decreased from 82% in Q2 2020 to 78% in the same period of 2021 due to lower licensing revenue. In 6M 2021, the gross margin remained at 78%, thus unchanged compared to the same period of the previous year.

Other income of EUR 466 thousand in Q2 2021 (Q2 2020: EUR 289 thousand) was mainly attributable to exchange rate gains from currency translation.

Research and development (R&D) costs decreased from EUR 1,151 thousand in the second quarter of 2020 to EUR 808 thousand in the second quarter of 2021. The strong decrease is mainly due to the fact that almost all clinical studies in the U.S.A. are continuing slowly or remain dormant. Among others, this also affected our post-approval study for Epi proColon. R&D-related expenses for internal projects were also significantly reduced due to short-time work at the Berlin site. In the six-month period, R&D costs decreased by EUR 1,209 thousand from EUR 2,754 thousand in the previous year to EUR 1,545 thousand in the reporting period.

Our selling, general and administrative (SG&A) costs decreased to EUR 1,419 thousand in Q2 2021 from EUR 1,908 thousand in Q2 2020. In the first six months, SG&A costs decreased by EUR 880 thousand from EUR 3,901 thousand in the prior year to EUR 3,021 thousand in the reporting period. This was mainly due to headcount reductions in our U.S. sales force, which we subsequently implemented following the negative reimbursement decision for Epi proColon by the Centers for Medicare and Medicaid Services (CMS) at the beginning of the year.

Other expenses in the amount of EUR 640 thousand in Q2 2021 (Q2 2020: EUR 654 thousand) were exclusively attributable to foreign exchange losses from currency translation.

Overall, our operating costs decreased to EUR 2.9 million in the second quarter of 2021, compared to EUR 3.7 million in the same period of the previous year, for the reasons mentioned above. On a half-year comparison, total operating costs decreased by almost 30% from EUR 7.4 million in the first half of 2020 to EUR 5.3 million in the same period of the reporting year.

A net loss of EUR 2.3 million was incurred in Q2 2021 (Q2 2020: EUR 3.4 million), which thus added up to EUR 3.5 million for the first half of 2021 (6M 2020: EUR 6.4 million). Due to the capital increase and the conversion into shares from the convertible bond and the resulting increase in the number of shares, the net loss per share decreased to EUR 0.21 in Q2 2021 (Q2 2020: EUR 0.57) and to EUR 0.41 for the first half of 2021 (6M 2020: EUR 1.21). For reasons of comparability, the previous year's figures for earnings per share have been adjusted here due to the capital reduction by means of a consolidation of shares at a ratio of 8:1 towards the end of 2020.

NET ASSET POSITION

As of the reporting date, non-current assets decreased from EUR 1.3 million as of December 31, 2020 to EUR 1.0 million due to the continued very restrained investment activity. Current assets increased from EUR 5.5 million at the beginning of the reporting period to EUR 8.7 million as of June 30, 2021, mainly as a result of the proceeds from the convertible bond issue. This was offset by the use of cash and cash equivalents for operating activities. The securities position previously held was completely liquidated in the first quarter of 2021.

Total equity increased by EUR 2.5 million to EUR 6.4 million as of the reporting date (December 31, 2020: EUR 3.9 million). The net loss for the period of EUR 3.5 million was more than offset by the aforementioned financing measures. The equity ratio increased to 65.6% as of the reporting date (December 31, 2020: 56.8%).

Compared with the closing balance sheet of December 31 2020, non-current liabilities decreased to EUR 452 thousand as of June 30, 2021 (December 31, 2020: EUR 496 thousand). This mainly includes liabilities from rental and lease agreements in the amount of EUR 416 thousand.

Current liabilities increased from EUR 2.4 million as of December 31, 2020 to EUR 2.9 million as of June 30, 2021.

EMPLOYEES

The total headcount of the Company as of June 30, 2021, was 31 (December 31, 2020: 37) and comprised 16 employees in R&D and 15 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 2020 consolidated financial statements. Furthermore, we refer to the securities admission prospectus for the new shares from the convertible bond issued in the first quarter of 2021, which we published on April 16, 2021. Both documents are available on our website (www.epigenomics.com).

TRANSACTIONS WITH RELATED PARTIES

In an ad hoc news release on June 11, 2021, we announced that we have entered on the same day into an agreement with our shareholder Deutsche Balaton Aktiengesellschaft ("Balaton"), under which Balaton is obligated to underwrite a mandatory convertible bond to be issued by the Company in an aggregate principal amount of up to EUR 18,150,000.00 by exercising its subscription rights and by acquiring notes which have not been subscribed by the shareholders in the subscription offer ("back-stop agreement"). In addition, we announced that Balaton is indirectly controlled by Mr. Wilhelm K. T. Zours according to the voting rights announcement published on May 27, 2021. According to the same voting rights announcement, Mr. Wilhelm K. T. Zours indirectly controls 23.02% of the Company's voting rights via Balaton and other companies directly and indirectly controlled by him. On this basis, the Company assumes as a precautionary measure that Mr. Wilhelm K. T. Zours, and thus also Balaton, are related parties of the Company pursuant to Section 111a (1) sentence 2 of the German Stock Corporation Act.

Pursuant to the back-stop agreement, we are obliged to offer the notes not subscribed by the other shareholders to Balaton for purchase. In return for its obligations to exercise its subscription right and to acquire the notes not subscribed by the other shareholders, Balaton is further entitled to a commission in the amount of 3.5% of the maximum total subscription price of EUR 18,150,000.00, i.e. in the amount of EUR 635,250.00. The Company is entitled to terminate the back-stop agreement with Balaton or, subject to certain conditions, to reduce the commission payable to Balaton if a third party offers to enter into the obligation with the Company to purchase the notes not subscribed by the remaining shareholders at a lower commission.

The Executive Board assesses the terms of the back-stop agreement as appropriate. The Supervisory Board approved the conclusion of the back-stop agreement on June 11, 2021.

OUTLOOK

We confirm our outlook for fiscal year 2021, as presented in the Group management report section of the Annual Report 2021 and our 3-month 2021 interim statement:

- Revenue 2021: between EUR 0.4 million and EUR 1.0 million;
- EBITDA before share-based payment expenses 2021: between EUR -7.0 million and EUR -9.0 million
- Cash consumption 2021: between EUR -7.0 million and EUR -9.0 million

CORPORATE GOVERNANCE

ANNUAL GENERAL (SHAREHOLDERS') MEETING 2021

The Annual General Meeting 2021 of Epigenomics AG took place in Munich on June 16, 2021, as a virtual event without physical presence of the shareholders. Of the share capital, approximately 52% was represented. The actions of the members of the Company's Executive Board and Supervisory Board in the 2020 fiscal year were ratified.

Supervisory Board

At this year's Annual General Meeting, elections to the Supervisory Board were held by rotation. Dr. Ann Clare Kessler and Prof. Günther Reiter, who had been members of the Supervisory Board since June 2005, did not stand for re-election to the Supervisory Board. In this context, the number of Supervisory Board seats was reduced from six to four. Dr. Helge Lubenow, Mr. Heino von Prondzynski, Mr. Franz Walt and Mr. Alexander Link were re-elected to the Supervisory Board by the shareholders. At its constituent meeting following the Annual General Meeting, Mr. von Prondzynski was re-elected Chairman of the Board and Mr. Link Deputy Chairman.

Remuneration System for Members of the Executive Board

At their 2021 Annual General Meeting, the shareholders of the Company voted for the first time on the approval of the remuneration system for members of the Executive Board presented by the Supervisory Board, thus fulfilling the requirement of section 120a (1) sentence 1 German Stock Corporation Act as amended by the Act Implementing the Second Shareholder Rights Directive of December 12, 2019 (BGBl. 2019 I, p. 2637 et seq.; "ARUG II"). Accordingly, the Annual General Meeting must resolve on the remuneration system whenever there is a significant change, but at least every four years. On April 27, 2021, the Supervisory Board resolved a new remuneration system for members of the Executive Board in accordance with section 87a (1) of the German Stock Corporation Act (as amended by ARUG II), which was announced to the shareholders with the agenda for the Annual General Meeting. It was approved by the shareholders with a large majority.

Remuneration of the Members of the Supervisory Board

Furthermore, a resolution on the remuneration of the members of the Supervisory Board was also adopted for the first time at the 2021 Annual General Meeting in accordance with section 113 (3) sentence 1 German Stock Corporation Act (as amended by ARUG II). The current remuneration of the members of the Supervisory Board was presented to the shareholders with the agenda for the Annual General Meeting. For this agenda item, a countermotion was submitted by Heidelberger Beteiligungsholding AG prior to the Meeting with the proposal to amend Section 12 of the Articles of Association of the Company. The proposed amendment concerned, on the one hand, a reduction in the annual remuneration of the members of the Supervisory Board. In addition, the remuneration for the activities of individual members in Supervisory Board committees, which had been provided for until then, was to be dropped and the attendance fee was to be eliminated. In a statement on this, the Supervisory Board supported this countermotion and recommended that the shareholders approve it. The countermotion was then adopted by a large majority at the Annual General Meeting.

Auditor

Based on the recommendation issued by the Audit Committee, the audit firm Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, was appointed to serve

a) as auditor for the 2021 annual financial statements and the 2021 consolidated financial statements as well as

b) for the review of interim (condensed) financial statements and interim management reports for the fiscal year 2021 and for the first and second quarter of the fiscal year 2022, if and to the extent that such interim financial statements and interim management reports are reviewed.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

EUR thousand	Q2 2021	Q2 2020	6M 2021	6M 2020
Revenue	**117**	**83**	**223**	**322**
Cost of sales	-26	-15	-49	-71
Gross profit	**91**	**68**	**174**	**251**
Gross margin (in %)	*77.8*	*81.9*	*78.0*	*78.0*
Other income	466	289	1,562	764
Research and development costs	-808	-1,151	-1,545	-2,754
Selling, general and administrative costs	-1,419	-1,908	-3,021	-3,901
Other expenses	-640	-654	-655	-681
Operating result/Earnings before interest and taxes (EBIT)	**-2,310**	**-3,356**	**-3,485**	**-6,321**
Interest income	0	4	3	12
Interest expenses	-12	-14	-23	-30
Other financial result	0	-1	-16	-1
Net loss for the period before taxes on income	**-2,322**	**-3,367**	**-3,521**	**-6,340**
Taxes on income	-5	-6	-7	-14
Net loss for the period	**-2,327**	**-3,373**	**-3,528**	**-6,354**
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences from the conversion of foreign entities	183	372	-629	-22
Fair value adjustment of financial instruments measured at fair value through other comprehensive income	0	123	39	-27
Other comprehensive income for the period	**183**	**495**	**-590**	**-49**
Total comprehensive income for the period	**-2,144**	**-2,878**	**-4,118**	**-6,403**
Earnings per share (basic and diluted, in EUR)[1]	**-0.21**	**-0.57**	**-0.41**	**-1.21**

[1] Due to the capital reduction carried out in the previous year at a ratio of 8:1, the previous year's figures stated here have been adjusted where necessary for reasons of comparability

CONSOLIDATED BALANCE SHEET
AS OF JUNE 30 (UNAUDITED)

ASSETS EUR thousand	**June 30, 2021**	**Dec 31, 2020**
Non-current assets		
Intangible assets	69	144
Property, plant and equipment	959	1,184
Total non-current assets	**1,028**	**1,328**
Current assets		
Inventories	242	122
Trade receivables	78	251
Marketable securities	0	961
Cash and cash equivalents	6,949	3,566
Other current assets	1,393	569
Total current assets	**8,662**	**5,469**
Total assets	**9,690**	**6,797**

EQUITY AND LIABILITIES EUR thousand	**June 30, 2021**	**Dec 31, 2020**
Equity		
Subscribed capital	11,823	5,891
Capital reserve	88,102	87,419
Retained earnings	-90,732	-79,046
Net loss for the period	-3,528	-11,686
Other comprehensive income	696	1,286
Total equity	**6,361**	**3,864**
Non-current liabilities		
Lease liabilities	416	460
Provisions	36	36
Total non-current liabilities	**452**	**496**
Current liabilities		
Trade payables	828	629
Lease liabilitie	161	223
Deferred income	95	80
Other liabilities	1,321	627
Provisions	472	878
Total current liabilities	**2,877**	**2,437**
Total equity and liabilies	**9,690**	**6,797**

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

EUR thousand	6M 2021	6M 2020
Cash and cash equivalents at the beginning of the period	**3,566**	**10,155**
Operating activities		
Net loss for the period	**-3,528**	**-6,354**
Adjustments for:		
Share-based payment expenses	9	389
Amortization of intangible assets	75	99
Depreciation of property, plant and equipment	236	175
Foreign currency exchange results	-391	0
Financial income	-26	-12
Financial expenses	62	31
Taxes	7	14
Operating result before changes in operating assets and liabilities	**-3,556**	**-5,658**
Changes in operating assets and liabilities:		
Inventories	-119	73
Trade receivables	170	36
Other assets	-823	212
Non-current and current provisions	-409	349
Trade payables and other liabilities	506	-629
Deferred income	15	115
Tax paid	-7	-14
Cash flow from operating activities	**-4,223**	**-5,516**

EUR thousand	Q2 2021	Q2 2020
Investing activities		
Payments to acquire intangible assets	0	-11
Payments to acquire property, plant and equipment	-1	-7
Payments from the sale of securities	984	0
Interest received	10	24
Cash flow from investing activities	**993**	**6**
Financing activities		
Proceeds from the issue of new shares	2,168	3,998
Payments for the issue of new shares	-54	-726
Payments from the issue of convertible bonds	5,500	0
Payments for the issue of convertible bonds	-969	0
Payments for leases	-131	-123
Cash flow from financing activities	**6,514**	**3,149**
Net cash flow	**3,284**	**-2,361**
Currency translation effects	99	15
Cash and cash equivalents at the end of the period	**6,949**	**7,809**

At the reporting date, EUR 83 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
December 31, 2019	**43,528**	**69,251**	**-85,807**	**-17,020**	**-323**	**9,629**
Total comprehensive income	**0**	**0**	**0**	**-6,354**	**-49**	**-6,403**
Transfer of net loss for the year 2019 to retained earnings	0	0	-17,020	17,020	0	0
Costs for the creation of new shares	0	-296	0	0	0	-296
Capital increase without subscription rights	3,602	0	0	0	0	3,602
Premium from the capital increase without subscription rights	0	396	0	0	0	396
Stock option expenses	0	389	0	0	0	389
June 30, 2020	**47,130**	**69,740**	**-102,827**	**-6,354**	**-372**	**7,317**
December 31, 2020	**5,891**	**87,419**	**-79,046**	**-11,686**	**1,286**	**3,864**
Total comprehensive income	**0**	**0**	**0**	**-3,528**	**-590**	**-4,118**
Transfer of net loss for the year 2020 to retained earnings	0	0	-11,686	11,686	0	0
Capital increase with subscription rights	1,971	0	0	0	0	1,971
Premium from the capital increase with subscription rights	0	197	0	0	0	197
Exercise of convertible bonds	3,961	-3,961	0	0	0	0
Issue of convertible bonds	0	5,500	0	0	0	5,500
Costs for the issue of convertible bonds	0	-983	0	0	0	-983
Costs for the creation of new shares	0	-79	0	0	0	-79
Stock option expenses	0	9	0	0	0	9
June 30, 2021	**11,823**	**88,102**	**-90,732**	**-3,528**	**696**	**6,361**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

BASIC INFORMATION, PRINCIPLES AND METHODS

CORPORATE INFORMATION AND DESCRIPTION OF BUSINESS ACTIVITY

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

In accordance with its Articles of Association, the object of the Company is the development and marketing of procedures and devices for the production in quantity of particular epigenetic parameters such as DNA methylation patterns as well as the information technology bases necessary for their procurement and evaluation. Epigenomics AG is a molecular diagnostics company developing and commercializing a pipeline of proprietary products for screening, early detection and diagnosis of cancer. The Company's products will enable doctors to diagnose cancer earlier and more accurately, leading to improved outcomes for patients.

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, 2021 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, 2021.

These condensed consolidated interim financial statements are based on the reporting period from January 1 to June 30, 2021. The Group currency is the euro (EUR).

This interim report should be read in conjunction with the annual report for the 2020 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.

REPORTING PERIOD, REPORTING CURRENCY, AND ROUNDING

The reporting period (comparative period) as defined in these consolidated financial statements is the period from January 1 to December 31, 2021 (2020). The reporting currency is the euro (EUR). Many figures are rounded to the nearest thousand euros, which may give rise to rounding differences in the figures presented in these notes.

SCOPE OF CONSOLIDATION

The consolidated Group consists of Epigenomics AG as the parent company (registered office: Geneststrasse 5, 10829 Berlin, Germany) and Epigenomics, Inc., as its sole subsidiary during the reporting period. The subsidiary is registered in the U.S. state of Washington and has based its operations out of San Diego (11055 Flintkote Ave, Suite A, San Diego, CA 92121). Epigenomics AG held 100% of the share capital and the voting rights of Epigenomics, Inc. between January 1, 2020 and June 30, 2020.

PRINCIPLES OF CONSOLIDATION

In acquisition accounting, the carrying amount of the investment is offset against the share of equity of the subsidiary attributable to the parent as at the date of acquisition. Any resulting difference is added to the assets and liabilities in the amount in which their market value deviates from their carrying amount at the time of the initial consolidation. Any amount in excess is recognized as goodwill.

All intercompany transactions and interim results, income and expenses, profits and losses, receivables and payables are eliminated in full on consolidation.

APPLICATION OF NEW AND REVISED IFRSS AND INTERPRETATIONS AND EFFECTS ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST SIX MONTHS OF 2021

In the reporting year, the Group for the first time applied the following new and amended IFRSs and Interpretations issued by the IASB and endorsed by the EU that are effective for accounting periods beginning on or after January 1, 2021. Generally, the new standards and amendments mentioned below require prospective application.

Amendments to IFRS 4 Insurance Contracts (endorsed by the EU on December 16, 2020)

Concurrent to the IASB's publication of its final amendments to IFRS 17 on the accounting treatment of insurance contracts, an associated amendment was made to IFRS 4 that extended the existing option to defer initial application of IFRS 9 until the new effective date of IFRS 17.

The first-time adoption of the amendments to IFRS 4 has not yet had any significant impact on the Company's financial statements and it is not expected to have any significant impact on the Company's financial statements in the future either.

Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (endorsed by the EU on January 13, 2021)

The amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 cover practical expedients in connection with the reform of international interest rate benchmarks. These relate to hedge accounting, which does not generally have to be discontinued because of the interest rate benchmark reform. Any hedge ineffectiveness must continue to be recognized through profit or loss.

The Company does not apply hedge accounting and therefore the application of the amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 has had no effect on its financial statements and it is not expected to have any significant impact on the Company's financial statements in the future either.

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	June 30, 2021	Dec 31, 2020
EUR/USD	1.1884	1.2271

Average rates	6M 2021	6M 2020
EUR/USD	1.2025	1.1033

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

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

REVENUE

Revenue by type:

	Q2 2021		Q2 2020		6M 2021		6M 2020	
	EUR thousand	in %	EUR thousand	in %	EUR thousand	in %	EUR thousand	in %
Product sales (own and third party)	109	93.6	73	88.6	210	94.4	293	90.9
Licensing income	8	6.4	10	11.4	13	5.6	19	6.0
R&D income	0	0.0	0	0.0	0	0.0	10	3.1
Total revenue	**117**	**100.0**	**83**	**100.0**	**223**	**100.0**	**322**	**100.0**

Revenue by geographical markets:

	Q2 2021		Q2 2020		6M 2021		6M 2020	
	EUR thousand	in %	EUR thousand	in %	EUR thousand	in %	EUR thousand	in %
Europe	35	30.2	38	45.5	79	35.3	135	41.9
North America	82	69.8	42	50.5	144	64.7	184	57.1
Rest oft he world	0	0.0	3	4.0	0	0.0	3	1.0
Total revenue	**117**	**100.0**	**83**	**100.0**	**223**	**100.0**	**322**	**100.0**

Other income

EUR thousand	Q2 2021	Q2 2020	6M 2021	6M 2020
Foreign exchange rate gains	439	274	1,272	737
Income from the reversal of provisions	11	22	240	22
Correction of deferred liabilities	0	3	18	4
Recoveries and refunds	11	-10	26	0
Third-party research grants	3	0	4	0
Other	2	0	2	1
Total other income	**466**	**289**	**1,562**	**764**

Cost Allocation by Function

Q2 2021

EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	Total
Materials and consumables	26	23	37	0	86
Depreciation and amortization	0	44	34	0	78
Personnel costs	0	288	682	0	970
Other costs	0	453	666	640	1,759
Total	**26**	**808**	**1,419**	**640**	**2,893**

Q2 2020

EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	Total
Materials and consumables	13	67	1	0	81
Depreciation and amortization	0	64	72	0	136
Personnel costs	2	579	964	0	1,545
Other costs	0	441	871	654	1,966
Total	**15**	**1,151**	**1,908**	**654**	**3,728**

6M 2021

EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	Total
Materials and consumables	49	42	65	0	156
Depreciation and amortization	0	105	206	0	311
Personnel costs	0	531	1,401	0	1,932
Other costs	0	867	1,349	655	2,871
Total	**49**	**1,545**	**3,021**	**655**	**5,270**

6M 2020

EUR thousand	Cost of sales	R&D costs	SG&A costs	Other expenses	Total
Materials and consumables	64	289	2	0	355
Depreciation and amortization	0	127	146	0	273
Personnel costs	4	1,229	2,005	0	3,238
Other costs	3	1,109	1,748	681	3,541
Total	**71**	**2,754**	**3,901**	**681**	**7,407**

Personnel costs in Q2 2021 included share-based payment expenses of EUR 53 thousand (Q2 2020: EUR 202 thousand) and in 6M 2021 of EUR 9 thousand (6M 2020: EUR 389 thousand).

OPERATING RESULT (EBIT) AND EBITDA

EUR thousand	Q2 2021	Q2 2020	6M 2021	6M 2020
Operating result (EBIT)/ Earnings before interest and taxes	**-2,310**	**-3,356**	**-3,485**	**-6,321**
Amortization and depreciation	78	136	311	273
EBIT before amortization and depreciation (EBITDA)	**-2,232**	**-3,220**	**-3,174**	**-6,048**
Share-based payment costs	53	202	9	389
EBITDA before share-based payment costs	**-2,179**	**-3,018**	**-3,165**	**-5,659**

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).

Due to the capital reduction carried out in the previous year at a ratio of 8:1, the previous year's figures stated here have been adjusted.

	Q2 2021	Q2 2020	6M 2021	6M 2020
Net loss for the period (in EUR thousand)	-2,327	-3,373	-3,528	-6,354
Weighted average number of shares	11,166,381	5,891,230	8,528,806	5,666,095
Earnings per share (basic and diluted, in EUR)	-0.21	-0.57	-0.41	-1.21

NOTES TO THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

EUR thousand	June 30, 2021	Dec 31, 2020
Software	17	51
Development costs	52	93
Total intangible assets	**69**	**144**
Fixtures/leasehold improvements	232	254
Technical equipment	248	271
Other fixed assets	28	31
Rights of use assets resulting from leases	451	628
Total property, plant and equipment	**959**	**1,184**
Total non-current assets	**1,028**	**1,328**

CURRENT ASSETS

EUR thousand	June 30, 2021	Dec 31, 2020
Inventories	**242**	**122**
Trade receivables	**78**	**251**
Marketable securities	**0**	**961**
Cash and cash equivalents	**6,949**	**3,566**
Prepaid expenses	993	314
Receivables from tax authorities	299	141
Receivables from the Federal Employment Office	52	45
Claims under enforcement proceedings	28	28
Security deposit	21	20
Interest receivables	0	9
Other	0	12
Total other current assets	**1,393**	**569**
Total current assets	**8,662**	**5,469**

EQUITY

As of June 30, 2021, the share capital of Epigenomics AG consisted exclusively of 11,823,227 no-par value ordinary registered shares with equal rights. In 6M 2021, total equity increased by EUR 2.5 million to EUR 6.4 million at the reporting date (December 31, 2020: EUR 3.9 million).

CURRENT LIABILITIES

Other liailities

EUR thousand	June 30, 2021	Dec 31, 2020
Payables due to staff	635	0
Payables due to financing activities	529	430
Payables due to Supervisory Board members	87	138
Accrued audit fees	34	33
Payables due to tax authorities	0	22
Payables due to social security	4	0
Other	32	4
Total other liabilities	**1,321**	**627**

Provisions

EUR thousand	June 30, 2021	Dec 31, 2020
Payroll provisions	304	613
Provision for ongoing clinical trials	128	101
Other provisions	40	164
Total provisions	**472**	**878**

Financial instruments

			as of June 30, 2021		as of Dec 31, 2020	
EUR thousand	Measurement principle	Fair value hierarchy level	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Marketable securities	FVOCI	1	0	0	961	961
Cash and cash equivalents	AC		6,949	6,949	3,566	3,566

AC = measured at amortized costs

FVOCI = measured at fair value through other comprehensive income

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. As of the balance sheet date, the Company's cash and cash equivalents balance sheet item comprised exclusively cash. For the cash flow consolidation of the U.S. subsidiary, the operating assets and liabilities (excluding cash and cash equivalents) were translated at the average monthly exchange rates.

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.

Gross proceeds from the issue of new shares in the amount of EUR 2,168 thousand in the reporting period (6M 2020: TEUR 3,998) related to the Company's capital increase from authorized capital in the second quarter of 2021.

Gross proceeds from the issue of convertible bonds in the amount of EUR 5,500 thousand in the reporting period (6M 2020: TEUR 0) related to the issue of a subordinated and non-interest bearing mandatory convertible bond from conditional capital in the first quarter of 2021.

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".

Cash consumption amounted to EUR 4.2 million in the first six months of 2021 (6M 2020: EUR 5.5 million). In the first six months of 2021, cash outflow from leases amounted to EUR 0.1 million (6M 2020: EUR 0.1 million).

OTHER INFORMATION

Information on stock options

145,750 new stock options were granted in the reporting period to Executive Board members and employees of the Company. No options were exercised in the reporting period. 34,953 options expired during the reporting period. The total number of stock options still outstanding as of June 30, 2021, amounted to 401,103 with an average strike price of EUR 25.92.

This interim report was approved and cleared for publication by the Executive Board of the Company on August 10, 2021.

Berlin, August 10, 2021

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 10, 2021

The Executive Board

DISCLAIMER

This publication expressly or implicitly contains certain forward-looking statements concerning Epigenomics AG and its business. Such statements involve certain known and unknown risks, uncertainties and other factors which could cause the actual results, financial condition, performance or achievements of Epigenomics AG to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Epigenomics AG is providing this statement 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.

The information contained in this communication does not constitute nor imply an offer to sell or transfer any product, and no product based on this technology is currently available for sale by Epigenomics in the United States or in Canada. The analytical and clinical performance characteristics of any Epigenomics product based on this technology which may be sold at some future time in the United States have not been established.

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, 2021 to June 30, 2021 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 10th, 2021

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

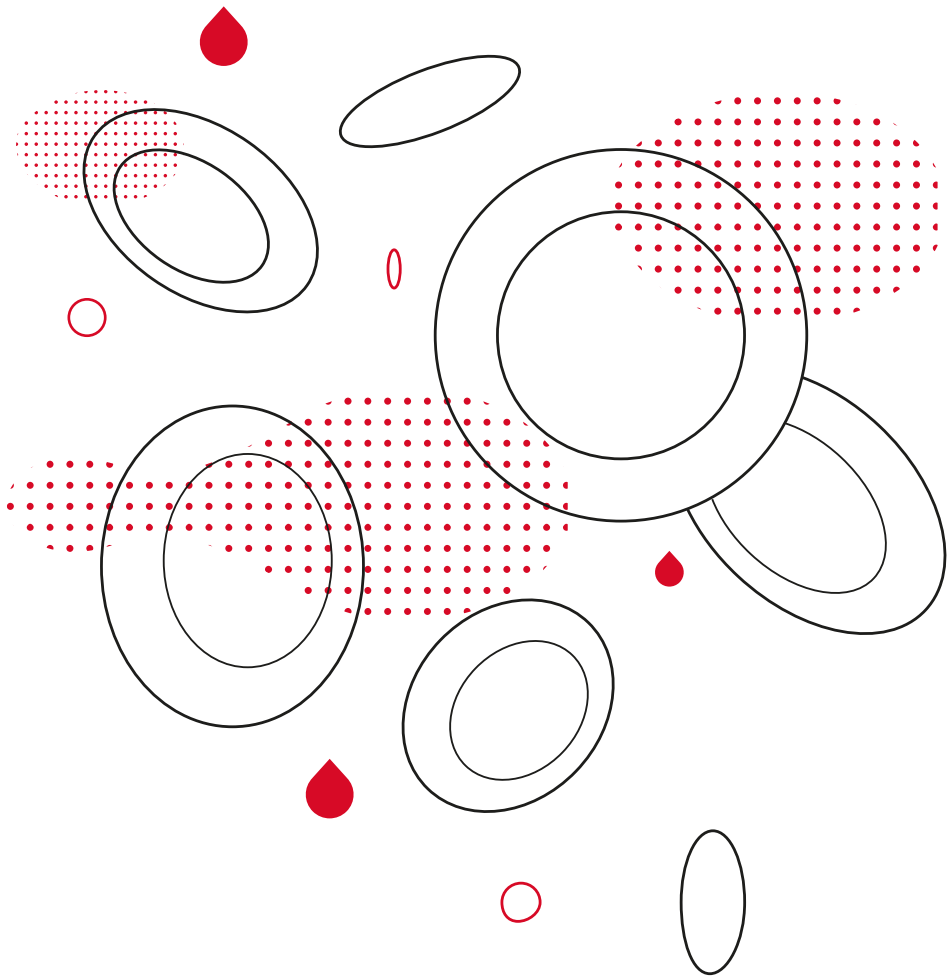
signed Weissinger	signed Ilg
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Epigenomics AG, Berlin;
Condensed consolidated interim financial statements of June 30, 2021

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

FINANCIAL CALENDAR

Report on third quarter 2021 . . . . . Wednesday, November 10, 2021



CONTACT

Epigenomics AG
Geneststrasse 5
10829 Berlin, Germany
Phone: +49 30 24345-0
Fax: +49 30 24345-555
contact@epigenomics.com

Investor IR.on AG
Frederic Hilke
Phone: +49 221 9140 970
ir@epigenomics.com

Concept & Design
Impacct GmbH
impacct.de