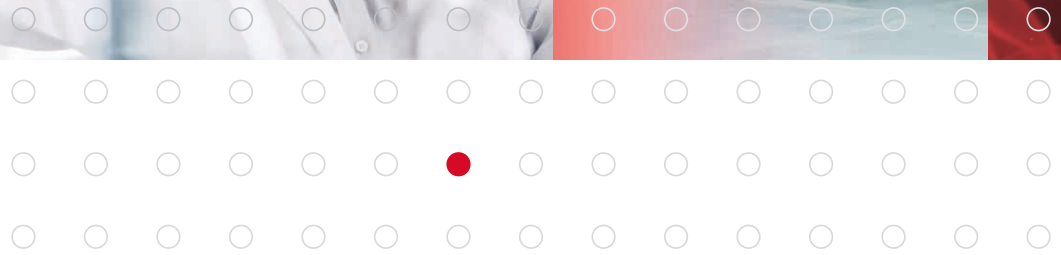


epigenomics



Saving lives through blood-based cancer detection

Interim Statement Q1
January 1 – March 31 2023

QUARTERLY DEVELOPMENT OF KEY FIGURES (UNAUDITED)

– according to the financial reporting –

in EUR thousand except where indicated

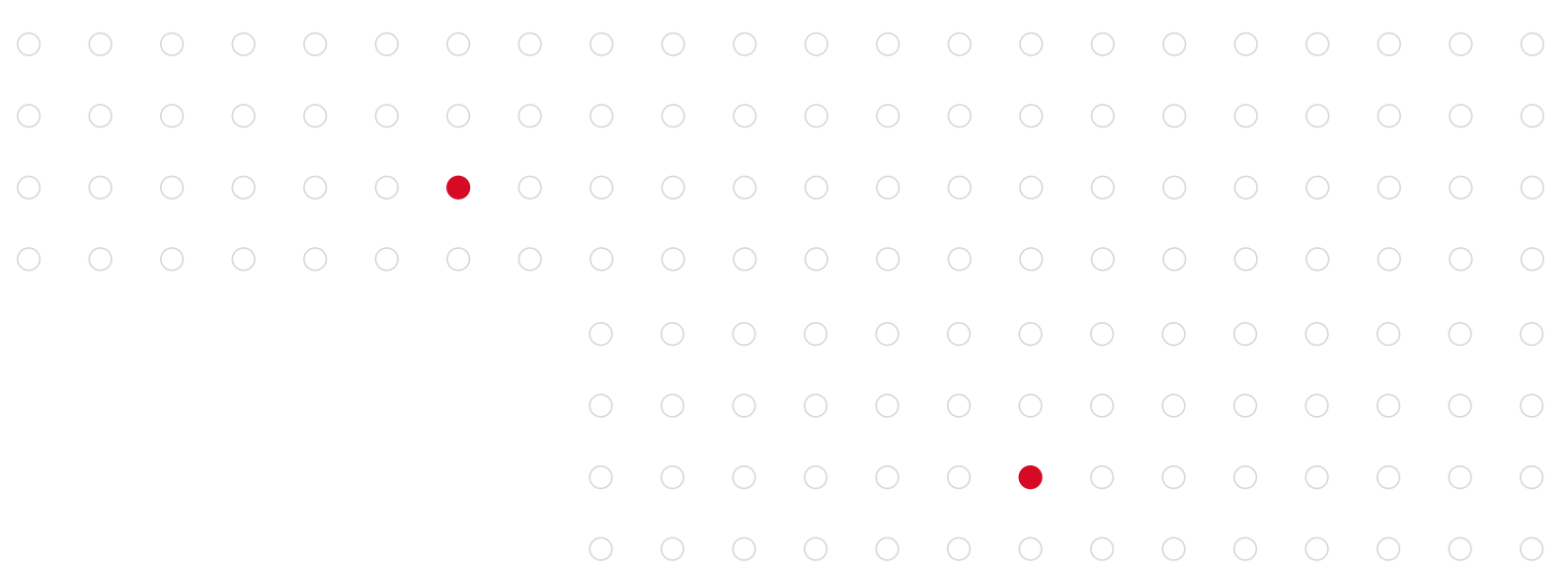
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Statement of Profit or Loss					
Revenue	115	126	145	99	134
Gross profit	89	95	109	72	96
EBIT	-2,647	-1,286	-1,550	-6,567	-5,669
EBITDA	-2,537	-1,031	-1,319	-6,415	-4,407
EBITDA before share-based payment costs	-2,574	-1,037	-1,306	-6,384	-4,427
Net loss for the period	-2,657	-1,301	-1,560	-6,507	-5,591
Balance Sheet (at the respective reporting dates)					
Non-current assets	1,627	1,851	2,077	5,037	3,455
Current assets	20,811	18,769	16,893	10,815	7,624
Non-current liabilities	769	740	678	606	243
Current liabilities	2,582	3,214	4,359	5,074	6,293
Equity	19,087	16,666	13,933	10,172	4,543
Equity ratio (in %)	85.1	80.8	73.4	64.2	41.0
Total assets	22,438	20,620	18,970	15,852	11,079
Statement of Cash Flows					
Cash flow from operating activities	-3,274	-2,672	-2,483	-3,595	-3,282
Cash flow from investing activities	-134	-203	-152	-1,211	10
Cash flow from financing activities	-96	-112	-221	70	-118
Net cash flow	-3,504	-2,987	-2,856	-4,736	-3,390
Cash consumption	3,408	2,875	2,635	4,806	3,272
Cash and cash equivalents at the end of the period	20,039	18,043	15,773	10,126	6,887
Stock¹					
Weighted-average number of shares issued	3,994,945	4,089,325	4,089,371	4,092,810	4,266,164
Earnings per share (basic and diluted, in EUR)	-0.66	-0.32	-0.38	-1.60	-1.31
Share price at the end of the period (in EUR)	2.28	1.88	1.40	1.70	0.70
Number of employees at the end of the period					
	35	33	36	34	26

¹For reasons of comparability, the figures for Q1 2022 to Q3 2022 have been adjusted retrospectively.

Interim Statement on Financial Results for Q1 2023

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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 MARCH 31 (UNAUDITED)

EUR thousand	Q1 2023	Q1 2022
Revenue	134	115
Cost of sales	-38	-26
Gross profit	96	89
Gross margin (in %)	71.6	77.4
Other income	235	805
Research and development costs	-1,121	-1,401
Selling, general and administrative costs	-4,767	-2,015
Other expenses	-112	-125
Operating result/Earnings before interest and taxes (EBIT)	-5,669	-2,647
Interest income	85	8
Interest expenses	-7	-17
Other financial result	0	0
Net loss for the period before taxes on income	-5,591	-2,656
Taxes on income	0	-1
Net loss for the period	-5,591	-2,657
Items that may be reclassified subsequently to profit or loss:		
Exchange rate differences from the conversion of foreign entities	-36	-323
Other comprehensive income for the period	-36	-323
Total comprehensive income for the period	-5,627	-2,980
Earnings per share (basic and diluted, in EUR)¹	-1.31	-0.66

¹For reasons of comparability, the figures for 2022 have been adjusted retrospectively.

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). In Q1 2023, the weighted-average number of shares issued was 4,266,164 (Q1 2022: 15,979,781 respectively 3,994,945 after adjustment for reasons of comparability).

OPERATING RESULT (EBIT) AND EBITDA

EUR thousand	Q1 2023	Q1 2022
Operating result/Earnings before interest and taxes (EBIT)	-5,669	-2,647
Amortization and depreciation	1,262	110
EBIT before amortization and depreciation (EBITDA)	-4,407	-2,537
Share-based payment costs/income	-20	-37
EBITDA before share-based payment costs	-4,427	-2,574

CONSOLIDATED BALANCE SHEET AS OF MARCH 31 (UNAUDITED)

ASSETS EUR thousand	Mar 31, 2023	Dec 31, 2022
Non-current assets		
Intangible assets	2,880	2,980
Property, plant and equipment	575	2,057
Total non-current assets	3,455	5,037
Current assets		
Inventories	0	61
Trade receivables	82	83
Cash and cash equivalents	6,887	10,126
Other current assets	655	545
Total current assets	7,624	10,815
Total assets	11,079	15,852

EQUITY AND LIABILITIES EUR thousand	Mar 31, 2023	Dec 31, 2022
Equity		
Subscribed capital	4,266	4,093
Capital reserve	102,187	102,361
Retained earnings	-96,410	-84,385
Net loss for the period	-5,591	-12,024
Other comprehensive income	91	127
Total equity	4,543	10,172
Non-current liabilities		
Liabilities from leasing contracts	184	517
Provisions	59	89
Total non-current liabilities	243	606
Current liabilities		
Trade payables	2,955	3,540
Liabilities from leasing contracts	255	324
Deferred income	15	56
Other liabilities	2,037	648
Provisions	1,031	506
Total current liabilities	6,293	5,074
Total equity and liabilities	11,079	15,852

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD FROM JANUARY 1 TO MARCH 31 (UNAUDITED)

EUR thousand	Q1 2023	Q1 2022
Cash and cash equivalents at the beginning of the period	10,126	23,049
Operating activities		
Net loss for the period	-5,591	-2,657
Adjustments for:		
Share-based payment expenses	10	-47
Amortization of intangible assets	44	4
Depreciation of property, plant and equipment	1,218	106
Foreign currency exchange results	42	-538
Financial income	-85	-8
Financial expenses	7	17
Taxes	0	1
Operating result before changes in operating assets and liabilities	-4,355	-3,122
Changes in operating assets and liabilities		
Inventories	60	62
Trade receivables	0	14
Other assets	-111	-183
Non-current and current provisions	499	1
Trade payables and other liabilities	650	-67
Deferred income	-41	22
Interest paid	-65	0
Tax paid	81	-1
Cash flow from operating activities	-3,282	-3,274

EUR thousand	Q1 2023	Q1 2022
Investing activities		
Payments to acquire property, plant and equipment	-12	-143
Proceeds from investment grants received	0	9
Interest received	22	0
Cash flow from investing activities	10	-134
Financing activities		
Auszahlungen für die Ausgabe von Wandelschuldverschreibungen	-6	-10
Auszahlungen für die Kapitalherabsetzung	-21	0
Auszahlungen für Leasingverträge	-91	-86
Cash flow from financing activities	-118	-96
Total net cash flow	-3,390	-3,504
Currency translation effects	151	494
Cash and cash equivalents at the end of the period	6,887	20,039

At the reporting date, EUR 84 thousand of cash and cash equivalents included restricted cash.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF MARCH 31 (UNAUDITED)

EUR thousand	Subscribed capital	Capital reserve	Retained earnings	Net loss for the period	Other comprehensive income	Group equity
December 31, 2021	15,540	99,756	-90,732	-2,428	-16	22,120
Total comprehensive income	0	0	0	-2,657	-323	-2,980
Transfer of net loss for the year 2021 to retained earnings	0	0	-2,428	2,428	0	0
Conversion in convertible notes	440	-440	0	0	0	0
Costs for conversion in convertible notes	0	-6	0	0	0	-6
Stock option expenses	0	-47	0	0	0	-47
March 31, 2022	15,980	99,263	-93,160	-2,657	-339	19,087
December 31, 2022	4,093	102,361	-84,385	-12,024	127	10,172
Total comprehensive income	0	0	0	-5,591	-36	-5,627
Transfer of net loss for the year 2022 to retained earnings	0	0	-12,024	12,024	0	0
Conversion in convertible notes	173	-173	0	0	0	0
Costs for conversion in convertible notes	0	-11	0	0	0	-11
Stock option expenses/income	0	10	0	0	0	10
March 31, 2023	4,266	102,187	-96,410	-5,591	91	4,543

FINANCIALS Q1 2023

RESULTS OF OPERATIONS

In the first quarter of 2023, we recorded revenues of EUR 134 thousand (Q1 2022: EUR 115 thousand). Product sales increased slightly from EUR 110 thousand in Q1 2022 to EUR 129 thousand in Q1 2023.

Cost of sales was EUR 38 thousand in the first quarter of 2023 (Q1 2022: EUR 26 thousand). Our gross margin was 72% in the first quarter of 2023 (Q1 2022: 77%).

Other income of EUR 235 thousand in the first quarter of 2023 (Q1 2022: EUR 805 thousand) includes EUR 62 thousand for exchange rate gains from currency translation and EUR 59 thousand for correction of deferred liabilities as well as a compensation payment of EUR 109 thousand for leasehold improvements in Berlin. The corresponding lease agreement has been terminated as of June 30, 2023.

R&D costs decreased from EUR 1,401 thousand in the first quarter of 2022 to EUR 1,121 thousand in the first quarter of 2023, as research and development activities were discontinued due to the restructuring.

Our selling and administrative expenses increased to EUR 4,767 thousand in the first quarter of 2023 from EUR 2,015 thousand in the comparable period of 2022. This increase resulted from costs for the implementation of the restructuring.

Other expenses of EUR 112 thousand in the first quarter of 2022 (Q1 2022: EUR 125 thousand) were exclusively attributable to exchange rate losses from currency translation.

Overall, our operating costs increased to EUR 6.0 million in the first quarter of 2023 compared to EUR 3.6 million in the same period of the previous year for the reasons mentioned above.

In Q1 2023, we incurred a net loss of EUR 5.6 million (Q1 2022: EUR 2.7 million). The net loss per share for the quarter increased from EUR 0.66 to EUR 1.31 compared to the previous year.

FINANCIAL POSITION AND CASH FLOW

In the first quarter of 2023, the cash outflow from operating activities increased only slightly by EUR 8 thousand from EUR 3,274 thousand to EUR 3,282 thousand. The restructuring costs recognized in the first quarter will cash-effective later on or relate to non-cash depreciation of property, plant and equipment.

The cash outflow from investing activities in the first quarter of 2022 of EUR 134 thousand was offset by a cash inflow of EUR 10 thousand in the reporting period.

The cash outflow from financing activities amounted to EUR 118 thousand in the first three months of 2023, compared with EUR 96 thousand in the same period of the previous year. Payments for leases are included in financing cash flow in the amount of EUR 91 thousand (Q1 2022: EUR 86 thousand).

Our net cash flow for the first quarter of 2023 was EUR -3,390 thousand (Q1 2022: EUR -3,504 thousand).

Cash consumption decreased to EUR 3,272 thousand in the first three months of 2023, compared with EUR 3,408 thousand in the same period of the previous year.

Cash and cash equivalents amounted to EUR 6,887 thousand at the reporting date (December 31, 2022: EUR 10,126 thousand).

NET ASSET POSITION

As of the reporting date, non-current assets decreased from EUR 5.0 million as of December 31, 2022 to EUR 3.5 million. The decrease was mainly due to depreciation and amortization as a result of the restructuring. Current assets decreased from EUR 10.8 million at the beginning of the reporting period to EUR 7.6 million as of March 31, 2023, mainly as a result of cash consumption for operating activities in the first quarter.

Total equity decreased by EUR 5.6 million to EUR 4.5 million as of the reporting date (December 31, 2022: EUR 10.2 million). The equity ratio decreased to 41.0% as of the reporting date (December 31, 2022: 64.2%).

Compared with the closing balance sheet as of December 31, 2022, non-current liabilities decreased to EUR 243 thousand as of March 31, 2023 (December 31, 2022: EUR 606 thousand). This mainly includes liabilities from rental and lease agreements in the amount of EUR 184 thousand.

Current liabilities increased from EUR 5.1 million as of December 31, 2022 to EUR 6.3 million as of March 31, 2023.

OPPORTUNITIES AND RISKS

The opportunities and risks to which our company's business activities are exposed are described in detail in the Group management report, which we published together with the consolidated financial statements for 2022, and have not changed. Reference is again made to the risks mentioned there due to the current situation of the Company. These consolidated financial statements are available on our website (www.epigenomics.com).

SHAREHOLDINGS OF THE MEMBER OF THE BOARDS OF EPIGENOMICS AG

	Numbers as of March 31, 2023			
	Shares	Stock options	Phantom stock options	Convertible notes
Greg Hamilton (CEO)	664	15,361	75,000	0
Andrew Lukowiak, PhD, (President und CSO)	0	0	50,000	0
Jens Ravens (CFO)	2,000	0	12,500	0
Total Executive Board	2,664	15,361	137,500	0
Dr. Helge Lubenow (Chairwoman)	1,798	0	0	0
Alexander Link (Deputy Chairman)	2,872	0	0	50
Franz Thomas Walt	609	0	0	32
Total Supervisory Board	5,279	0	0	82

REPORT ON POST-BALANCE SHEET DATE EVENTS

Announcement dated April 12, 2023

We announced that the Chief Executive Officer of Epigenomics AG, Greg Hamilton, and the Company's Supervisory Board agreed on his resignation from the Company and the Executive Board effective June 30, 2023.

Furthermore, talks are being initiated with the other members of the Executive Board regarding the future composition of the board in the light of the restructuring of the Company.

Announcement dated May 19, 2023

In connection with its revised strategy, Epigenomics AG announces changes to its Executive Board. The Member of the Executive Board, President, and Chief Scientific Officer of Epigenomics AG, Dr. Andrew Lukowiak, is resigning from the Company and the Executive Board effective May 31, 2023.

OUTLOOK

We confirm our outlook for fiscal year 2022, as presented in the Group management report section of the Annual Report 2022:

- EBITDA before share-based payment expenses 2023: between EUR -7.0 Mio. and -9.0 Mio.
- Cash consumption 2023: between EUR 7.0 Mio. and EUR 9.0 Mio.

This interim statement was approved and cleared for publication by the Executive Board of the Company on May 29, 2023.

Berlin, May 29, 2023

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.

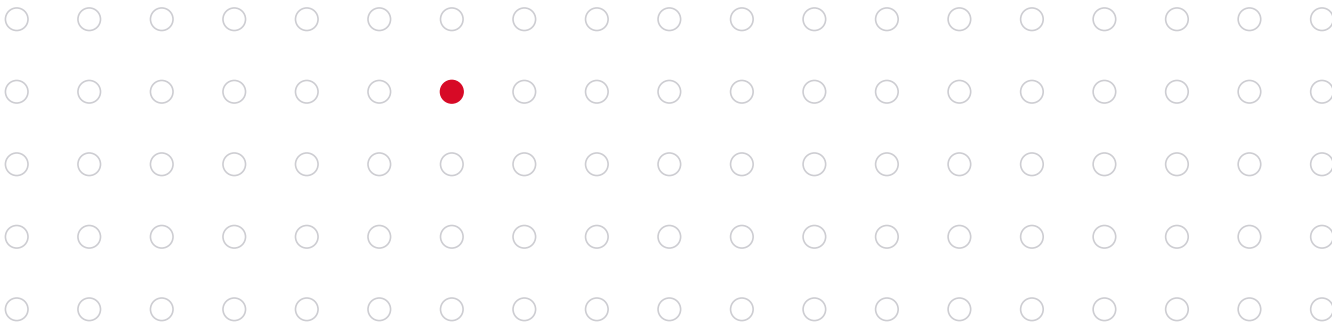


FINANCIAL CALENDAR

Annual General Meeting 2023 Thursday, June 15 2023
Report on second quarter/first half 2023 Thursday, August 10 2023

PICTURE CREDITS

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