



Marinomed

Update Q1

2022

Dear shareholders,

Economies around the world are struggling, and we see a lot of uncertainty with a still ongoing COVID-19 pandemic and supply chain disruptions, war in Ukraine, distortions on the financial markets as well as inflation. Despite so many challenges, Marinomed with its lean and flexible organisation reports growth again for Q1 2022 compared to the record breaking Q1 2021. With our international partners, we are committed to further growth and thus continue to build on our successful path. In parallel, we drive the company to the next level by enhancing our strategy. We continue our focus on virology and immunology, now targeting diseases with high unmet medical need. In both indication areas our powerful technologies, innovation and know-how can make a great difference. Our mission is to improve human health. We are committed to working hard for this goal and are excited to help more patients with optimised treatments enabled by our proprietary technologies.

Virology – Carragelose

In its third year, SARS-CoV-2 is well on its way to become the fifth coronavirus to permanently circulate among humans. Vaccinations help to prevent severe COVID-19 cases, but ever emerging new variants of concern continue to cause a public health threat. More than ever, we are convinced that broad-band virus-blocking products backed by science and with proven clinical activity should play a more prominent role. With our Carragelose products, we have extensive scientific evidence. The recent rise in demand for Carragelose products in several countries around the world suggests that further growth is possible. With new partnerships in place and a growing demand for our

products, we have an ideal basis for a continued expansion of reach and market penetration of our broadly virus-blocking compound.

Virology – Strategic adaptation

Influenza and Corona are the only respiratory viruses that have caused devastating pandemics in the last 120 years. There is a major need for innovation to arm ourselves against current and new, potentially dangerous respiratory viruses. A combination product containing our broad-band virus blocker together with a pharmaceutical ingredient could become a game changer in combating future pandemics and viral pneumonia. Marinomed has generated preclinical data and IP on such a novel development candidate and demonstrated synergistic activity between the drug substance and iota-carrageenan in a model system. With our iota-carrageenan-based inhalation product Inhaleen, we are still experiencing very slow recruitment of COVID-19 patients in the ongoing clinical trial. We are convinced that the concept of a broad-band virus blocking medicinal product with an excellent safety profile delivered via inhalation is more valid than ever.

Immunology – Marinosolv

The Marinomed team has substantial experience in the field of immunology and capitalising on this expertise is a logical next step. With our Marinosolv technology, we are able successfully provide soluble formulations for some of the most hydrophobic substances. We have completed two important clinical trials in immunological indications: a phase 3 study with our lead-product

Budesolv and in 2021 a dose-finding study demonstrating the anti-inflammatory activity of Tacrosolv. Both studies strongly support that the Marinosolv technology is safe to use and resulting products are well-tolerated. Moreover, the results show that due to the enhanced bioavailability achieved by the Marinosolv technology, the drug can be dosed significantly lower while increasing its efficacy at the same time. We are continuing our development and regulatory work on both lead projects while also identifying new suitable indications to expand our pipeline.

Strengthening business development

In 2021, we closed the first Budesolv deal with the listed Chinese pharmaceutical company Luoxin Pharmaceutical. Our partner will further develop Budesolv according to local regulatory requirements and commercialise it for the treatment of allergic rhinitis in mainland China, Hong Kong, Macau, and Taiwan.

Our goal is to establish additional Budesolv partnerships in different regions of the world, and we are optimistic to achieve fruitful partnerships for the commercialization of this and other products. Business development activities are also ongoing for Tacrosolv, our Carragelose products, and our recently launched Solv4U platform for formulation partnerships. Solv4U offers access to the Marinosolv technology to external partners for the solubilization of APIs and has taken off successfully since its launch in November 2021.

To further strengthen our business development team, we are grateful that we were able to welcome Dr. Cornelia Kutzer to our team as Chief

Business Officer. Her experience includes more than 20 years in the pharmaceutical industry in strategic planning, marketing, sales, and business development across a range of indications, including vaccines for infectious and chronic diseases.

Focusing strategy towards higher values

Going forward we will maintain our activities around what distinguishes Marinomed. By identifying indications where our technologies and expertise meet unmet medical need, we strive to provide optimized treatments for patients and create additional sustainable value for our stakeholders.

We plan to leverage our experience to target indications in immunology, with a focus on treating autoreactive immune disorders, and virology. This entails new development projects for pharmaceutical products based on our Marinosolv platform and on iota-carrageenan and includes the shift from over-the-counter (OTC) to prescription (Rx) medicines. Based on our technologies, our science, our network, and our fantastic team, we are confident to successfully expand our pipeline and realise our goal. More details on our updated strategy are presented in the strategy section of the annual report 2021.

Record sales and growth in Q1 2022 – stable cash position

We report a record Q1 with EUR 2.4 million in sales, which were again mainly generated by our Carragelose products. This result shows that the growth story for Carragelose is far from over. In contrast to many related products focused solely on COVID-19, Carragelose products are more than

ever needed as the classical colds and flu make their comeback. Reduced expenses for clinical trials resulted in lower research and development expenses of EUR 1.6 million (Q1/2021: EUR 2.2 million). The loss for Q1/2022 came in at EUR 1.8 million (Q1/2021: EUR 2.1 million), in line with our expectations. Our reported cash position of EUR 11.7 million as of March 31, 2022 reflects the drawdown of the last tranche of the EIB venture loan and an otherwise nearly neutral cash flow for the first three months of the year.

Outlook 2022 – the right direction

We confirm our outlook for 2022. For our Carrageenose business, we expect continued growth as SARS-CoV-2 will likely return in autumn 2022 in the Northern hemisphere together with seasonal cold and flu viruses. However, the current unpredictable

geopolitical environment may have an impact on our supply chain. We work hard to translate our successful clinical development of Marinomedsolv-based products into commercial success and expand our pipeline to relevant and promising indications. Our R&D investments will cause operating losses for 2022 but we are committed to show profitability in the medium term.

We express our thanks to our employees for their continued outstanding dedication. With commitment, expertise, and professionalism, our teams excel at managing the challenging circumstances that we are facing. We thank all our investors who stay with us in volatile times, public funding bodies, our partners, and our customers for the trust they have placed in Marinomed's ideas and scientific capabilities.



Andreas Grassauer



Eva Prieschl-Grassauer



Pascal Schmidt

Statement of profit or loss and other comprehensive income (loss)

all amounts in kEUR	1-3/2022	1-3/2021
Profit or loss		
Revenues	2,411.6	2,217.2
Other income	129.0	482.2
Expenses for materials	-1,495.8	-1,414.5
Expenses for services	-436.0	-1,170.2
Personnel expenses	-1,185.6	-1,171.9
Depreciation and amortisation	-168.2	-128.7
Other expenses	-495.8	-556.0
Operating result (EBIT)	-1,240.9	-1,741.9
Financial income	0.0	0.0
Financial expenses	-595.7	-353.0
Financial result	-595.7	-353.0
Loss before taxes	-1,836.6	-2,094.9
Taxes on income	-1.0	-0.9
Loss for the period	-1,837.6	-2,095.8
<i>Thereof attributable to the shareholders of the Company</i>	<i>-1,837.6</i>	<i>-2,095.8</i>
Other comprehensive income (loss) for the period	-	-
Total comprehensive loss for the period	-1,837.6	-2,095.8
<i>Thereof attributable to the shareholders of the Company</i>	<i>-1,837.6</i>	<i>-2,095.8</i>

Statement of financial position

all amounts in kEUR	31.03.2022	31.12.2021
ASSETS		
Non-current assets		
Intangible assets	1,973.2	2,007.3
Property, plant and equipment	6,378.7	6,431.7
Deposits and other non-current receivables	16.6	20.5
	<u>8,368.5</u>	<u>8,459.6</u>
Current assets		
Inventories	1,164.1	1,027.4
Trade and other receivables	4,588.5	6,047.9
Cash and cash equivalents	11,676.8	5,802.1
	<u>17,429.3</u>	<u>12,877.5</u>
Total assets	25,797.9	21,337.0

all amounts in kEUR	31.03.2022	31.12.2021
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	1,492.3	1,480.2
Capital reserves	43,098.4	42,068.8
Retained losses	-45,195.2	-43,357.6
	-604.5	191.4
Non-current liabilities		
Non-current borrowings	20,872.9	15,044.3
Other non-current liabilities	250.4	87.7
	21,123.3	15,132.0
Current liabilities		
Current borrowings	1,400.1	754.0
Trade payables	574.7	1,994.9
Current contract liabilities and other current liabilities	3,304.2	3,264.8
	5,279.1	6,013.7
Total equity and liabilities	25,797.9	21,337.0

Statement of cash flows

all amounts in kEUR	1-3/2022	1-3/2021
Cash flow utilised by operating activities	-979.5	-3,721.3
Cash flow utilised by investing activities	-41.8	-404.8
Cash flow generated from financing activities	6,895.9	62.2
Total change in cash & cash equivalents	5,874.6	-4,063.9
Cash & cash equivalents at beginning of period	5,802.1	9,206.9
Cash & cash equivalents at end of period	11,676.8	5,143.0

Statement of changes in equity

all amounts in kEUR	Nominal capital/ Share capital	Capital reserves	Retained losses	Total
December 31, 2020	1,472.7	41,351.2	-37,466.3	5,357.6
Loss for the period	-	-	-2,095.8	-2,095.8
Total comprehensive income (loss) for the period	-	-	-2,095.8	-2,095.8
ESOP 2019	2.1	190.7	-	192.7
March 31, 2021	1,474.7	41,541.9	-39,562.0	3,454.6
December 31, 2021	1,480.2	42,068.8	-43,357.6	191.4
Loss for the period	-	-	-1,837.6	-1,837.6
Total comprehensive income (loss) for the period	-	-	-1,837.6	-1,837.6
ESOP 2019	0.9	66.7	-	67.6
Convertible notes	11.3	962.9	-	974.2
March 31, 2022	1,492.3	43,098.4	-45,195.2	-604.5

Research and development expenses

all amounts in kEUR	1-3/2022	1-3/2021
Personnel expenses	-532.9	-536.0
Expenses for services	-301.8	-1,016.2
Expenses for materials	-31.2	-105.1
Other expenses	-103.6	-91.5
Depreciation and amortisation	-124.7	-86.7
Financial expenses	-477.4	-334.5
Total	-1,571.6	-2,170.0

Legal notice

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Disclaimer

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Due to the financial rounding of individual items in this update, it may contain minor calculation differences.

These interim condensed consolidated financial statements of Marinomed Biotech AG was neither fully audited nor reviewed by the Company's statutory auditor.

This update includes forward-looking statements that have been made on the basis of information available at this point in time. As a result of various unforeseen factors, the actual development may deviate from the presented expectations. Marinomed Biotech AG will not update these forward-looking statements, neither on the basis of changed actual circumstances nor on the basis of changed assumptions or expectations. This update is not and shall not be construed as an offer, invitation, recommendation or solicitation to sell, issue, purchase or subscribe for any securities of Marinomed Biotech AG.

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