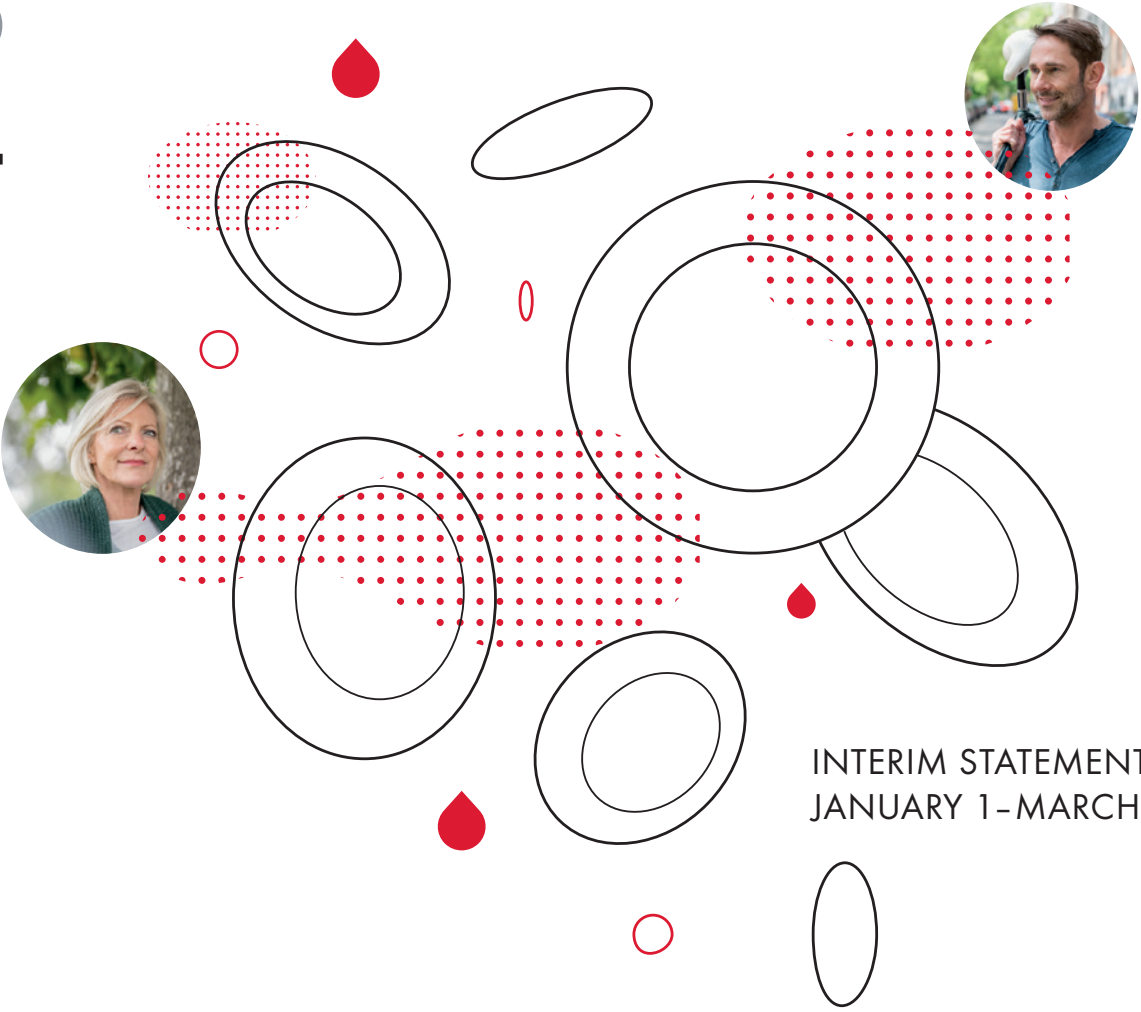


epigenomics



INTERIM STATEMENT Q1
JANUARY 1-MARCH 31

**SAVING LIVES
THROUGH BLOOD-BASED
CANCER DETECTION**

QUARTERLY DEVELOPMENT OF KEY FIGURES (UNAUDITED)

- according to the financial reporting -

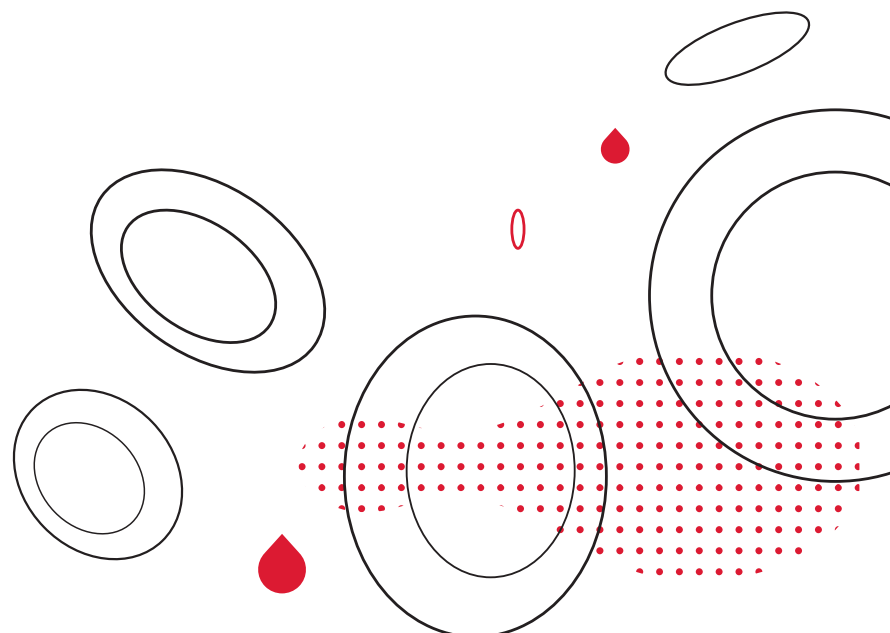
in EUR thousand (unless indicated otherwise)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Statement of Profit or Loss					
Revenue	331	348	168	278	239
Gross profit	238	276	129	229	182
EBIT	-3,313	-4,666	-2,844	-3,850	-2,966
EBITDA	-3,210	-4,528	-2,706	-3,716	-2,828
EBITDA before share-based payment costs	-2,958	-4,287	-2,487	-3,555	-2,641
Net loss for the period	-3,018	-4,398	-2,594	-7,010	-2,982
Balance Sheet (at the respective reporting dates)					
Non-current assets	4,472	4,985	5,247	1,866	1,748
Current assets	14,185	10,562	7,716	12,123	11,803
Non-current liabilities	646	851	806	741	687
Current liabilities	2,226	2,993	3,232	3,619	6,592
Equity	15,785	11,703	8,925	9,629	6,272
Equity ratio (in %)	84,6	75,3	68,8	68,8	46,3
Total assets	18,657	15,547	12,963	13,989	13,551
Statement of Cash Flows					
Cash flow from operating activities	-4,305	-3,468	-3,067	-2,665	-3,272
Cash flow from investing activities	-27	-17	26	65	-12
Cash flow from financing activities	-190	-77	-73	7,460	3,363
Net cash flow	-4,522	-3,563	-3,114	4,860	79
Cash consumption	-4,332	-3,485	-3,041	-2,601	-3,284
Cash and cash equivalents at the end of the period	12,126	8,437	5,501	10,155	10,252
Stock					
Weighted-average number of shares issued	36,021,540	36,021,540	36,021,540	37,272,565	43,527,692
Earnings per share (basic and diluted, in EUR)	-0.08	-0.12	-0.07	-0.19	-0.07
Share price at the end of the period (in EUR)	1.80	1.79	1.35	1.37	1.14
Number of employees at the end of the period					
	43	44	42	41	40



INTERIM STATEMENT ON FINANCIAL RESULTS FOR Q1 2020

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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 2019	Q1 2020
Revenue	331	239
Cost of sales	-93	-57
Gross profit	238	182
Gross margin (in %)	71,9	76,2
Other income	499	475
Research and development (R&D) costs	-1,583	-1,603
Selling, general and administrative (SG&A) costs	-2,393	-1,992
Other expenses	-74	-28
Operating result/Earnings before interest and taxes (EBIT)	-3,313	-2,966
Interest income	57	7
Interest expenses	-10	-15
Other financial result	-1	0
Net loss for the period before taxes on income	-3,267	-2,974
Taxes on income	249	-8
Net loss for the period	-3,018	-2,982
Items that may be reclassified subsequently to profit or loss:		
Exchange rate differences from the conversion of foreign entities	94	-394
Fair value adjustment of financial instruments measured at fair value through other comprehensive income	-170	-150
Other comprehensive income for the period	-76	-544
Total comprehensive income for the period	-3,094	-3,526
Earnings per share (basic and diluted, in EUR)	-0.08	-0.07

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 2020, the weighted-average number of shares issued was 43,527,692 (Q1 2019: 36,021,540).

OPERATING RESULT (EBIT) AND EBITDA

EUR thousand	Q1 2019	Q1 2020
Operating result/Earnings before interest and taxes (EBIT)	-3,313	-2,966
Amortization and depreciation	103	138
EBIT before amortization and depreciation (EBITDA)	-3,210	-2,828
Share-based payment costs	252	187
EBITDA before share-based payment costs	-2,958	-2,641

CONSOLIDATED BALANCE SHEET
AS OF MARCH 31 (UNAUDITED)

ASSETS EUR thousand	Dec 31, 2019	Mar 31, 2020
Non-current assets		
Intangible assets	333	288
Property, plant and equipment	1,533	1,460
Total non-current assets	1,866	1,748
Current assets		
Inventories	313	291
Trade receivables	89	73
Marketable securities	880	731
Cash and cash equivalents	10,155	10,252
Other current assets	686	456
Total current assets	12,123	11,803
Total assets	13,989	13,551

EQUITY AND LIABILITIES EUR thousand	Dec 31, 2019	Mar 31, 2020
Equity		
Subscribed capital	43,528	43,528
Capital reserve	69,251	69,420
Retained earnings	-85,807	-102,826
Net loss for the period	-17,020	-2,982
Other comprehensive income	-323	-868
Total equity	9,629	6,272
Non-current liabilities		
Liabilities from leasing contracts	697	642
Provisions	44	45
Total non-current liabilities	741	687
Current liabilities		
Trade payables	1,430	760
Liabilities from leasing contracts	216	225
Deferred income	5	120
Other liabilities	1,368	4,361
Provisions	600	1,126
Total current liabilities	3,619	6,592
Total equity and liabilities	13,989	13,551

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

EUR thousand	Q1 2019	Q1 2020
Cash and cash equivalents at the beginning of the period	16,487	10,155
Operating activities		
Net loss for the period	-3,018	-2,982
Adjustments for:		
Share-based payment expenses	266	187
Amortization of intangible assets	51	49
Depreciation of property, plant and equipment	52	88
Losses from the disposal of assets	-151	0
Foreign currency exchange results	-57	-7
Financial income	11	16
Financial expenses	-249	8
Operating result before changes in operating assets and liabilities	-3,095	-2,641
Changes in operating assets and liabilities		
Inventories	-100	25
Trade receivables	33	17
Other assets	-110	233
Non-current and current provisions	-599	522
Trade payables and other liabilities	-442	-1,535
Deferred income	15	115
Tax paid	-7	-8
Cash flow from operating activities	-4,305	-3,272

EUR thousand	Q1 2019	Q1 2020
Investing activities		
Payments to acquire intangible fixed assets	-8	-11
Payments to acquire property, plant and equipment	-23	-7
Interest received	4	6
Cash flow from investing activities	-27	-12
Financing activities		
Proceeds from the issue of new shares	0	3,602
Payments for the issue of new shares	-164	-171
Payments for leasing contracts	-26	-68
Cash flow from financing activities	-190	3,363
Total net cash flow	-4,522	79
Currency translation effects	161	18
Cash and cash equivalents at the end of the period	12,126	10,252

At the reporting date, EUR 88 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, 2018	36,022	68,802	-73,115	-12,692	-404	18,613
Total comprehensive income	0	0	0	-3,018	-76	-3,094
Transfer of net loss for the year 2018 to retained earnings	0	0	-12,692	12,692	0	0
Stock option expenses	0	266	0	0	0	266
March 31, 2019	36,022	69,068	-85,807	-3,018	-480	15,786
December 31, 2019	43,528	69,251	-85,807	-17,020	-323	9,629
Total comprehensive income	0	0	0	-2,982	-544	-3,526
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	-18	0	0	0	-18
Stock option expenses	0	187	0	0	0	187
March 31, 2020	43,528	69,420	-102,826	-2,982	-868	6,272

FINANCIALS Q1 2020

FINANCIAL POSITION AND CASH FLOW

In the first quarter of 2020, cash outflow from operating activities dropped significantly from EUR 4,305 thousand in the first quarter of 2019 to EUR 3,272 thousand. The decline is due on the one hand to the significantly improved operating result (EBIT) compared to the same quarter of the previous year; on the other hand, the operating cash outflow in the previous year was also burdened by a special effect from working capital unrelated to the accounting period, which was not repeated in the reporting quarter.

Cash outflow from investment activities remained at a minimal level in the first quarter of 2020 (EUR 12 thousand; Q1 2019: EUR 27 thousand), which is due to the strict cost saving measures we have implemented.

Cash consumption of EUR 3,284 thousand thus largely corresponded to the operating cash outflow (Q1 2019: EUR 4,332 thousand).

The cash inflow from financing activities amounted to EUR 3,363 thousand in the first quarter of 2020 (Q1 2019: EUR -190 thousand). This was due to the capital increase carried out at the end of the quarter, from which we received the nominal amount still in the first quarter (entry in the commercial register was not made until April 2020). The premium from the capital increase was only available to us at the beginning of April 2020 and is therefore not yet included in the cash inflow from financing activities in the first quarter of 2020.

Our net cash flow was finally slightly positive in the first quarter of 2020 at EUR 79 thousand (Q1 2019: EUR -4,522 thousand).

As a result, cash and cash equivalents increased slightly during the course of the reporting quarter from EUR 10,155 thousand at the beginning of the year to EUR 10,252 thousand.

RESULTS OF OPERATIONS

Product sales dropped from EUR 322 thousand in the first quarter of 2019 to EUR 219 thousand in the first quarter of 2020, the main reason being that some U.S. customers had already stocked up on test kits last year, but were unable to sell them off completely due to the delayed reimbursement decision, so they held back on repeat orders.

Other income of EUR 475 thousand in the first quarter of 2020 (Q1 2019: EUR 499 thousand) was mainly attributable to exchange rate gains from currency translation.

One of the main cost drivers remained R&D, where costs of EUR 1,603 thousand in the first quarter of 2020 were at almost the same level as in the same quarter of the previous year (Q1 2019: EUR 1,583 thousand). A still large share of these costs resulted from our ongoing clinical studies – especially the post-approval study for Epi proColon in the U.S.A. Only towards the end of the quarter did the activities in all studies decrease rapidly and significantly when, in connection with the COVID 19 pandemic in the U.S.A. it was no longer possible to enroll any more patients in any of our studies. However, we do not expect to see the resulting cost effect until the second quarter of 2020.

Our SG&A costs decreased to EUR 1,992 thousand in the first quarter of 2020 (Q1 2019: EUR 2,393 thousand). The higher figure for the previous year due to intensified market preparation measures at that time was based on the anticipation of a faster reimbursement decision in the U.S.A. by the Centers for Medicare & Medicaid Services (CMS).

Other expenses of EUR 28 thousand in the first quarter of 2020 (Q1 2019: EUR 74 thousand) were exclusively attributable to exchange rate losses from currency translation.

Overall, our operating costs in the first quarter of 2020 fell by more than 11% from EUR 4,143 thousand to EUR 3,680 thousand compared to the same quarter of 2019.

The reported tax expense of EUR 8 thousand in the first quarter of 2020 relates exclusively to current tax expenses from the U.S. business. In the previous year, we had been able to report tax income of EUR 249 thousand here, which was primarily attributable to deferred taxes. By the 2019 annual financial statements, we had already provisionally discontinued the further capitalization of deferred tax assets on our loss carryforwards in the U.S.A. - with reference to the relevant accounting standards.

In the first quarter of 2020, we finally recorded a net loss of EUR 3.0 million (Q1 2019: EUR 3.0 million). The net loss per share for the quarter decreased from EUR 0.08 to EUR 0.07 year-on-year, partly due to the higher number of shares following the capital increase in November 2019.

NET ASSET POSITION

As of the reporting date, non-current assets declined from EUR 1.9 million as of December 31, 2019, to EUR 1.7 million due to the currently very low level of investment activity. Current assets declined from EUR 12.1 million at the beginning of the reporting period to EUR 11.8 million as of March 31, 2020.

Due to the net loss for the period and the decline in other comprehensive income, total equity declined by EUR 3.3 million to EUR 6.3 million as of the reporting date (December 31, 2019: EUR 9.6 million). It should be noted that the capital increase successfully implemented by us at the end of the quarter was not yet finally reflected in the balance sheet as of the reporting date, as it was not entered in the commercial register until April 2, 2020. The equity ratio, which was reduced to 46.3% as of the reporting date (December 31, 2019: 68.8 %), must be viewed primarily against this background.

Non-current liabilities decreased to EUR 687 thousand compared to the closing balance sheet of the previous year (December 31, 2019: EUR 741 thousand) as of March 31, 2020, due to the scheduled reduction in the remaining term of the lease agreements on which they are based.

Current liabilities amounted to EUR 6.6 million as of March 31, 2020 (December 31, 2019: EUR 3.6 million). While the significant decrease in trade payables in the reporting quarter by EUR 670 thousand is due to reporting date effects, the significant increase in other liabilities from EUR 1.4 million as of December 31, 2019, to EUR 4.4 million as of the reporting date is explained by the aforementioned capital increase, which had not yet been fully completed at that time. The value of the newly issued shares can only be reflected in equity after the transaction has been entered in the commercial register and for this reason was still to be regarded as debt at the reporting date.

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 2019, which are available on the Company's website (www.epigenomics.com).

OUTLOOK

We confirm our outlook for fiscal year 2020, as presented in the Group management report section of the Annual Report 2019:

- Revenue 2020: between EUR 1.0 million and EUR 2.0 million.
- EBITDA before share-based payment expenses 2020: between EUR -11.5 million and EUR -14.0 million.
- Cash consumption 2020: between EUR 11.5 million and EUR 14.0 million.

REPORT ON POST-BALANCE SHEET DATE EVENTS

At April 2, 2020, after the end of the reporting period, the capital increase as completed and announced at March 31, 2020, was recorded by the commercial register.

At April 14, 2020, after the end of the reporting period, we announced in a press release that we had initiated comprehensive measures to reduce costs in order to preserve liquidity during the global COVID-19 pandemic. These measures include expense reductions across all areas of the business during this unprecedented time including payroll in both Germany and the United States. An application for short-time work was submitted last week for all employees at the Company's headquarters in Berlin, which has been approved consecutively by the Federal Employment Agency. Additionally, the Executive Board and Supervisory Board of Epigenomics AG are voluntarily waiving a portion of their compensation until further notice. These measures have been taken as a precautionary action and will apply for the coming months depending on the duration of the global crisis. Coupled with the recent financing round completed at the end of March, these measures ensure that the Company will have sufficient liquid funds well into Q1 2021. Irrespective of these measures, Epigenomics will remain operational and continue to fulfill customer orders and be in full compliance with legal, regulatory and financial obligations. The pandemic related enrollment stop for the time being in our post-approval study in the U.S.A, will also have a positive effect on liquidity. The resulting delay in the study has no further negative consequences for us.

These measures have no effect on the National Coverage Determination (NCD) process currently underway for Epi proColon at CMS. The Company still anticipates CMS will meet the statutory timeline of issuing a proposed NCD by August 28, 2020 and a final decision by November 28, 2020.

At April 24, 2020, after the end of the reporting period, we announced in a press release that Epi proColon, the first and only FDA-approved blood-test for colorectal cancer (CRC) screening, has been included in the 2020 National Comprehensive Cancer Network (NCCN) CRC Guidelines.

NCCN updated their 2020 CRC guidelines in a manner consistent with Epi proColon's (Septin9) FDA-approved indications. The new NCCN guidelines state that although the mSEPT9 blood test is "not recommended for routine screening", it however "can be considered for patients who refuse other screening modalities". Epigenomics AG looks forward to future NCCN guidelines to include key data such as an annual recommendation for the test interval, which could be based on outcomes from the recently published microsimulation paper (D'Andrea et.al. epub - Nov. 2019 - Cancer Medicine. 2020; 9:824.), which was not referenced by the 2020 NCCN guidelines. These data demonstrate that annual Septin9 screening results in comparable long-term benefits and less harms as compared to the "gold standard" colonoscopy every ten years. The Cancer Medicine publication was not included as part of this latest 2020 NCCN guideline as it was published shortly after their literature review cut-off date and subsequent panel review meeting.

This interim statement was approved and cleared for publication by the Executive Board of the Company on May 4, 2020.

Berlin, May 4, 2020

The Executive Board



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FINANCIAL CALENDAR

Annual General Meeting 2020	Friday, June 12, 2020
Report on second quarter/first half 2020	Thursday, August 13, 2020
Report on third quarter 2020	Thursday, November 12, 2020



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