

Declaration of Governance

Declaration of Compliance and Reporting on Corporate Governance

Epigenomics AG has consistently implemented its corporate governance in consideration of the recommendations and suggestions of the German Corporate Governance Code in its version dated April 28, 2022 (hereinafter “Code”) with the exceptions as disclosed in the Declaration of Compliance. During the 2023 fiscal year the Executive Board and the Supervisory Board discussed corporate governance matters several times and, in October 2023, jointly submitted the annual Declaration of Compliance for 2023 pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*, “AktG”). In March 2024, the Executive Board and the Supervisory Board published an Update to the Declaration of Compliance.

The background of the Update is that the Executive Board and the Supervisory Board decided on March 1, 2024 to no longer observe the recommendations of the Code in future. The Executive Board and the Supervisory Board are of the opinion that the recommendations of the Code were designed for large public companies, but are inappropriate for companies of the size and structure of Epigenomics AG. The size and economic importance of the Company do not require orientation towards the recommendations of the Code. The Executive Board and the Supervisory Board are convinced that proper corporate governance is also ensured by compliance with the statutory provisions.

The Declaration and the Update were made permanently accessible to the general public on Epigenomics AG's website.

The current Declaration of Compliance of October 2023 reads as follows:

The Executive Board and the Supervisory Board of Epigenomics AG hereby declare that, since the last Declaration of Compliance in October 2022 and its Update in February 2023, the recommendations of the German Government Commission on the German Corporate Governance Code dated April 28, 2022 (hereinafter “Code”) have been complied with, with the exceptions set forth below:

Recommendations A.1 and A.3

The Company specifically implements environmental and social aspects relevant to its activities. In its activities, it also takes into account the environmental and social risks and impacts. However, environmental and social aspects and impacts are not systematically identified and assessed. Furthermore, they are not defined as goals in corporate planning or strategically recorded. The internal control system and risk management system also do not cover sustainability-related goals. Therefore, the Company deviated and deviates from recommendations A.1 and A.3. The Executive Board and the Supervisory Board are of the opinion that ecological and social aspects are important and essential. However, in the view of the Executive Board and the Supervisory Board, their structured and planned recording and consideration has not been and is not a priority in view of the size of the Company and the financial and operational challenges the Company is facing. If this changes in the future, the Executive Board and the Supervisory Board intend to comply with recommendations A.1 and A.3.

Recommendation A.4

The Company does not have a separate system that employees can use to report, in a protected manner, suspected breaches of the law within the Company. Owing to its size and organization and especially since the restructuring of the Company in February 2023, the Company does not believe that it is necessary to implement such a system. Accordingly, the Company deviated or deviates from the recommendation A.4 half-sentence 1.

Recommendations B.1, B. 5, C.1 and C.2

In the past, when filling the positions in its bodies, the Executive Board and the Supervisory Board considered the Company-specific situation, and also made allowances for potential conflicts of interest as well as the international activities of the Company through an appropriate diversity of their members as well as the appointment of an adequate number of independent Supervisory Board members. Furthermore, the Supervisory Board has set a standard limit for the length of membership of the Supervisory Board as well as a competence profile for the entire body. In deviation from the recommendations B.5 and C.2, we however consider the commitment to institute special age limits for members of the Executive Board and the Supervisory Board as an inadequate limitation of the voting rights of our shareholders. Accordingly, contrary to recommendations B.5 and C.2, no such age limits are stated in the corporate governance declaration. In addition, we are convinced that blanket requirements for the composition of the Executive Board as requested in recommendation B.1, constrain the Supervisory Board inadequately in its selection of suitable members of the Executive Board. The same applies to blanket requirements for the composition of the Supervisory Board, as required by recommendation C.1 sentences 1 and 2 . We strive

to achieve an appropriate diversity in the Executive Board and the Supervisory Board and to ensure that an adequate number of independent Supervisory Board members is elected. However, it is ultimately in the corporate interest to appoint the most suitable male or female candidates. Furthermore, the Supervisory Board has defined gender diversity objectives for the proportion of women in both the Executive Board and the Supervisory Board in accordance with Section 111 paragraph 5 of the Stock Corporation Act (*Aktiengesetz*). We believe that (additional) blanket requirements constitute an inadequate limitation of the individual selection of suitable male and female candidates for the Executive Board or the Supervisory Board. Furthermore, target requirements regarding the composition of the Supervisory Board also inadequately impair our shareholders' right to elect the Supervisory Board members. Accordingly, we did not and will not comply with these recommendations of the Code. Finally, in the absence of concrete targets for the composition of the Supervisory Board, and in deviation from recommendation C.1 sentence 5, the status of the implementation of such targets is not published in the corporate governance statement.

In deviation from recommendation C.1 sentence 3, the competence profile of the Supervisory Board does not contain any expertise on sustainability issues that are significant for the Company. Due to the situation of the Company, economic, financial and operational criteria are currently more urgent from the perspective of the Supervisory Board.

Recommendations D.2 sentence 1 and D.4

As a result of the reduction of the Supervisory Board to three members, which was resolved by the Annual General Meeting on June 15, 2023 and became effective upon registration on July 17, 2023, the Supervisory Board corresponds to the Audit Committee in accordance with Section 107 (4) sentence 2 AktG. In view of the size of the Company and the fact that the Supervisory Board is composed exclusively of shareholder representatives, the Supervisory Board did not and does not consider it necessary to form further committees with specialist expertise. This applies in particular to the Nomination Committee, which would be composed exclusively of shareholder representatives and would nominate suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. Hence, the Company has deviated and will deviate from the Recommendations D.2 sentence 1 and D.4.

Recommendation G.1

On April 26, 2023, the Supervisory Board resolved a new system for the remuneration of the members of the Executive Board considering the restructuring of the Company and submitted it to the General Shareholders' Meeting for approval on June 15, 2023 (hereinafter "Remuneration System 2023"). By resolution dated April 28, 2022, the Supervisory Board adopted an additional system for the remuneration of Executive Board members and also submitted it for approval to the General Shareholders' Meeting on June 15, 2022 (hereinafter "Remuneration System 2022"). The General Shareholders' Meeting approved the submitted remuneration systems for members of the Executive Board. These approved remuneration systems contain the following deviations from recommendation G.1:

- In deviation from the 3rd indent of Recommendation G.1, both the Remuneration System 2023 and the Remuneration System 2022 do not contain any non-financial performance criteria because the pursuit of certain financial and strategic objectives have more priority considering the Company's situation.
- Contrary to the 4th and 5th indents of Recommendation G.1, the Remuneration System 2023 does not specify a connection between the achievement of the previously agreed performance criteria and the variable remuneration, nor does it specify in what form and when the Executive Board member can dispose of the variable remuneration amounts granted. Considering the current situation of the Company, the Supervisory Board does not consider it appropriate to restrict the necessary flexibility in determining the remuneration of the Executive Board in this area.

Hence, the Company has deviated and will deviate from the Recommendation G.1.

Recommendation G.11 sentence 1

The existing service agreement does not contain any provision that allows the Supervisory Board to make an "upward" adjustment to remuneration that is inappropriately low due to extraordinary developments. The regulatory framework for such an "upward" adjustment option appears unclear and the practical need is not urgent."

The Update of the Declaration of Compliance published in March 2024 reads as follows:

"The Executive Board and the Supervisory Board of Epigenomics AG published their last Declaration of Compliance in October 2023. Due to the sale of almost all of the Company's assets and the associated orientation of the Company as a pure holding company, the Company intends to no longer comply with the recommendations of the German Corporate Governance Code ("Code") in the version dated June 27, 2022 (published by the Federal

Ministry of Justice in the official section of the Federal Gazette on April 28, 2022) in the future. The Company is of the opinion that the recommendations of the Code were designed for large public companies, but are inappropriate for the size and structure of Epigenomics AG. The Executive Board and the Supervisory Board are convinced that proper corporate governance is also possible by complying with the statutory provisions."

Corporate Bodies – Composition and Functioning

As a German stock corporation, Epigenomics AG is subject to the German Stock Corporation Act. Its constituting bodies are the Annual General Shareholders' Meeting (AGM), the Executive Board and the Supervisory Board. The Executive Board and the Supervisory Board each have their own competencies and closely collaborate in a trustworthy manner in steering and supervising the Company.

Annual General Shareholders' Meeting

The purpose of the Annual General Shareholders' Meeting (AGM) is to enable the shareholders (stockholders) to exercise their shareholder rights. The AGM of Epigenomics AG takes place within eight months after the end of the respective fiscal year as a presence meeting. According to Section 119 AktG, the AGM decides and passes resolutions upon, inter alia, the formal approval of the actions of the Executive Board and the Supervisory Board, the composition of the Supervisory Board, the Company's Articles of Association, capital measures and the appointment of the Company's auditors. Each share of the Company corresponds to one single vote that its holder may exercise at the AGM. All shareholders who are entered in the share register and who have registered for the event in a timely manner are eligible to participate in the AGM. Participation and voting by proxy is also possible by granting a power of attorney to an attorney-in-fact of the shareholder's choice.

In due time before each AGM, Epigenomics AG publishes the invitation, the exact wording of the proposed resolutions as well as any reports and/or information required according to the applicable regulations concerning stock corporations in German and English on its website as well as in the Federal Gazette ("*Bundesanzeiger*").

Supervisory Board

According to Section 111 AktG, the Supervisory Board is responsible for consulting and supervision of the Executive Board. Furthermore, the Supervisory Board is responsible for appointing and dismissing members of the Executive Board as well as for the conclusion and termination of their Executive Board service contracts. The Supervisory Board is involved in strategy and planning as well as in all issues of material importance to the Company. All material decisions by the Executive Board require Supervisory Board approval. This includes the approval of the annual budget for each subsequent year, which is being proposed by the Executive Board. Upon discussion with the Supervisory Board, changes may be required and incorporated. The Supervisory Board also issues the mandate for the audit of the annual financial statements to the auditor that has been appointed by the AGM.

According to the Articles of Association, the Supervisory Board of Epigenomics AG consists of three members. The Supervisory Board shall have a quorum if all members participate in the adoption of the resolution. At the Annual General Shareholders' Meeting on June 16, 2021 Heino von Prondzynski, Dr. Helge Lubenow, Franz Thomas Walt and Alexander Link were elected as members of the current Supervisory Board. Mr. Heikki Lanckriet, PhD was newly elected to the Supervisory Board by the Annual General Meeting on June 15, 2022. None of the members of the Supervisory Board was a member of the Company's Executive Board in the past. The Chairman of the Supervisory Board was Heino von Prondzynski. On February 15, 2023 he resigned as member of the Supervisory Board and the Supervisory Board elected Dr. Helge Lubenow as Chairwoman of the Supervisory Board. Mr. Alexander Link is the Deputy Chairman. Mr. Franz Thomas Walt has resigned from office with effect as of April 30, 2023. Mr. Heikki Lanckriet resigned as a member of the Supervisory Board with effect from 31 January 2024. With effect from February 5, 2024, Mr. Jochen Hummel was appointed as his successor by court order at the request of the Supervisory Board and the Executive Board. The current term of office of all remaining members of the Supervisory Board ends at the end of the AGM that resolves on the formal approval of the actions of the Supervisory Board for the fiscal year ending December 31, 2024. The *curricula vitae* of the members of the Supervisory Board are published on the Company's website (www.epigenomics.com) under "News & Investors" — "Corporate Governance" — "Supervisory Board".

On November 30, 2021, the Supervisory Board had resolved that the target ratio of female members on the Supervisory Board shall be 25% and that the target ratio shall be met by December 31, 2024. There is currently one woman on the Supervisory Board. This corresponds to a proportion of women of one third and is therefore in line with the defined target.

Furthermore, in its meeting on September 26, 2017, the Supervisory Board determined a profile of skills and expertise for the entire Supervisory Board. The profile of skills and expertise aims at facilitating a qualified supervision of and advice to the Executive Board by the Supervisory Board and at ensuring that the Supervisory Board's members collectively have the knowledge, skills and professional expertise required to properly perform all duties of the Supervisory Board of a capital market-oriented, internationally operating company in the molecular diagnostics industry. To this end, the members of the Supervisory Board collectively shall have expertise in and/or knowledge of managing an internationally operating company as well as expertise and/or knowledge in the fields of accountancy and financial reporting, auditing, corporate finance, controlling and risk management, corporate governance and compliance. Moreover, they shall collectively be familiar with the Company's field of business activity and thus have expertise and/or knowledge in the fields of research and development – if possible within the area of technologies that are relevant for the Company and adjacent or related areas – as well as in the fields of manufacturing, marketing and sales. The Supervisory Board assumes that its current composition fulfills this profile of skills and expertise. The Supervisory Board also pays attention to diversity.

The following qualification matrix shows the implementation of the profile of skills and expertise in its current version (status: Supervisory Board composition as of December 31, 2023):

	Dr. Helge Lubenow	Alexander Link	Heikki Lanckriet, PhD
Management of an internal company	X	X	X
Research and Development, if possible in the field of technologies relevant to the company or related fields	X		X
Manufacturing	X		X
Marketing	X		X
Sales	X		X
Accounting and Financial Reporting		X	
Financial Auditing and Corporate Finance	X	X	
Controlling		X	
Risk Management	X	X	X
Governance	X	X	X
Compliance	X	X	X

In its meeting on April 9, 2020, the Supervisory Board resolved that, generally, members should belong to the Supervisory Board for a maximum of twelve years at the end of their term of office. Accordingly, only individuals shall be nominated for election to the Supervisory Board who, at the time of election, have not yet been a member of the Supervisory Board for more than twelve years. At the date of this declaration, the members of the Supervisory Board comply with this internally established general time limit. The Supervisory Board regards the adequate number of independent Supervisory Board members and thus – as there are no employees' representatives on the Supervisory Board – of shareholder representatives to be at least three. According to the Supervisory Board's own assessment, the members of the Supervisory Board, Dr. Helge Lubenow, Alexander Link, and Heikki Lanckriet, PhD (as of December 31, 2023) are independent within the meaning of the German Corporate Governance Code. Alexander Link is a member of the Executive Board of Deutsche Balaton AG, which directly or indirectly through its subsidiaries holds more than 10% of the voting shares of Epigenomics AG and – based on the voting rights notification pursuant to Section 33 et seq. WpHG – holds convertible bonds issued by the Company to a significant extent. Apart from this, the Supervisory Board has not determined any concrete objectives regarding its composition.

The working practices of the Supervisory Board have essentially been formally regulated by the rules of procedure that the Supervisory Board has adopted (the rules of procedure are available on the Company's website (www.epigenomics.com) under "News & Investors" - "Corporate Governance"). According to those rules, the Supervisory Board has to meet at least twice per calendar half-year. These four quarterly meetings can be conducted as physical meetings or by way of video or telephone conferences. Furthermore, additional meetings can be called. The Executive Board regularly attends the Supervisory Board Meetings and as needed, additional managers can be invited to attend the meetings. The first annual meeting following the completion and audit of the annual financial statements and the consolidated financial statements of the Company – the so-called "Balance Sheet Meeting" – is also attended by the Company's auditor, who reports to the Supervisory Board on the audits performed. During this meeting, the Supervisory Board also conducts confidential discussions with the auditors without the Executive Board being present.

The agenda and resolution proposals are communicated well in advance of a Supervisory Board meeting in text form to all participants. If needed at short notice, resolutions are also taken in writing by circular resolution or in telephone or video conferences. All meetings and resolutions of the Supervisory Board shall be recorded in written minutes and the minutes of the Supervisory Board meetings have to be approved by all members of the Supervisory Board.

As a result of the reduction of the Supervisory Board to three members, which was resolved by the Annual General Meeting on June 15, 2023 and became effective upon registration on July 17, 2023, the Supervisory Board corresponds to the Audit Committee in accordance with Section 107 (4) sentence 2 AktG. Dr. Lubenow has expertise in the field of auditing due to her many years of experience as the responsible head of a large division of a listed company and as a management consultant as well as her numerous and long-standing memberships in various committees, in particular audit committees of supervisory boards of both listed and non-listed international companies. Her expertise in this area consists of special knowledge and experience in auditing financial statements. Due to his many years of responsible experience in the banking sector and in management consulting, Mr. Alexander Link has expertise in the areas of accounting and auditing. His expertise in these areas consists primarily of special knowledge and experience in the application of accounting principles and internal control and risk management systems with regard to accounting and special knowledge and experience in the auditing of financial statements with regard to the auditing of financial statements. In addition, Mr. Alexander Link has expertise in the field of accounting, in particular in the application of accounting principles and internal control and risk management systems. The Supervisory Board has not established any other committees besides the Audit Committee.

The Supervisory Board regularly reviews the efficiency of its activities and the Audit Committee's activities. The last evaluation of efficiency took place mid-2022. A detailed questionnaire, which has been prepared with the aid of external legal advisers, was used for this purpose. The questionnaire was answered by the Supervisory Board members and the results of the evaluation were discussed by the Supervisory Board.

Once per year, the Supervisory Board reports on its activities to the shareholders; the report is published in the Company's annual report. Moreover, the Chairman of the Supervisory Board regularly reports to the AGM on the activities of the Supervisory Board of the previous business year.

Details of each individual member of the Supervisory Board as well as his/her remuneration can be found in the Company's remuneration report, which will be prepared for the first time for the 2021 fiscal year and published together with the auditor's report on the audit of the remuneration report on the Company's website (www.epigenomics.com) under "News & Investors" — "Corporate Governance" — "Remuneration", and in the remuneration system for the members of the Supervisory Board, which is described on the Company's website under "News & Investors" — "Corporate Governance" — "Remuneration".

Executive Board

The Executive Board leads and represents the Company. The Supervisory Board appoints the Executive Board members for a maximum of five years. Multiple successive appointments are permitted.

The Supervisory Board has issued rules of procedure for the Executive Board, which govern in particular the internal working practices and the allocation of responsibilities within the Executive Board and its cooperation with the Supervisory Board.

The Company's Articles of Association do not define a minimum number of Executive Board members. As of December 31, 2023, the Executive Board consisted of only one member. Mr. Gregory K. Hamilton, who had been Chairman of the Executive Board since July 1, 2016, left the Company on June 30, 2023. Mr. Andrew Lukowiak,

another member of the Executive Board since December 1, 2021, was responsible for operations and research and development at the Company and left the Company on May 31, 2023. Mr. Jens Ravens was originally appointed as the third member of the Executive Board with effect from February 1, 2022 and was initially responsible for Finance, Human Resources and Administration. Since the leaving of Greg Hamilton and Andrew Lukowiak, Mr. Jens Ravens has been the sole member of the Executive Board. Mr. Jens Ravens will leave the Company on April 30, 2024. Mr. Hansjörg Plaggemars has been appointed as an additional member of the Executive Board with effect from February 1, 2024.

Each member of the Executive Board represents the Company jointly with another member of the Executive Board or together with an authorized signatory (*Prokurist*). With the departure of the two Executive Board members, Mr. Gregory K. Hamilton and Mr. Andrew Lukowiak, Mr. Ravens represented the Company alone. The Supervisory Board made use of the option to exempt Executive Board members from the restrictions of Section 181 of the German Civil Code (BGB) as follows: Mr. Ravens was exempted from the restrictions of Section 181 2. Alt BGB (multiple representation) and authorized to represent the Company with himself as a representative of a third party for transactions with the US subsidiary.

On November 30, 2021, the Supervisory Board resolved that the target ratio of female members on the Executive Board shall be 0% and that the target ratio shall be met by December 31, 2024. Currently, the ratio of female members of the Executive Board is 0% and the set target ratio is therefore met. A higher ratio, which the Supervisory Board deems desirable and intends to achieve, cannot realistically be implemented in the period until the end of 2024. The Executive Committee is to consist of a maximum of three members. A larger number of Executive Board members is neither required for operational purposes nor economically reasonable. Consideration is being given to reducing the maximum number of Executive Board members in view of the change in the Company's business activities.

Additionally, the Executive Board resolved at its meeting on November 30, 2021 on a target ratio of 50% for the proportion of women in positions at the first two management levels below the Executive Board to be met by December 31, 2024. Currently, the proportion of women at the first two management levels below the Executive Board is 100% and the set target ratio is therefore met.

The Executive Board regularly reports to the Supervisory Board in a timely and comprehensive manner on all significant aspects of the Company's development, its strategy and planning, on risks faced by the Group as well as on compliance related issues, and consults the Supervisory Board prior to any important strategic decisions.

Details of the remuneration for the members of the Executive Board can be found in the remuneration report, which will be prepared for the first time for the 2021 fiscal year and published together with the auditor's report on the audit of the remuneration report on the Company's website (www.epigenomics.com) under "News & Investors" — "Corporate Governance" — "Remuneration", and in the remuneration system for the members of the Executive Board, which is described on the Company's website under "News & Investors" — "Corporate Governance" — "Remuneration".

Together with the Executive Board, the Supervisory Board ensures long-term succession planning for the Executive Board. With regard to appointments to the Executive Board, the Supervisory Board gives top priority to the criteria of continuity and professional competence, and these are thus the cornerstones of its succession planning. This is regularly discussed by the Supervisory Board. The members of the Executive Board are also consulted on these discussions, either individually or as a whole, and so are external experts, if necessary. The Supervisory Board draws up a profile of requirements for all Executive Board positions and, if necessary, outlines a pool of candidates. On this basis, potential internal or external candidates are identified, usually also with the support of a renowned recruitment agency.

Transparency

Consistent, comprehensive and timely information of employees, investors, customers, suppliers, authorities and other stakeholders is very important to Epigenomics AG. Reporting on any business activities and the financial situation of Epigenomics AG is done in the annual consolidated and annual financial statements (including the management report and group management report), in financial reports during the year as well as in press conferences and conference calls. Information is also disseminated in a timely manner by means of press releases and where required by law, via ad hoc announcements. All press releases, presentations and notifications as well as the up-to-date corporate calendar are available at the Company's website (www.epigenomics.com) under "News & Investors".

Black-out Periods and Insider Trading Rules

Generally, trading in primary and derivative financial instruments of the Company by Executive Board members or employees of the Company is permitted only outside of the statutory "closed periods" and any further internally defined "black-out" periods. In addition to the black-out periods, the Company's insider trading rules also include prohibitions on notification, recommendation and use with regard to relevant insider information, which may also be relevant for financial instruments issued by other companies. When required, Epigenomics also maintains the insider registers required under Article 18 of the European Market Abuse Regulation (Regulation (EU) No 596/2014, "MAR"). Each internal and external person, who has been identified as an insider, will be informed individually and immediately in writing about the legal requirements and sanctions in connection with insider trading.

Accounting and Auditing

The annual financial statements of Epigenomics AG (separate financial statements) for the financial year 2023 are prepared in accordance with the applicable provisions of commercial and stock corporation law and published in accordance with the statutory provisions. The Company has effectively revoked its admission to the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations ("Prime Standard") as of the end of June 9, 2023 and has since been part of the so-called "General Standard" of the regulated market. The change of stock exchange segment means that the extended post-admission obligations of the Prime Standard no longer apply. These include the requirement to publish quarterly statements on the reporting date of the 1st and 3rd quarter. The consolidated financial statements of Epigenomics AG are prepared in accordance with commercial law and for the last time for the 2022 financial year using the applicable International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as adopted by the European Union (EU), and published in accordance with the statutory provisions and the stock exchange regulations of the Frankfurt Stock Exchange. With the dissolution of its US subsidiary, Epigenomics, Inc., the Company is no longer required to prepare consolidated financial statements in accordance with IFRSs. The Company will therefore only prepare separate HGB financial statements for the 2023 financial year.

Once the separate financial statements have been prepared, they are audited by the auditor and approved by the Supervisory Board. The financial statements are generally published within three months of the end of the respective financial year.

The auditor reports to the Audit Committee of the Supervisory Board and, at the Balance Sheet Meeting, to the Supervisory Board on all material findings and events derived from the audit that are relevant for the fulfillment of the duties of the Supervisory Board. This also includes any emerging grounds for exclusion or bias.

The Company's financial reports and announcements during the year are regularly subjected to a critical review by the auditor. Prior to approval of each release, a meeting of the Audit Committee of the Supervisory Board is held in which the reports awaiting release are analyzed, critically discussed and, if necessary, modified. Participants of these meetings include the auditor, the members of the Audit Committee, the Senior Vice President of Finance and Accounting and, as the case may be, further internal experts.

Risk Management

Epigenomics AG is a listed company whose purpose is to manage its own assets. The Company's key assets are currently the payment claims from the agreement with New Day Diagnostics LLC, under which the Company sold almost all of its assets. These assets consisted primarily of patents and as such is subject to many industry and company specific opportunities and risks. Epigenomics has established an effective system to identify early, document, assess, communicate and manage opportunities and risks across its functions and operations. The underlying principles and guidelines have been documented in a group-wide risk management policy. The goal of this policy and all related systems is to systematically identify risks at the earliest possible stage, to estimate their likelihood of occurrence as well as their potential qualitative and quantitative impact, and to be able to design and implement effective countermeasures. The risk management system is regularly evaluated and discussed with the auditors of the Company at the Executive Board and Supervisory Board levels.

Additional information on the Company's risk management system, any specific risks faced by the Company and on the accounting related internal control system can be found in the risk report, which is part of the management report and the group management report in the Company's annual/consolidated financial statements.

Compliance Management System

The main features of the Compliance Management System established at the Company are presented in the Company's annual report.