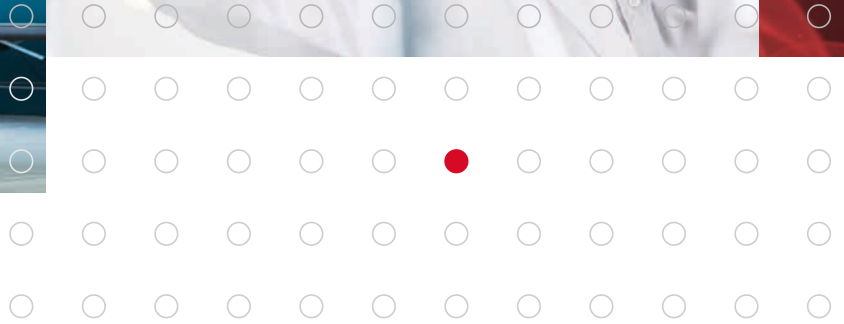


epigenomics



Saving lives through blood-based cancer detection

INTERIM STATEMENT 9M
JANUARY 1 - SEPTEMBER 30 2022

QUARTERLY DEVELOPMENT OF KEY FIGURES (UNAUDITED)

– according to the financial reporting –

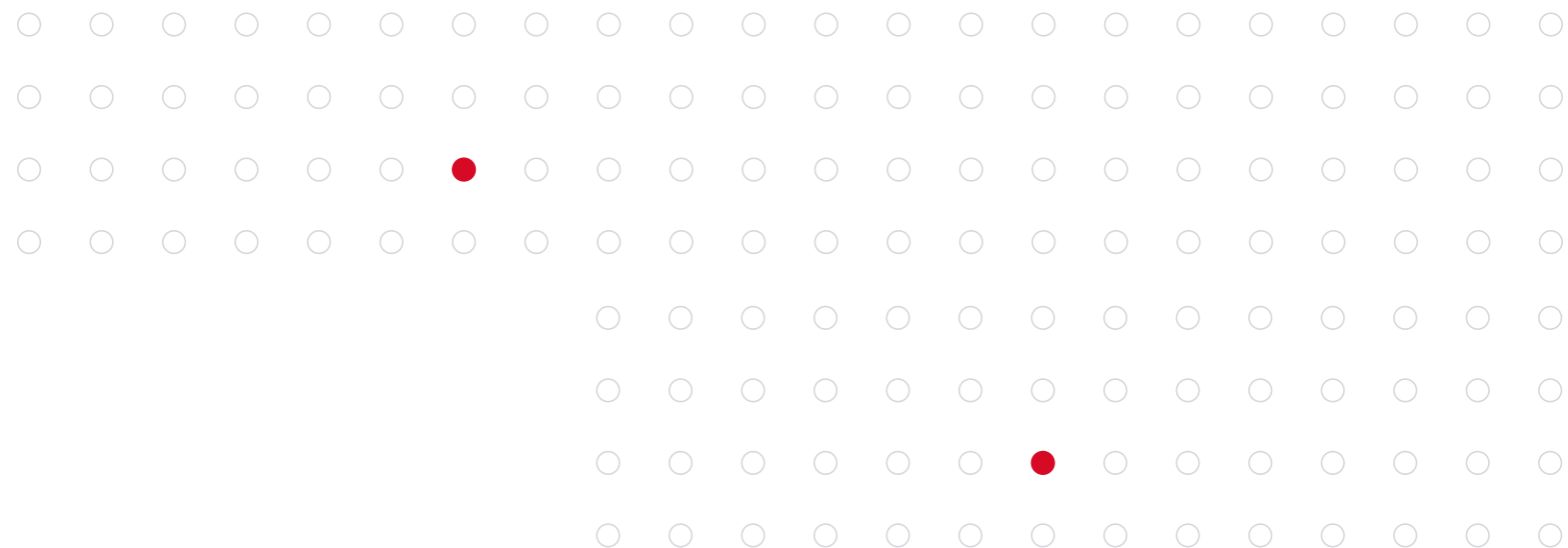
in EUR thousand except where indicated

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Statement of Profit or Loss					
Revenue	5.799	181	115	126	145
Gross profit	5.755	138	89	95	109
EBIT	2.850	-1.720	-2.647	-1.286	-1.550
EBITDA	2.904	-1.666	-2.537	-1.031	-1.319
EBITDA before share-based payment costs	2.954	-1.623	-2.574	-1.037	-1.306
Net loss for the period	2.836	-1.736	-2.657	-1.301	-1.560
Balance Sheet (at the respective reporting date)					
Non-current assets	984	951	1.627	1.851	2.077
Current assets	26.027	23.712	20.811	18.769	16.893
Non-current liabilities	429	400	769	740	678
Current liabilities	2.348	2.143	2.582	3.214	4.359
Equity	24.234	22.120	19.087	16.666	13.933
Equity ratio (in %)	89.7	89.7	85.1	80.8	73.4
Total assets	27.011	24.663	22.438	20.620	18.970
Statement of Cash Flows					
Cash flow from operating activities	625	-554	-3.274	-2.672	-2.483
Cash flow from investing activities	-8	-24	-134	-203	-152
Cash flow from financing activities	15.603	-498	-96	-112	-221
Net cash flow	16.220	-1.076	-3.504	-2.987	-2.856
Cash consumption	-617	577	3.408	2.875	2.635
Cash and cash equivalents at the end of the period	23.555	23.049	20.039	18.043	15.773
Stock					
Weighted average number of shares issued	12.232.303	15.539.737	15.979.781	16.357.301	16.357.482
Earnings per share (basic, in EUR)	0.23	-0.11	-0.17	-0.08	-0.10
Share price at the end of the period (in EUR)	1.20	0.64	0.57	0.47	0.34
Number of employees at the end of the period					
	30	32	35	33	36

INTERIM STATEMENT ON FINANCIAL RESULTS FOR 9M 2022

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME)
FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30 (UNAUDITED)

EUR thousand	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenue	145	5,799	386	6,022
Cost of sales	-36	-44	-94	-92
Gross profit	109	5,755	292	5,930
Gross margin (in %)	75.2	99.2	75.6	98.5
Other income	2,093	667	5,451	2,229
Research and development costs	-1,830	-681	-4,970	-2,226
Selling, general and administrative costs	-1,732	-2,789	-5,315	-5,809
Other expenses	-190	-102	-942	-757
Operating result/ Earnings before interest and taxes (EBIT)	-1,550	2,850	-5,484	-633
Interest income	14	1	34	4
Interest expenses	-24	-10	-67	-34
Other financial result	0	0	0	-16
Net loss for the period before taxes on income	-1,560	2,841	-5,517	-679
Taxes on income	0	-5	-1	-12
Net loss for the period	-1,560	2,836	-5,518	-691
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences from the conversion of foreign entities	-1,183	-377	-2,609	-1,005
Fair value adjustment of financial instruments measured at fair value through other comprehensive income	0	0	0	39
Other comprehensive income for the period	-1,183	-377	-2,609	-966
Total comprehensive income for the period	-2,743	2,459	-8,127	-1,657
Earnings per share (basic, in EUR)	-0.10	0.23	-0.34	-0.07
Earnings per share (diluted, in EUR)	n/a	0.16	n/a	n/a

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) for the nine-month period 2021 and 2022 and for Q3 2022. In Q3 2022, the weighted-average number of shares issued was 12,232,30. In Q3 2022, the weighted-average number of shares issued was 16,357,482, in Q3 2021 the weighted-average number of shares issued was 12,232,303 and 17,861,767 diluted. In the first nine months 2021, the weighted-average number of shares issued was 16,231,521 (9M 2021: 9,763,305).

OPERATING RESULT (EBIT) AND EBITDA

EUR thousand	Q3 2022	Q3 2021	9M 2022	9M 2021
Operating Result (EBIT)/ Earnings before interest and taxes	-1,550	2,850	-5,484	-633
Amortization and depreciation	231	54	596	365
EBIT before amortization and depreciation (EBITDA)	-1,319	2,904	-4,888	-268
Share-based payment costs	13	50	-30	59
EBITDA before share-based payment costs	-1,306	2,954	-4,918	-209

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30 (UNAUDITED)

ASSETS EUR thousand	Sep 30, 2022	Dec 31, 2021
Non-current assets		
Intangible assets	73	60
Property, plant and equipment	2,003	891
Total non-current assets	2,077	951
Current assets		
Inventories	217	176
Trade receivables	128	73
Cash and cash equivalents	15,773	23,049
Other current assets	775	414
Total current assets	16,893	23,712
Total assets	18,970	24,663

EQUITY AND LIABILITIES EUR thousand	Sep 30, 2022	Dec 31, 2021
Equity		
Subscribed capital	16,357	15,540
Capital reserve	98,879	99,756
Retained earnings	-93,160	-90,732
Net loss for the period	-5,518	-2,428
Other comprehensive income	-2,625	-16
Total equity	13,933	22,120
Non-current liabilities		
Liabilities from leasing contracts	629	369
Provisions	49	31
Total non-current liabilities	678	400
Current liabilities		
Trade payables	1,121	503
Liabilities from leasing contracts	337	91
Deferred income	62	69
Other liabilities	872	650
Provisions	1,967	830
Total current liabilities	4,359	2,143
Total equity and liabilities	18,970	24,663

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

EUR thousand	9M 2022	9M 2021
Cash and cash equivalents at the beginning of the period	23,049	3,566
Operating activities		
Net loss for the period	-5,518	-691
Adjustments for:		
Share-based payment expenses	-47	59
Amortization of intangible assets	15	285
Depreciation of property, plant and equipment	581	80
Foreign currency exchange results	-3,226	-831
Financial income	-34	-27
Financial expenses	67	73
Taxes	1	12
Operating result before changes in operating assets and liabilities	-8,161	-1,040
Changes in operating assets and liabilities		
Inventories	-35	-150
Trade receivables	-27	-1,520
Other assets	-335	142
Non-current and current provisions	1,094	-328
Trade payables and other liabilities	-957	-703
Deferred income	-7	13
Tax paid	-1	-13
Cash flow from operating activities	-8,429	-3,599

EUR thousand	9M 2022	9M 2021
Investing activities		
Payments to acquire intangible assets	-46	0
Payments to acquire property, plant and equipment	-475	-8
Proceeds from the sale of securities	0	984
Proceeds from investment grants received	17	0
Interest received	15	9
Cashflow aus Investitionstätigkeit	-489	985
Financing activities		
Proceeds from the issue of new shares	0	2,168
Payments for the issue of new shares	-166	-79
Proceeds from the issue of convertible notes	0	22,000
Payments for the issue of convertible notes	-15	-1,786
Payments from leasing contracts	-247	-185
Cash flow from financing activities	-428	22,118
Total net cash flow	-9,346	19,504
Currency translation effects	2,070	485
Cash and cash equivalents at the end of the period	15,773	23,555

At the reporting date, EUR 96 thousand of cash and cash equivalents included restricted cash.

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

EUR thousand	Subscribed capital	Capital reserve	Net loss for the period	Periodenfehlbetrag	Other comprehensive income	Group equity
December 31, 2020	5,891	87,419	-79,046	-11,686	1,286	3,864
Total comprehensive income	0	0	0	-691	-966	-1,657
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
Conversion of convertible bonds	4,370	-4,370	0	0	0	0
Issue of convertible bonds	0	22,000	0	0	0	22,000
Costs for the issue of convertible bonds	0	-2,120	0	0	0	-2,120
Costs for the creation of new shares	0	-80	0	0	0	-80
Stock option expenses	0	59	0	0	0	59
September 30, 2021	12,232	103,105	-90,732	-691	320	24,234
December 31, 2021	15,540	99,756	-90,732	-2,428	-16	22,120
Total comprehensive income	0	0	0	-5,518	-2,609	-8,127
Transfer of net loss for the year 2021 to retained earnings	0	0	-2,428	2,428	0	0
Conversion in convertible notes	817	-817	0	0	0	0
Costs for conversion in convertible notes	0	-13	0	0	0	-13
Stock option expenses	0	-47	0	0	0	-47
September 30, 2022	16,357	98,879	-93,160	-5,518	-2,625	13,933

FINANCIALS Q3 UND 9M 2022

RESULTS OF OPERATIONS

In Q3 2022, we recorded revenues of EUR 145 thousand (Q3 2021: EUR 5,799 thousand). The same period of the previous year included revenue from the sale of large parts of our blood sample database (the "Biobank") in the amount of EUR 5,675 thousand. In the first nine months of 2022, total revenue decreased to EUR 386 thousand compared to EUR 6,022 thousand in the nine-month period of 2021, with product revenue increasing from EUR 119 thousand in the third quarter of 2021 to EUR 140 thousand in the third quarter of 2022. In the nine-month period, it increased by 12% - from EUR 330 thousand to EUR 371 thousand and thus remained at a similar level as in the previous year.

Cost of sales was EUR 36 thousand in Q3 2022 (Q3 2021: EUR 44 thousand) and EUR 94 thousand in the first nine months of 2022 (9M 2021: EUR 92 thousand). Our gross margin decreased from 99% in Q3 2021 to 75% in the same period in 2022 as well as in 9M 2022, mainly due to the very low cost of sales on the sale of Biobank in 2021.

Other income of EUR 2,093 thousand in Q3 2022 (Q3 2021: EUR 667 thousand) was mainly due to foreign currency translation gains and is related to the appreciation of the U.S. dollar against the euro.

R&D costs increased from EUR 681 thousand in Q3 2021 to EUR 1,830 thousand in Q3 2022. In the nine-month period, R&D costs showed a strong increase of EUR 2,744 thousand, from EUR 2,226 thousand in the previous year to EUR 4,970 thousand in the reporting period. The background to this is that additional personnel were recruited for the "Next-Gen" study in the USA. In addition, patient enrollment in the studies increased again after almost all clinical studies came to a standstill in the previous year due to Covid 19. At the Berlin site, we have been working full-time on projects again since September 2021, so R&D-related expenses also increased here compared to the previous year.

Our distribution and administrative expenses decreased to EUR 1,732 thousand in the third quarter of 2022 from EUR 2,789 thousand in the same period of 2021. In the first nine months, distribution and administrative expenses decreased by EUR 494 thousand from EUR 5,809 thousand in the previous year to EUR 5,315 thousand in the reporting period. In 2021, costs were still incurred in connection with the sale of the biobank. However, a provision of EUR 429 thousand had to be recognized in the reporting period for a repayment of subsidies received in 2017.

Other expenses of EUR 190 thousand in Q3 2022 (Q3 2021: EUR 102 thousand) were exclusively attributable to foreign currency translation losses.

Overall, our operating costs increased to EUR 3.8 million in Q3 2021 compared to EUR 3.6 million in the same period of the previous year for the reasons mentioned above and decreased in a nine-month comparison from EUR 8.9 million in the first nine months of 2021 to EUR 11.3 million in the same period of the reporting year.

A net loss of EUR 1.6 million incurred in Q3 2022 (Q3 2021: net profit EUR 2.8 million), which added up to EUR 5.5 million for the nine-month period of 2022 (9M 2021: EUR 0.7 million). The net loss per share amounted to EUR 0.10 in Q3 2022 (Q3 2021: earnings per share EUR 0.23). The net loss per share for the first nine months of 2022 was EUR 0.34, higher than in the same period of the previous year (9M 2021: EUR 0.07). In the same period of the previous year, earnings per share were significantly positively impacted by the sale of parts of the Biobank.

FINANCIAL POSITION AND CASH FLOW

In the first nine months of 2022, cash outflow from operating activities increased by EUR 4,830 thousand from EUR 3,599 thousand (9M 2021) to EUR 8,429 thousand due to the significant year-on-year decrease of EUR 4,709 thousand in operating profit before depreciation, amortization, and share-based payments in the reporting period.

The cash inflow from investment activities of EUR 985 thousand in the first nine months of 2021 was offset by a cash outflow of EUR 489 thousand in the reporting period. In 2021, EUR 984 thousand resulted from the sale of marketable securities. In 2022, we also invested in the expansion of the laboratory at the San Diego site.

Cash outflow from finance activities amounted to EUR 428 thousand in the first nine months of 2022 compared to a cash inflow of EUR 22,118 thousand in the same period of the previous year. There were no corresponding financing activities in the first nine months of 2022 as in the comparable period of 2021. Payments for leases are included in financing cash flow in the amount of EUR 247 thousand (9M 2021: EUR 185 thousand).

Our net cash flow for the first nine months of 2022 was EUR -9,346 thousand (9M 2021: EUR 19,504 thousand).

Cash consumption increased to EUR 8,918 thousand in the first nine months of 2022 compared to EUR 3,598 thousand in the same period of the previous year. In this context, we refer to the risks mentioned below with regard to the financing of the Company.

Cash and cash equivalents amounted to EUR 15,773 thousand as of the reporting date (December 31, 2021: EUR 23,049 thousand).

NET ASSET POSITION

As of the reporting date, non-current assets increased from EUR 1.0 million as of December 31, 2021, to EUR 2.1 million. The increase was mainly due to the capitalization of rights of use from rental and lease agreements for the San Diego site in the amount of EUR 0.6 million. Current assets decreased from EUR 23.7 million at the beginning of the reporting period to EUR 16.9 million as of September 30, 2022, mainly as a result of the cash consumption for operating activities in the reporting period.

Total equity decreased by EUR 8.2 million to EUR 13.9 million as of the reporting date (December 31, 2021: EUR 22.1 million). The equity ratio decreased to 73.4% as of the reporting date (December 31, 2021: 89.7%).

Compared with the closing balance sheet as of December 31, 2021, non-current liabilities increased to EUR 678 thousand as of September 30, 2022 (December 31, 2021: EUR 400 thousand). This mainly includes liabilities from rental and lease agreements in the amount of EUR 629 thousand.

Current liabilities increased from EUR 2.1 million as of December 31, 2021 to EUR 4.4 million as of September 30, 2022, mainly due to the additional provisions and the capitalization of rights of use as described above.

OPPORTUNITIES AND RISKS

The opportunities and risks to which the business activities of our Company are exposed are described in detail in the Group management report, which we published together with the consolidated financial statements for 2021. The Company is dependent on substantial financial resources for the development of the "Next-Gen" product and for the continuation of its business operations. In all likelihood, this will require further financing by the middle of next year. These financial statements are available on our website (www.epigenomics.com).

SHAREHOLDINGS OF EQUITY INSTRUMENTS IN EPIGENOMICS AG AND RIGHTS SIMILAR TO EQUITY INSTRUMENTS HOLD BY MEMBERS OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

Shareholdings of the Members of the Boards of Epigenomics AG

	Number as of September 30, 2022			
	Shares	Stock options	Phantom stock options	Convertible notes
Greg Hamilton (CEO)				
Andrew Lukowiak, Ph.D., (President und CSO)	0	0	100,000	0
Jens Ravens (CFO)	0	0	50,000	0
Total Executive Board	2,656	61,447	300,000	0
Heino von Prondzynski (Chairman)	166,260	0	0	0
Alexander Link (Deputy Chairman)	11,490	0	0	50
Dr. Helge Lubenow	2,193	0	0	0
Franz Thomas Walt	2,437	0	0	32
Dr. Heikki Lanckriet, Ph.D.	0	0	0	0
Total Supervisory Board	182,380	0	0	82

REPORT ON POST-REPORTING DATE EVENTS

On October 21, 2022, an Extraordinary General Meeting was held in Munich as a virtual event without the physical presence of shareholders due to the Board of Management's notice of loss pursuant to Section 92 (1) AktG. Attendance was around 26% of the capital stock. The Executive Board presented the development of the capital stock in its report. Stockholders' questions were answered in advance and were also possible during the Extraordinary Stockholders' Meeting. A vote was held on the following agenda items:

- Resolution on the reduction of the capital stock by cancellation of shares in the simplified procedure and simplified procedure and amendment to the Articles of Association
- Resolution on the reduction of the capital stock by means of the ordinary capital reduction by consolidation of shares for the purpose of offsetting losses and transfer to the capital reserve of the Company and amendment of the Articles of Association

The shareholders approved the management's proposals for both items on the agenda.



OUTLOOK

Due to exchange rate gains and lower study costs, we updated our revenue and earnings guidance for the full year 2022 on September 19, 2022:

- Revenue 2022: EUR 0.3 million to EUR 0.8 million (unchanged).
- EBITDA before share-based payment 2022: EUR -10.5 million to -11.5 million
(before: EUR -15.0 million to EUR -17.0 million)
- Cash consumption 2022: EUR 14.5 million to EUR 15.5 million
(before: EUR 15.0 million to EUR 17.0 million)

With regard to EBITDA before share-based compensation: Depending on the further development of the EUR/USD exchange rate, it cannot be excluded that the forecast range may be exceeded or fallen short of by the end of the year. Despite the lack of predictability of the exchange rate development, we will adjust the outlook accordingly, once foreseeable.

This interim statement was approved and cleared for publication by the Executive Board of the Company on November 09, 2022.

Berlin, November 09, 2022

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.

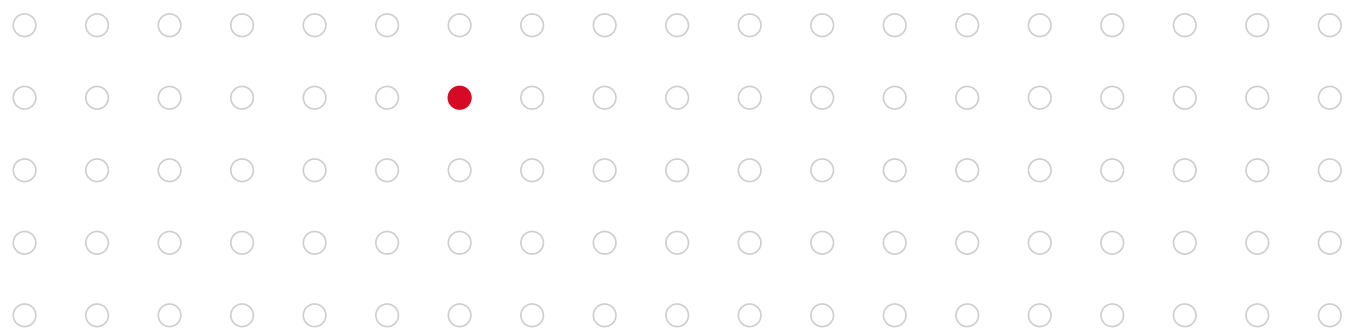


FINANCIAL CALENDAR

Report on fiscal year 2022	Tuesday, March 28, 2023
Annual General Meeting 2023	Thursday, June 15, 2023

PICTURE CREDITS

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