

# 2021

## Marinomed Biotech AG

### Update Q1



## Dear shareholders,

We all have reason to believe that we are moving towards an end of the nearly global lock-down. While advances in COVID vaccination give hope for normalization of life and business activities, SARS-CoV-2 will remain endemic, and very likely there will be a continued need for protective measures. In Q1 2021, we further advanced our antiviral Carragelose products but were also starting to shift our focus back to our Marinosolv programs. Development of a Carragelose®-based SARS-CoV-2 therapy

### **Carragelose: Increasing revenues backed by clinical data**

This quarter brought exciting progress for the Carragelose portfolio of virus blockers. On February 18th, the SARS-CoV-2 results from our research collaboration with the Friedrich Alexander University in Erlangen, Germany, were published in a peer-reviewed journal and on the 19th, data from an academic group in Argentina were published showing an 80 % protection of healthcare personnel from COVID-19 in a multicentre RCT trial. Just 5 days later, we announced that our Carragelose lozenge study had met the primary endpoint, showing that lozenges may also provide efficient protection against SARS-CoV-2. On March 24th, the first patient was treated in our COVID-19 inhalation trial and since April we know that Carragelose also blocks the South African, Brazilian and British variants of concern, as we had expected from the broad antiviral mode of action of Carragelose.

Our current priorities are:

1. Focussing on ongoing clinical studies on Carragelose efficacy against SARS-CoV-2. The studies with healthcare personnel may face challenges due to increasing vaccination rates. The therapeutic inhalation trial is not directly affected by vaccination rates, but declining incidence might influence the number of patients eligible for inclusion and, consequently, timelines.
2. Generation of important data to support the use of Carragelose in the battle against COVID-19 and its variants of concern. We expect this should have a long-term positive impact on sales.
3. Continuation of discussions and negotiations with potential international partners. We are confident to be on the right track to further expand the reach of Carragelose.

Carragelose products gained market shares in many markets. While pharmacies reported declining sales in the cough and cold segment, sales of Carragelose products increased. However, with the pandemic moving into a more endemic phase, we expect the return of the typical seasonality of sales, and this effect will likely be seen in the next months.

### **Marinosolv: significant future potential**

We were also able to achieve important progress on our Marinosolv projects. Tacrosolv, a fully solubilized formulation of a highly potent immunosuppressant, has completed the treatment period of a phase II dose finding clinical trial. Top line results are expected within the coming months. Data from this trial will help define the strategy for further development of the product. Marinomed intends to initiate business development and partnering discussions for Tacrosolv before the start of phase III trials.

Budesolv and Flutisolv are currently the focus of our business development activities for the Marinosolv platform. Besides the pandemic, which still poses a challenge for partnering discussions, international regulatory differences and differences in manufacturing requirements hamper a straightforward licensing process. However, we are in continuous discussions with potential partners in several regions, and we continue to believe that the Marinosolv product candidates Budesolv and Flutisolv will have a substantial impact in the market for allergic rhinitis.

With the ability to provide soluble formulations of even the most hydrophobic substances, the Marinosolv technology may increasingly provide a solution to a central challenge in pharmaceutical development. This was also recognised by third party pharma companies for whom we successfully performed feasibility studies, and we are exploring further business opportunities in this area. We see great potential in the Marinosolv technology platform and consider it a key value driver of our company over the long-term.

### **Substantial growth in Q1/2021**

Backed by a continuing high demand for Carrage-lose products, we were able to increase our revenues to EUR 2.2 million (Q1/2020: EUR 1.0 million). This is mainly due to the fact that Q1/2020 had not seen any SARS-CoV-2 related growth yet, and that the marketing efforts of our worldwide partners are more and more supported by clinical data. With expenses of EUR 2.2 million, our research and development activities for both platforms, Carrage-lose and Marinosolv, further intensified (Q1/2020: 0.9 million). The loss for Q1/2021 came in at EUR 2.1 million (Q1/2020: EUR 1.6 million), in line with our expectations.

## Outlook for 2021

We confirm our 2021 outlook, the first quarter still showed pandemic related off-season effects, but we assume that regular seasonality will return. We expect Carragelose sales to continue to grow, but below the 2020 level. We plan to slightly increase R&D spending and will again focus more on Marinosolv, as this segment has significant untapped potential. In line with our business plan, we expect operating losses for 2021 and we strive to show profitability in the medium term.

Again, we express our thanks to our employees for their continued outstanding dedication in these extraordinary times. Their commitment and expertise allow us to look to the future with great confidence regardless of the circumstances that we are still facing. We would also like to thank all our investors, 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	1-3/2021	1-3/2020
<b>Profit or loss</b>		
Revenues	2,217.2	1,013.9
Other income	467.8	87.3
Other gains (losses), net	11.7	-5.6
Expenses for materials	-1,414.5	-673.8
Expenses for services	-1,170.2	-291.7
Personnel expenses	-1,171.9	-1,013.6
Depreciation and amortisation	-128.7	-92.0
Other expenses	-553.4	-431.1
<b>Operating result (EBIT)</b>	<b>-1,741.9</b>	<b>-1,406.5</b>
Financial income	0.0	0.1
Financial expenses	-353.0	-167.6
<b>Financial result</b>	<b>-353.0</b>	<b>-167.5</b>
<b>Loss before taxes</b>	<b>-2,094.9</b>	<b>-1,574.0</b>
Taxes on income	-0.9	-0.9
<b>Loss for the period</b>	<b>-2,095.8</b>	<b>-1,574.9</b>
<i>Thereof attributable to the shareholders of the Company</i>	<i>-2,095.8</i>	<i>-1,574.9</i>
Other comprehensive income (loss) for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>-2,095.8</b>	<b>-1,574.9</b>
<i>Thereof attributable to the shareholders of the Company</i>	<i>-2,095.8</i>	<i>-1,574.9</i>

# Statement of financial position

all amounts in kEUR	31.03.2021	31.12.2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	2,046.1	2,056.8
Property, plant and equipment	6,484.8	6,036.4
Deposits and other non-current receivables	11.8	12.2
	<u>8,542.6</u>	<u>8,105.4</u>
<b>Current assets</b>		
Inventories	1,352.8	926.1
Trade and other receivables	5,995.8	5,263.1
Current tax receivables	0.0	0.0
Cash and cash equivalents	5,143.0	9,206.9
	<u>12,491.6</u>	<u>15,396.1</u>
<b>Total assets</b>	<b>21,034.3</b>	<b>23,501.6</b>

all amounts in kEUR	31.03.2021	31.12.2020
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	1,474.7	1,472.7
Capital reserves	41,541.9	41,351.2
Retained losses	-39,562.0	-37,466.3
	3,454.6	5,357.6
<b>Non-current liabilities</b>		
Non-current borrowings	12,784.4	12,457.1
Other financial liabilities	33.8	-
Other non-current liabilities	65.1	78.5
	12,883.3	12,535.6
<b>Current liabilities</b>		
Current borrowings	363.5	356.8
Trade payables	1,017.6	1,975.8
Other financial liabilities	4.8	-
Current contract liabilities and other current liabilities	2,547.5	2,512.7
Provisions	763.0	763.0
	4,696.4	5,608.4
<b>Total equity and liabilities</b>	<b>21,034.3</b>	<b>23,501.6</b>

# Statement of cash flows

all amounts in kEUR	1-3/2021	1-3/2020
<b>Cash flow utilised by operating activities</b>	<b>-3,721.3</b>	<b>-1,588.2</b>
<b>Cash flow utilised by investing activities</b>	<b>-404.8</b>	<b>-175.3</b>
<b>Cash flow generated from financing activities</b>	<b>62.2</b>	<b>-26.8</b>
<b>Total change in cash &amp; cash equivalents</b>	<b>-4,063.9</b>	<b>-1,790.3</b>
Cash & cash equivalents at beginning of period	9,206.9	12,019.6
Cash & cash equivalents at end of period	5,143.0	10,229.3

# Statement of changes in equity

all amounts in kEUR	Nominal capital/ Share capital	Capital reserves	Retained losses	Total
<b>January 1, 2020</b>	<b>1,469.8</b>	<b>40,848.1</b>	<b>-31,451.9</b>	<b>10,866.0</b>
Loss for the period	-	-	-1,574.9	-1,574.9
Total comprehensive income (loss) for the period	-	-	-1,574.9	-1,574.9
ESOP 2019	-	93.4	-	93.4
<b>March 31, 2020</b>	<b>1,469.8</b>	<b>40,941.5</b>	<b>-33,026.8</b>	<b>9,384.5</b>
<b>January 1, 2021</b>	<b>1,472.7</b>	<b>41,351.2</b>	<b>-37,466.3</b>	<b>5,357.6</b>
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
<b>March 31, 2021</b>	<b>1,474.7</b>	<b>41,541.9</b>	<b>-39,562.0</b>	<b>3,454.6</b>

# Research and development expenses

<b>Period ended March 31</b>	<b>2021</b>	<b>2020</b>
all amounts in kEUR		
Personnel expenses	-536.0	-422.3
Expenses for services	-1,016.2	-165.9
Expenses for materials	-105.1	-20.5
Other expenses	-91.5	-30.1
Depreciation and amortisation	-86.7	-67.2
Financial expenses	-334.5	-157.5
<b>Total</b>	<b>-2,170.0</b>	<b>-863.5</b>

# Legal notice

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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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