Marinomed

Annual Report 2023

New products

Expansion of the Carragelose portfolio in the Immunology segment with **allergen-blocking nasal spray** and **moisturizing eye drops**

Solv4U

First long-term Solv4U technology partnership with SPH Sine Pharmaceutical Laboratories Co. Ltd.

EUR 9.2 million

Revenues in 2023 clearly above pre-pandemic levels

Carragelose

New partnership in **Southeast Asia**

IP strengthened with new patents

Approval and **launch of nasal spray in Mexico**

Sustainability

60% women on the Supervisory Board

Again among top 10 of the **Gender Diversity Index Austria**

Digital **whistleblowing system** established

Progress with Budesolv

Improved stability through optimization of formulation and packaging

Business development strengthened

Partnership with Luoxin picked up speed

An ocean of ideas

Marinomed's vision is to transform the lives of people suffering from diseases with limited or no treatment options in two key therapeutic areas: virology and immunology.

Therefore, it is our mission to provide patients and physicians with powerful technologies that significantly improve patients' quality of life. Our two proprietary and validated platforms, Carragelose and Marinosolv, provide the basis for novel medicines to treat indications with unmet medical needs.

With our passion for scientific progress and our expertise in respiratory, infectious, immune and eye diseases, we strive to create sustainable value for patients, health care systems, the Company and our stakeholders.

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Dear shareholders,

In 2023, we were able to overcome important hurdles to realize the great potential of our technologies and pipeline. A stability issue of our anti-allergic product candidate Budesolv has been resolved and the regulatory path towards marketing authorization has been cleared. We are now in good discussions with pharmaceutical companies for advancing and commercializing Budesolv. For Tacrosolv, similar progress was made in improving stability and establishing a primary packaging concept. The business development process is also picking up speed here. At the same time, we also further expanded our Carragelose business. Our partnership with Procter & Gamble is progressing and we are moving towards regulatory approval in the U.S. Furthermore, new clinical data showed that Carragelose can not only block respiratory viruses but also allergens like pollen. This gives us the opportunity to tap into the growth market of allergy. Together with the allergen-blocking nasal spray and the moisturizing eye drops, two new products were added to the Carragelose product portfolio in 2023. Furthermore, new distribution partnerships were also concluded. Despite these achievements, Marinomed fell short of expectations, as the commercialization of our products and product candidates has been taking longer than planned.

In a year of continued pressure on small-cap life science companies like Marinomed, our business performed strongly in the first half of 2023 and then normalized to pre-pandemic levels in the second half of the year. Our focus on strict cash management and the continuation of the convertible note funding program in November 2023 allowed us to significantly reduce the cash outflow towards the end of the year. In terms of securing our financial stability, we have found a way forward with our lenders, with the European Investment Bank in the lead. Hence, we have good reason for optimism that a better year lies ahead. Our top priority remains generating near-term cash flows with our most valuable assets.

Virology

In the Virology segment, we focused on three initiatives to further maximize the value of our Carragelose business: First, expansion of the territory; second, addition of new distribution partners; and third, introduction of the entire portfolio in each of our markets. Regarding expansion of the territory, we made important progress with our partners Procter & Gamble (P&G) for the U.S. and M8 Pharmaceuticals (M8) for Mexico. In July 2023, M8 obtained marketing authorization and is currently launching the Carragelose nasal spray. With P&G, we are finalizing the necessary documents for registration with the FDA. Together with additional laboratory data, submission is expected to take place shortly. If the FDA grants approval this year, a launch in the 2024/25 season in the U.S., the biggest cough, cold and allergy market in the world (Nicholas Hall, 2023), would be possible. In December 2023, we concluded a new licensing agreement with Favorex Ptd Ltd, a subsidiary of DKSH, for Southeast Asia. With this new, strong partner we can further expand our market reach. In the first quarter 2024, we entered into partnerships with GAIA Healthcare and VitaPlus for the Gulf region and Eastern Europe, respectively. In addition, several patents were

Marinomed Management Board: Pascal Schmidt (Chief Financial Officer), Eva Prieschl-Grassauer (Chief Scientific Officer), Andreas Grassauer (Chief Executive Officer)

granted in 2023, further strengthening the intellectual property of Carragelose.

While we are continuously expanding our Carragelose platform, we have announced the evaluation of strategic options at the end of 2023 to maximize the value of the business. These options may include the transfer to a partner who has the right prerequisites to expand the business even further. After having requested non-binding offers in a first phase, we are advancing selected potential partners into the second negotiation phase.

Immunology

In 2023, we added the first Carragelose-based products, an allergen-blocking nasal spray and moisturizing eye drops, to our Immunology portfolio. Clinical data demonstrated the effectiveness of Carragelose in shielding the nasal mucosa from allergens like pollen, which supports its use in the treatment and prophylaxis of allergic rhinitis. Additionally, laboratory data supporting the lubricating effect of Carragelose-based eye drops led to the initiation of a clinical study in Q4 2023. The allergy spray is already available in Austria and it is planned to launch the eye drops this year. The allergy product and eye drops create a non-seasonal, all-year product portfolio which

targets large markets, including the allergy and lifestyle consumer healthcare market. The latter had a total market value of USD 15.5 billion in 2022 (Nicholas Hall, 2023). With a share of 30%, eye care represents the biggest single category in this exciting market. Business development processes to partner both products outside of Austria have been started.

Thanks to an innovation in the formulation of Budesolv, new patent protection was generated and the business development process gained significant momentum again. Following pandemic-related delays with our Chinese partner Luoxin, development is now progressing with a focus on establishing production and preparing the necessary local clinical trials in China. The collaboration with Luoxin is highly professional and we are working together to achieve the next milestones. With Tacrosolv, we are planning to take the next step after the successful phase II study. This is the transition to a clinical development program with final packaging materials, which should then also lead to approval in important markets such as the U.S. and Europe. To this end, we are seeking a partnership with a specialized ophthalmology company.

Solv4U

The Solv4U business, which offers our solubilization technology Marinosolv to external customers, is gaining momentum. Following several successful feasibility studies and smaller projects, the first long-term partnership with SPH Sine in China was concluded in August 2023. Further deals beyond feasibility studies are already on the horizon for 2024, which could significantly increase Solv4U's revenue contributions.

Financials

Marinomed started the first quarter of 2023 with record sales of EUR 3.3 million, the strongest first quarter in the Company's history. For the first half, a year-on-year increase was still recorded. Following the pandemic-driven record sales of our Carragelose products, as expected, top line normalized to pre-pandemic levels. Declining customers' spending on cough & cold products and high stock levels of our Carragelose partners resulted in lower order volumes. With the absence of major licensing payments, revenues of EUR 9.2 million were recorded for the 2023 financial year, compared to EUR 11.3 million in 2022. This top line decline was almost offset by increased other income from grants and savings in consulting expenses. Therefore, the operating result (EBIT) decreased slightly to EUR -5.1 million (2022: EUR -4.9 million).

Cash and cash equivalents decreased to EUR 2.6 million (2022: EUR 8.2 million). The 2022 cash position reflected the last tranche of the EIB loan drawn in February 2022 (EUR 6.0 million). For the reporting period, financing cash-inflow was only generated from three draw-downs of the convertible bond program (EUR 0.6 million).

As announced, we were able to reach an agreement with the EIB to defer the capital repayments by 18 months. Consequently, the repayment of the first tranche in the nominal value of EUR 4 million that would have been due in October 2024 has been deferred to April 2026. The second tranche in the nominal value of EUR 5 million has been deferred from December 2025 to June 2027. Semi-annual repayments of EUR 0.67 million from the third tranche in the remaining nominal value of EUR 4.7 million have been deferred until the end of 2025. Interest rates remain unchanged. Our real

estate lenders (NÖBEG and AWS/ERP loans) are also supporting this effort with a suspension of capital repayments for 18 months.

Strategy for 2024 and beyond: Delivering on our promises and reaching operating profitability

Our primary goal remains reaching operating profitability and following our Strategy 2025. We are focusing on the generation of near-term cash flows with our most valuable assets. This primarily includes further deals for our Marinosolv lead product Budesolv. Furthermore, we are investing significant resources into supporting our partner Luoxin in reaching next milestones. We are also working on the development of Tacrosolv and pursuing a first partnership. Another focus is the evaluation of the strategic options for our Carragelose business. We plan to complete the evaluation process in a timely manner and define the future of Carragelose thereafter. At the same time, we are constantly expanding the Carragelose business with new partners, new territories, and new products. For 2024, though, the revenue expectations for the business will fall short of the records set during the pandemic. But we have several reasons to be confident that revenues of our Carragelose products will pick up again: First, we are launching the two new Carragelose products allergy blocker and eye drops this year. Second, in addition to the launch in Mexico, there are also possible launches in the U.S. as well as in Hungary. Additional countries will follow, but potentially after fiscal year 2024. Third, following the strong cold season 2023/24 and the reduction in our customers' stock levels, we expect demand to increase for the next season.

In the future, we plan to focus more on our core expertise of research and development. With Marinosolv, we have a powerful technology in our hands that could solve many challenges faced in the formulation development of insoluble compounds. Based on the experience we have gained so far through the development of our own product candidates and the Solv4U customer projects, we are convinced that our technology can create real added value for patients. The data for Budesolv prove that our Marinosolv technology has the potential to successfully bring poorly soluble active ingredients such as corticosteroids into aqueous solution and thus significantly increase their bioavailability and efficacy. We want to leverage this potential and pursue our strategy of developing innovative treatments for diseases with unmet needs.

Although not all expectations could be met in 2023, we have successfully implemented a number of initiatives to deliver on our promises this year. Our main goal is to reach operating profitability, which we aim to achieve through the commercialization of our Carragelose and Marinosolv assets.

While circumstances remain challenging for the Company, we are grateful for the continued support and trust of our employees, customers, partners, shareholders, investors and funding partners. We are working hard to realize our mission to develop innovative products for diseases with unmet needs.

Andreas Grassauer Eva Prieschl-Grassauer Pascal Schmidt

Marinomed at a glance

Marinomed Biotech AG is a biopharmaceutical company which was founded in 2006 as a spin-off of the University of Veterinary Medicine Vienna. Since then, the Company has grown successfully to around 50 employees in 2023. In February 2019, Marinomed went public in the prime market segment of the Vienna Stock Exchange. Since 2020, the Company has been based at its new company site in Korneuburg, Lower Austria.

Scientific expertise

Marinomed's mission is to develop innovative treatments for indications in virology and immunology. Based on the virus-blocking properties of Carragelose, the Company has developed a portfolio of marketed OTC products for the treatment of viral respiratory infections. In 2023, the portfolio was expanded in the immunology segment with an allergen-blocking nasal spray and moisturizing eye drops. The solubilization technology Marinosolv is used in the Company's own product candidates and is also made available to external customers through Solv4U technology partnerships. The active pipeline includes several product candidates in late-stage development, some of which have already been outlicensed to partners for commercialization.

Experienced management & dedicated team

Marinomed is led by a management team with strong expertise and an extensive track record in virology, infectious diseases, allergies, immunology, molecular biology, finance, M&A and business development. A Scientific Advisory Board and a Supervisory Board, composed of high-profile international experts, support the management team. At the heart of the Company are the highly qualified employees, who drive Marinomed's innovations with creativity and dedication.

Lean business model

Marinomed focuses on the validation of innovative therapeutic approaches, preclinical and clinical drug development, and subsequent outlicensing to partners. For the OTC portfolio, Marinomed also organizes production through qualified contract manufacturers. Marinomed's pharmaceutical partner companies, in turn, handle the late-stage clinical development, regulatory approval and marketing of the therapeutics around the world. This allows Marinomed to focus on its core competences of research and development and to maintain a lean business model.

Stakeholders

Marinomed is committed to the highest standards of transparency and maintains an open dialog with its customers, shareholders, partners, and employees. Sustainable development and consistent improvement in environmental, social and governance (ESG) areas are a key priority for Marinomed.

CORE VALUES

SCIENTIFIC EXPERTISE

EXPERIENCED MANAGEMENT & DEDICATED TEAM

LEAN BUSINESS MODEL

STAKEHOLDERS

Milestones

2006
Marinomed Biotechnologie GmbH is founded

2007
Development of the Carragelose platform

2008
Market launch of the first Carragelose product

2010
Licensing partnership with Boehringer Ingelheim

2011
Approval of Carragelose products in additional countries

2012–2016
Additional product launches and sales partnerships

2016
Development of the Marinosolv technology platform

2017
Change of legal form to a stock corporation

2018
Market launch of a decongestant Carragelose product

2019
IPO on the prime market of the Vienna Stock Exchange. Issuance proceeds: EUR 22.4 million

Loans from the European Investment Bank totaling up to EUR 15 million

Clinical validation of the Marinosolv platform with successful completion of a phase III pivotal study for Budesolv

2020
Two clinical trials of Carragelose nasal sprays for the treatment and prevention of COVID-19 initiated after successful in vitro results against SARS-CoV-2

Marinosolv platform receives patent for the generation of aqueous solutions from insoluble compounds

2021
Positive clinical data against SARS-CoV-2

Encouraging clinical data for Tacrosolv

First international deal for the Marinosolv platform with a USD 2 million upfront payment

2022
Entered one of the most important license agreements for Carragelose with Procter & Gamble for the U.S.

Received U.S. patent for the Marinosolv technology

First successful year on the market for Solv4U technology partnerships

2023
Expansion of the Carragelose product portfolio to include moisturizing eye drops and allergen-blocking nasal spray

New partnership for Carragelose in Southeast Asia and market approval in Mexico

First long-term partnership for Solv4U

Strategy

Marinomed is committed to improving people's health. We continue to pursue our Strategy 2025 to move towards indications with high unmet medical needs for the benefit of patients and to create sustainable value for the Company and our stakeholders. Our strategic efforts focus on reaching profitability by growing our existing business and generating revenue with our late-stage product candidates. In the long term, we aim to expand our pipeline and finance it from our own cash flows.

Vision & Mission

Marinomed has the vision to transform the lives of people suffering from diseases with limited or no treatment options in two key therapeutic areas: virology and immunology.

With our passion for scientific progress and based on our two proprietary and validated platforms, Carragelose and Marinosolv, we strive to develop powerful therapies for the treatment of indications with high medical needs.

Strategic pillars

We pursue a strategy based on a mix of commercializing our late-stage assets, development of our own pipeline products and offering formulation development for our Solv4U costumers. Our strategic priorities are as follows:

1. Growth in the Carragelose OTC business through new partnerships and supporting current partners in market access with existing and new products in existing and new markets;

2. Expansion of business development activities with a focus on assets that are sufficiently advanced to start a partnering process. This includes new products in the Carragelose portfolio (allergy and eye drop product) as well as our pipeline projects in late development phases (Budesolv (MAM-1004-1) and Tacrosolv (MAM-1003-1));

3. Long-term adherence to our mission by inventing, developing and selecting promising pipeline programs for indications with high unmet medical needs, funded through the Company's cash flows.

Virology

Marinomed has a strong dataset demonstrating the broad virus-blocking effect of Carragelose (iota-carrageenan). We and other scientific groups have published extensive in vitro results showing the virus-blocking activity of Carragelose against over 200 viruses, including SARS-CoV-2 and its variants of concern. In several clinical trials, we have shown effectiveness in preventing and treating various viral respiratory infections. An independent clinical trial in Argentina, which was published in a peer-reviewed journal, demonstrated the effectiveness of iota-carrageenan in preventing COVID-19 in humans.

MARINOMED BUSINESS AREAS

On this solid foundation, we have established a remarkable, patent-protected OTC product portfolio for the treatment of viral respiratory infections and entered into numerous international partnerships that have contributed to significant revenue growth in this segment for four consecutive years. After the end of the pandemic in the 2023 financial year, pharmacy sales in the cough, cold and allergy segment declined, while Marinomed's customers were well stocked. This has resulted in a decline in sales since Q2 2023 and will continue into 2024. A bottoming out is foreseeable and repeat orders as well as a revival in sales can be expected for the 2024/25 season. New partnerships in Asia, Eastern Europe and the Gulf region, as well as launches in Mexico and possibly in the U.S. will further drive the growth of the virology segment in 2024.

For the established Carragelose distribution partnerships, it remains key to ensure the best possible supply of our products. In the current environment, this is challenging because of longer lead times and inflation. For this reason, we are investing in our supply chain, keeping sufficient stocks and maintaining an active dialog with our contract manufacturers and our partners in the respective regions.

Marinomed has developed Carragelose products from idea to market and – as part of its strategy – is now assessing various commercialization options for the whole business. A structured process, involving an external advisor, has been started at the end of 2023 in order to maximize the value of the Carragelose business with a new structure or partner. This initiative is encountering a favorable market environment, as Carragelose products are ready for transition to the new EU medical device regulation (MDR), which will come into effect soon. This could also open up the opportunity that Marinomed increases the focus on its core competencies of research and development and on further developing the Marinosolv platform.

Immunology

With Marinosolv, we have developed a highly powerful, patented platform to improve the solubility of hardly water-soluble compounds, thereby increasing their bioavailability and efficacy. The platform has been clinically validated through its application on the two well-established compounds Budesonide and Tacrolimus. The results of the phase III clinical study conducted for Budesolv underline the potential of Marinosolv to significantly reduce the required dose (~85% less) and accelerate the onset of action from days to hours. The second Marinosolv pipeline program, Tacrosolv, based on the immune modulator Tacrolimus, has been successfully tested in a clinical phase II dose finding study. After focusing on improving the formulation for both lead assets Budesolv and Tacrosolv, we were able to overcome most challenges related to product stability and primary packaging. This enables Marinomed to pursue its strategy of handing over development-stage products to pharma companies with the required regulatory and market expertise.

In 2021, Marinomed concluded a first license agreement for Budesolv with the listed Chinese company Luoxin, which is responsible for adapting the product to local requirements, applying for market approval and launching the product in the region. After several challenges, which have since been resolved, the development of the product is picking up speed again. The focus is now on establishing production and preparing the necessary clinical trials. The process and associated milestone payments have been delayed accordingly.

With a first partnership for Budesolv in place and the progress made in the development of Budesolv and Tacrosolv, the primary focus is on business development. Strategically, the most important goal therefore is to add further partnerships for both products and to provide our partners with the best possible support until market approval. With the successful commercial implementation of these two projects, further existing pipeline ideas can then be turned into pipeline projects.

In 2023, we added the first Carragelose-based products to our immunology portfolio, consisting of an allergen-blocking nasal spray and moisturizing eye drops. Preclinical and clinical data with Carragelose demonstrate effectiveness in the treatment and prevention of allergies (hay fever) and dry, irritated eyes. The allergen-blocking nasal spray has recently been launched in Austria, and the eye drops will follow soon. Further partners are sought via structured business development processes for both products.

Solv4U

Marinomed's strategy for the two therapeutic areas of virology and immunology is also applicable to the technology partnerships offered through the Solv4U business area. The business model of Solv4U focuses on applying the Marinosolv technology to hardly soluble compounds of external customers. The improved solubility provided by Marinosolv not only enables a water-based liquid formulation but can also significantly enhance the bioavailability and efficacy of the compound. This can also allow a reduction of the administered dose, which is highly beneficial to both patients and the environment. This enables some compounds to be made meaningfully useful for the first time.

With Solv4U, Marinomed can broaden the application of the Marinosolv technology on a self-sustaining basis. While these partnerships are initially calculated on a cost-plus basis, the larger financial upside is expected when partners take their programs forward into clinical evaluation and to the market. Milestones become due at the respective development time points and later on, marketed products generate license income. In 2023, Marinomed concluded the first long-term partnership with SPH Sine for the dynamic Chinese healthcare market. Similar agreements with additional partners will follow in 2024.

Outlook

Our vision of improving patients' lives with powerful therapies guides our team's actions and our Strategy 2025, which focuses on areas with high unmet medical needs. In the current environment, it has become increasingly important for Marinomed to focus on its cash-generating product portfolio as well as several ready-to-partner assets. Therefore, our primary goal is generating revenues that will bring us to operating profitability and earn the cash required to fund our research and development activities. This includes the following key initiatives:

(a) Generating revenues from the Carragelose business through: existing partnerships (e.g. M8, P&G); new partnerships (e.g. DKSH, VitaPlus, GAIA); launches and additional partnerships for the new allergen blocker and eye drops; evaluating strategic options for the whole Carragelose business

(b) Concluding additional partnerships for Budesolv

(c) Supporting our partner Luoxin towards the next milestone in the development process of Budesolv

(d) Establishing a first partnership for Tacrosolv in the short-term

(e) Expansion of the Solv4U business area

After successfully developing and commercializing the Carragelose OTC portfolio, we are increasingly concentrating on our core competency of research and development. In the longer term, we want to focus on our innovative Marinosolv technology, our own product candidates and the associated Solv4U business. We are confident that our technology has the power to enable many pharmaceutical compounds that face formulation challenges and may otherwise be abandoned. It is therefore our plan to leverage this potential and deliver innovative and better treatments to patients.

Business model

Marinomed develops pharmaceutical products and medical devices in the therapeutic areas of virology and immunology. Marinomed's core competencies are preclinical and early research and development with the aim of generating intellectual property. In the area of medical devices based on Carragelose, Marinomed acts as a wholesaler. In the area of pharmaceutical products, which are essentially based on Marinosolv technology, the Company grants licenses to pharmaceutical companies during the clinical development phase.

Marinomed develops non-prescription (OTC) medical devices up to approval. Subsequently, they are produced by contract manufacturers and outlicensed to partners who market and distribute the products worldwide. The Company's sales partners for OTC products are mostly well-known pharmaceutical companies with licenses for specific geographical regions. With a lean supply chain organization, the Company currently supervises and manages 20 (31.12.2023: 18, 2022: 17) commercialization partners for more than 40 countries in the OTC segment. Most pharmaceutical companies also use their licenses to list Carragelose on the product description, which ensures that Marinomed is visible on most products via the Carragelose brand name.

Marinomed generates revenue from OTC products via license payments and the sale of goods.

For the development of Rx (prescription) pharmaceutical products, Marinomed strives to find partners during or after phase II clinical studies. In these highly regulated and particularly specific markets, it is of utmost importance to have a financially solid expert partner on board, who can add indication-specific expertise and financial power to regulatory processes and clinical development.

Classic pharma deals are the goal in the Rx segment and gaining Luoxin Pharmaceutical as a partner was a first step. These deals comprise upfront, milestone and royalty payments but rely on the partner for the entire commercialization value chain from manufacturing to distribution. This enables Marinomed to concentrate on its core expertise – of research and development – the elements in the value chain contributing the highest value.

MARINOMED BUSINESS MODEL

	Development phase	OTC (over-the-counter)	Rx (prescription)
Generation of intellectual property	Idea & preclinical Research	Marinomed	Marinomed
	Early clinical development	Marinomed	Marinomed
	Late clinical development	Marinomed	Marinomed / Partner
	Market authorization	Marinomed	Partner
Commercialization through partners	Manufacturing	Partner	Partner
	Distribution & marketing	Partner	Partner
	Vigilance	Partner	Partner

Marinomed
Partner

Revenue through license deals (upfront, milestones & royalties)
Sale of goods
Sale of assets

A selection of sales partners for Carragelose products

fidia
Sanova
mundipharma
Gebro Pharma
aspen AUSTRALIA
SAGER PHARMA
GRYNUMBER health
HERMES ARZNEIMITTEL
Perrigo
karo pharma
cube pharmaceuticals & nutrition
SIGMA PHARM

Technologies & therapeutic areas

BUSINESS AREAS

VIROLOGY

IMMUNOLOGY

SOLV4U

TECHNOLOGIES & LEAD PRODUCTS

Carragelose®

Cough & cold portfolio*
Viral respiratory infections

Allergy nasal spray*
Mild allergic rhinitis

Eye drops
Dry, irritated eyes

Marinosolv®

Budesolv
Allergic rhinitis

Tacrosolv
Inflammatory eye diseases

Solv4U Technology Partnerships

Solv4U

* Marketed products

Carragelose

Carragelose is iota-carrageenan, a polymer extracted from red seaweed which is commonly used in the food, cosmetic and pharmaceutical industries for its thickening and stabilizing properties. Marinomed and other research groups have also shown the virus-blocking properties of Carragelose in various laboratory and clinical studies, including over 1,000 participants. Carragelose is effective in reducing symptom severity and shortening disease duration in common cold patients. Due to its ability to form a viscous barrier on mucosal surfaces, Carragelose exerts a prophylactic and therapeutic activity. On the one hand, the protective barrier may block viruses from interacting with the nasal mucosa, preventing a viral infection altogether. On the other hand, Carragelose has been shown to block the spreading of inhaled and newly synthesized viruses.

Due to its purely physical mode of action, Carragelose is effective against more than 200 different respiratory virus strains, including Rhinoviruses, Influenza Viruses, or Corona Viruses. The in vitro effectiveness against SARS-CoV-2 has been confirmed by several independent labs around the world. Clinical data from Argentina showing an 80% reduction of COVID-19 incidence

in hospital staff using a Carragelose-based nasal spray as prophylaxis have been published in a peer-reviewed journal. Furthermore, in vitro data confirm the effectiveness of Carragelose against the SARS-CoV-2 variants of concern Alpha, Beta, Gamma, Delta and Omicron. The virus-blocking properties of Carragelose are protected by an extensive patent family owned by Marinomed in all major markets.

Allergen-blocking

Results from a clinical study show that Carragelose exerts a barrier function that is not only effective in shielding the nasal mucosa from respiratory viruses, but also from allergens like grass pollen. The study showed a significant alleviation of nasal allergic symptoms and reduced nasal secretion in participants with grass pollen allergy prophylactically treated with a Carragelose-containing nasal spray. This is particularly important, as patients suffering from allergic rhinitis are also sensitive to viral respiratory infections as these may worsen the underlying allergic disorder. These results substantiate the property of Carragelose to form a non-specific barrier, which extends the use of the product from viral respiratory infections to allergy-associated symptoms like hay fever. Furthermore, clinical data on the decongestant Sorbitol-containing Carragelose nasal spray showed the effectiveness of improving nasal air flow in subjects with allergic rhinitis.

Moisturizing

Due to its excellent water-binding and water-retaining properties, Carragelose forms soft gels in the presence of water, resulting in a lubricating and hydrating film. This film helps to keep mucosal surfaces healthy and resilient to external influences such as dry air. In addition to an application in the nose and throat, Carragelose can also be used as an eye lubricant in eye drops, providing relief for dry and irritated eyes.

Benefits

- Virus-blocking effectiveness clinically validated and patent protected
- Favorable safety profile - can also be used in children older than one year
- Unspecific blocker against various external influences, such as viruses or allergens
- Full-season and versatile product portfolio
- CE-certified (MDD), on track for MDR transition
- Preservative-free formulation

Without Carragelose: Viruses and allergens interact with the mucosal surface

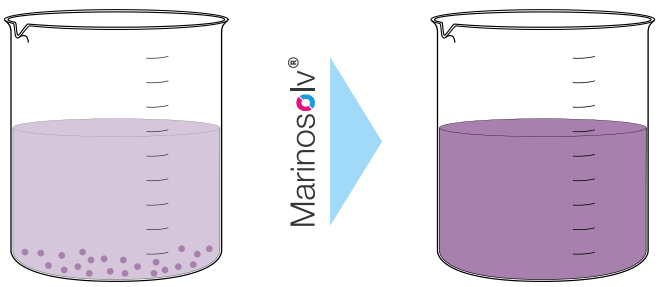
With Carragelose: The physical barrier prevents interactions of viruses and allergens with the mucosal surface

Marinosolv

The Marinosolv technology uses solubility- and stability-enhancing agents to increase the solubility of hydrophobic small molecules and peptides, thereby also signficantly improving their bioavailability. Marinosolv facilitates targeted drug delivery with a low systemic off-target activity. The technology has been clinically validated in a successful phase III study for Budesolv, a Marinosolv-enabled solution of Budesonide. Marinosolv is patent protected in all major target markets. Existing drugs and off-patent active ingredients can be improved and patented as new formulations using Marinosolv.

Poor solubility and the associated poor bioavailability are central challenges faced in many pharmaceutical development projects. Insufficient solubility is particularly problematic for compounds intended for local application on sensitive tissues such as the nose and eyes. Therapeutic products used on mucous membranes can only contain small quantities of solvents such as alcohol, because higher concentrations can act as irritants. As a result, local treatments for the eyes and the respiratory tract are often formulated as suspensions of undissolved particles. With Marinosolv, Marinomed has developed a technology to dissolve barely soluble compounds in a formulation that is well-tolerated even on sensitive tissues. In addition, the soluble formulation increases the amount of active ingredient that reaches the target tissue resulting in a faster onset of action. This allows for lower dosing of the drug, while simultaneously boosting its efficacy significantly. The lower dose combined with increased bioavailability ensures high activity of the drug locally and reduced undesirable side effects caused by systemic action of the compound. Furthermore, reduction of the amount of active pharmaceutical ingredient contributes to sustainability, as less drug substance enters the waste water system. A further advantage of Marinosolv is that the manufacturing process allows for preservative-free formulations.

Marinomed has so far used this technology only for approved compounds such as treatments for allergies and ophthalmic conditions. However, as Marinosolv is not limited to specific drugs or



Aqueous formulation of hardly soluble compound: **Cloudy suspension** with undissolved particles.

Marinosolv formulation of hardly soluble compound: **Clear solution** with fully dissolved particles.

indications, it offers the potential to be used for many other applications in the future where increased solubility is beneficial.

Benefits

- Broadly applicable to small molecules and peptides
- Well-tolerable for systemic and local administration, including sensitive tissues
- Faster onset of action than suspensions
- Significantly lower required dose compared to currently marketed products, reducing possible side-effects
- Increased bioavailability in target tissue
- Improved local efficacy
- Lower environmental impact
- Enabling preservative-free formulation
- Easily scalable process
- Clinically proven

Virology

Carragelose product portfolio

Active ingredient: Carragelose
Indication: Viral respiratory infections
Classification: Medical device
Development phase: Marketed

Marinomed has developed a portfolio of six Carragelose-containing OTC products for the treatment and prophylaxis of viral respiratory infections: four nasal sprays, a throat spray and lozenges. Carragelose products are a safe and effective way to prevent or shorten viral respiratory infections and are backed by extensive clinical data. Carragelose products are currently partnered in more than 40 countries, including renowned partners and brands such as the Coldamaris brand in Austria, the Algovir brand in Germany and the Betadine brand in Southeast Asia and the Middle East. In 2022, Marinomed entered into a partnership with Procter & Gamble for the commercialization of Carragelose products in the U.S.

MAM-2001-1/Carravin

Active ingredient: Xylometazoline
Indication: Nasal congestion
Classification: Pharmaceutical product
Development phase: Partnering in progress

MAM-2001-1/Carravin is a nasal spray that combines the decongestant ylometazoline and Carragelose. Carragelose supports Xylometazoline in reducing the duration and intensity of symptoms associated with viral infections of the respiratory tract.

MAM-1001-1/Inhaleen

Active ingredient: Carragelose
Indication: Viral infection of the upper and lower respiratory tract
Classification: Medical device
Development phase: Clinical studies

MAM-1001-1/Inhaleen is an inhalable formulation of Carragelose and is intended to treat viral infections of the upper and lower respiratory tract. By inhaling Carragelose, it is possible to utilize its broadly active virus-blocking effect in an area that could not previously be reached with a nasal spray.

Currently approved therapies for viral respiratory infections act mainly systemically and are administered as tablets or by infusion. These therapies can have a number of side effects and are often not suitable for all patient groups. In addition, they are also prone to interactions with other drugs or the emergence of viral resistance. A broadly effective antiviral medication for treating viral respiratory diseases is currently not available. The inhalable virus-blocking Carragelose formulation is a completely new approach to locally treat viral infections of the upper and lower respiratory tract.

Immunology

MAM-1001-4 nasal spray

Active ingredient: Carragelose
Indication: Prophylaxis of mild allergic rhinitis
Classification: Medical device
Development phase: Marketed

MAM-1001-4 nasal spray contains Carragelose, which forms a protective layer on the nasal mucosa. This layer prevents allergen contact with the mucosa and thus reduces allergy symptoms. MAM-1001-4 acts exclusively locally and does not cause fatigue. A clinical study has shown that even a single, prophylactic application of the nasal spray leads to a significant reduction in allergy symptoms. In addition, its moisturizing properties and excellent safety profile make MAM-1001-4 the ideal choice for nasal mucosa irritated by allergy.

Mild courses of allergic rhinitis benefit from physically acting therapy measures, such as nasal rinses with saltwater solutions or avoidance of the triggering allergens. In this case, the use of drugs is usually not necessary. For these mild courses, MAM-1001-4 offers safe, fast-acting and, thanks to Carragelose, longer-lasting protection against inhaled allergens for use at home and on the go. The protective film also moisturizes and soothes the irritated nasal mucosa. The allergen-blocking nasal spray was launched in Austria in March 2024.

MAM-1001-3 eye drops

Active ingredient: Carragelose
Indication: Dry, irritated eyes
Classification: Medical device
Development phase: Pre-launch (MDD-certified)

In addition to its virus-blocking effectiveness, Carragelose shows excellent moisturizing properties, which, together with its outstanding safety profile, make it a perfect candidate for eye drops. Carragelose has excellent water-retention properties and forms a soft gel in contact with water. Based on these properties, and together with its excellent safety profile, Carragelose is a perfect active ingredient for lubricating eye drops.

Furthermore, the virus-blocking effectiveness of Carragelose might provide the first causative treatment for viral keratoconjunctivitis. Currently, the triggers of infectious keratoconjunctivitis are rarely, if ever, identified due to complex or lacking diagnostic procedures. In most cases, antibiotics are prescribed on suspicion in order to treat a bacterial infection. However, there are currently no adequate treatment options for viral keratoconjunctivitis. Carragelose is a broadly active, topically acting and safe virus-blocking substance, making it a promising candidate for a causative treatment of viral keratoconjunctivitis. The product has been outlicensed for marketing and distribution in Austria.

MAM-1004-1/Budesolv

Active ingredient: Budesonide
Indication: Treatment of severe allergic rhinitis
Classification: Pharmaceutical product
Development phase: Filing in preparation

MAM-1004-1/Budesolv is a nasal spray containing the corticosteroid Budesonide solubilized with Marinomed's proprietary Marinosolv solubilization technology. Budesolv is intended to treat severe allergic rhinitis and has met all endpoints in a phase III clinical trial. Due to the solubilized, readily available form, a therapeutic effect could be achieved with a significantly lower dose (~85% lower than comparable marketed products). Furthermore, the increased bioavailability allows a significantly faster onset of action: Budesolv led to a noticeable reduction in allergic nasal symptoms and a significant reduction in asthmatic symptoms in less than three hours after the first dose. The unique Marinosolv-formulation offers further advantages: due to the dissolved form of the active ingredient, shaking is not necessary and the risk of misdosing is greatly reduced. The formulation is free of potentially irritating preservatives and well tolerated. Furthermore, the reduction of the amount of active pharmaceutical ingredient contributes to sustainability, as less drug substance pollutes the environment, particularly the waste water system.

Currently marketed corticosteroid drugs for the treatment of allergic rhinitis are usually formulated as suspensions due to their poor solubilization in water. Poor solubility and associated poor bioavailability result in delayed onset of action, especially when applied locally in the nose. If a suspension with undissolved particles is used, it must be applied for a number of days before an effect occurs. Budesolv thus offers a significant benefit for allergic rhinitis patients.

In 2021, Marinomed signed a first licensing agreement with Luoxin Pharmaceutical Group Stock Co., Ltd. for the development and commercialization of Budesolv in Greater China.

MAM-1003-1/Tacrosolv

Active ingredient: Tacrolimus
Indication: Severe inflammatory ocular surface diseases
Classification: Pharmaceutical product
Development phase: Phase II clinical study

MAM-1003-1/Tacrosolv is a topically applied, anti-inflammatory and immunomodulating ophthalmic solution, containing Tacrolimus solubilized with Marinomeds proprietary Marinosolv solubilization technology. Tacrolimus is a well-known calcineurin inhibitor and highly potent immunosuppressant used in organ transplantation as well as inflammatory eye and skin conditions. However, Tacrolimus is a highly lipophilic substance with very low water solubility. Based on the Marinosolv technology, Marinomed has developed a novel aqueous formulation, which allows the complete solubilization of the compound using known excipients. Thus, Marinosolv is able to unfold the full potential of Tacrolimus even at very low concentrations.

It could be demonstrated that the topical application of Tacrosolv results in higher concentrations of Tacrolimus in ocular tissue compared to Talymus (Tacrolimus in suspension), a product marketed in Asia to treat vernal keratoconjunctivitis. Even

though the concentration of the drug was reduced by up to 95%, sufficient concentrations of the drug were detected in different tissues of the eyes, such as conjunctiva and cornea. A phase II clinical trial for dose finding was performed in the model indication of allergic rhinoconjunctivitis. The higher dose group demonstrated a significant relief of allergic symptoms in the eyes and also in the nose already after eight days of treatment. These topline data strongly support the hypothesis that fully solubilized Tacrolimus can be developed as an effective therapy for ocular inflammation.

Management of inflammatory diseases of the anterior segment of the eye involves the long-term use of topical and/or systemic corticosteroids, which can lead to raised intraocular pressure and associated complications such as cataract and glaucoma. Alternative treatment options include the use of the immunosuppressive compound cyclosporin, which has a comparable safety profile to Tacrolimus but is ~100 times less potent. A formulation with dissolved Tacrolimus therefore offers significant advantages over the currently available treatment methods for inflammatory eye diseases.

Pipeline & marketed products

Development pipeline

Pharmaceutical Products

Therapeutic area	Product Indication	Status	Pre-clinical	Phase I	Phase II	Phase III	Filing
IMMUNOLOGY	**MAM-1004-1/Budesolv** Treatment of severe allergic rhinitis	Filing in preparation					
IMMUNOLOGY	**MAM-1003-1/Tacrosolv** Severe inflammatory eye diseases	Phase II clinical study					
VIROLOGY	**MAM-2001-1/Carravin** Nasal congestion	Partnering in progress					

OTC Medical Devices

Therapeutic area	Product Indication	Status	Pre-clinical	Clinical studies	Certifi-cation
IMMUNOLOGY	**MAM-1001-4 nasal spray** Prophylaxis of mild allergic rhinitis	First launch			
IMMUNOLOGY	**MAM-1001-3 eye drops** Dry, irritated eyes	Pre-launch			
VIROLOGY	**MAM-1001-1/Inhaleen** Viral pneumonia	Clinical studies			

Carragelose Product Portfolio

Carragelose®

Product		Launch	Active Ingredients	Claims
	Nasal spray for adults and children 1y+	2008	1.2 mg/ml Carragelose	Prophylactic and supportive treatment of viral infections of the respiratory tract
	Nasal spray for children 1y+	2012	1.2 mg/ml Carragelose	
	Nasal spray for adults and children 1y+	2013	1.2 mg/ml Carragelose + 0.4 mg/ml Kappa-Carrageenan	
	Lozenges for adults and children 6y+	2015	10 mg Carragelose/Lozenge	Prophylactic and supportive treatment of viral infections of the respiratory tract & moistening of the mouth and throat
	Throat spray for adults and children 1y+	2016	1.2 mg/ml Carragelose	
	Nasal spray for adults and children 1y+	2018	1.2 mg/ml Carragelose + 0.4 mg/ml Kappa-Carrageenan + 7% Sorbitol	Prophylactic and supportive treatment of viral infections of the respiratory tract; decongestant effect; anti-allergic
	Nasal spray for adults and children 1y+	2024	1.2 mg/ml Carragelose	Forms a protective layer on the nasal mucosa that acts as physical barrier against allergens
	Eye drops	2024*	3.2 mg/ml Carragelose	Lubricating and protective

*Launch anticipated for 2024

Investor relations

The share

Marinomed Biotech AG shares have been listed on the Vienna Stock Exchange since February 1, 2019. They are quoted in the prime market segment and included in the ATX Prime Index. The current number of shares amounts to 1,540,530.

ISIN	ATMARINOMED6
Share class	No-par value bearer shares
Share capital (12.04.2024)	EUR 1,540,530 (1,540,530 shares)
Ticker	Symbol MARI
Issue price (IPO) on 01.02.2019	EUR 75.00

Performance 2023	
Market capitalization 30.12.2023	EUR 44.50 million
Share turnover	EUR 26.97 million
Average daily share turnover	kEUR 106.60
Share price 30.12.2022	EUR 56.40
Share price 30.12.2023	EUR 29.20
Yearly high 03.01.2023	EUR 59.40
Yearly low 29.12.2023	EUR 29.20
Performance 2023	-48.23%

Performance 2024	
Share price 29.12.2023	EUR 29.20
Share price 12.04.2024	EUR 19.85
Performance year-to-date	-32.02%
Market capitalization 12.04.2024	EUR 30.58 million

Share price performance

Although the capital markets in 2023 continued to be affected by geopolitical and economic uncertainty and the associated high inflation and rising interest rates, the Austrian ATX Prime Index was able to recover slightly with an increase of 10.1%. However, investors' behaviour continued to be risk-averse, which was particularly felt in the biotech sector. The NASDAQ Biotechnology Index remained almost unchanged at +3.8%.

The Marinomed share started 2023 at a price of EUR 56.40. Despite the publication of positive clinical data, the share price fell to EUR 33.20 by May 2023. Boosted by strong Carragelose sales in the first quarter, the share price increased to a high of EUR 45.80 on June 2. In the second half of the year, the share price largely stagnated at around EUR 40. Many positive announcements, including the launch of two new products and the conclusion of new partnerships, could not compensate for the lack of further partnerships for the two products Budesolv and Tacrosolv. The Marinomed share therefore closed 2023 at a price of EUR 29.20, which corresponds to an annual loss of 48.2%.

Dividend policy

Marinomed is already generating revenues but has not yet reached break-even and profitability. The Company continues to invest proceeds to further expand R&D and business growth, therefore no dividend will be paid for 2023.

Share price performance Marinomed Biotech AG

(ATMARINOMED6, EUR)
01.02.2019 – 12.04.2024

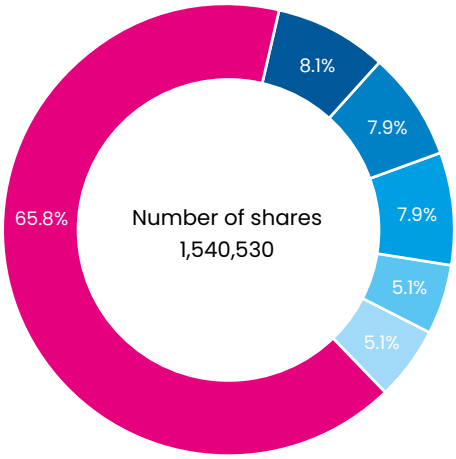
Analyst coverage

In 2023, we reached our target of at least three research houses covering the Marinomed share with Dr. Norbert Kalliwoda, who initiated his coverage in August 2023. As of April 15, 2024, analysts from the following institutes cover the share:

Institute	Analyst
Erste Bank Group	Vladimira Urbankova
Stifel Europe Bank	Eric le Berrigaud
Dr. Norbert Kalliwoda GmbH	Norbert Kalliwoda

Shareholder structure

The current shareholder structure of Marinomed is as follows: the founders and management team of Marinomed are the core shareholders with around 26% of total shares (thereof 2% free float). The shares of the former long-term investor Acropora have been taken over in equal parts by its two shareholders (as per announcement on May 30,



- Hermann Unger
- Andreas Grassauer (CEO)
- Eva Prieschl-Grassauer (CSO)
- Abdulmohsen Al Sheikh*
- Mohammed Al Sheikh*
- Free Float

* Take-over of shares of the former cornerstone investor Acropora Beteiligungs GmbH in Liquidation by its shareholders in equal parts as per the announcement dated May 30, 2023.
Note: Rounding differences possible

2023, available at: https://www.marinomed.com/en/investors-esg/share-information). Approximately 65.8% of shares are in free float.

Communication with the capital market

In 2023, Marinomed intensified the dialogue with shareholders at several national and international conferences and roadshows. These included the RBI Zürs conference, the Equity Forum spring conference and the Börsianer Roadshow in H1 2023. In the second half of 2023, management presented at the Hamburg Investor's Days, the Equity Forum fall conference and the CEElection Investor conference. Marinomed also attended the 16th Kalliwoda Roadshow in Madrid and Barcelona in September 2023. For the first time, Marinomed was also represented at the important Jefferies London Healthcare conference in December 2023. In addition to these conference and roadshow activities, Marinomed offered conference calls on the quarterly and annual results as well as on the announcement regarding evaluating strategic options for its Carragelose business.

On June 21, 2023, private investors had the opportunity to meet the Management Board at the 6th Annual General Meeting, which was held in Korneuburg for the first time. The resolutions on the agenda were adopted with large majorities, including the election of Dr. Eva Hofstädter-Thalmann to the Supervisory Board. The voting results are available on the corporate website: https://www.marinomed.com/en/investors-esg/annual-general-meeting.

Marinomed pursues a continuous and transparent dialogue with the capital market and in particular the equal treatment of all shareholders.

For further information on Marinomed's investor relations and ESG activities, please visit https://www.marinomed.com/en/investors-esg.

Please contact our Investor Relations team for any questions:

Marinomed Biotech AG
Lucia Ziegler
Head of Investor & Public Relations
Phone: +43 2262 90300 158
E-Mail: ir@marinomed.com

Financial calendar

22.05.2024	Publication of the Results Q1 2024
10.06.2024	Record Date for participation at the Annual General Meeting
20.06.2024	7th Annual General Meeting
20.08.2024	Publication of the Results H1 2024
21.11.2024	Publication of the Results Q 1-3 2024

Report of the Supervisory Board

After the transition of the COVID-19-pandemic to an endemic level, the 2023 financial year continued to be impacted by the effects of global political crises and high inflation rates. The life-sciences industry was affected by the consequences of a volatile market environment in terms of increased raw material and energy prices, supply bottlenecks and a changing regulatory framework. During the pandemic, Marinomed succeeded in increasing revenues from the Carragelose business significantly. In the first financial year after the pandemic - following an outstanding first quarter – however, revenues normalized to pre-pandemic levels. In this environment, Marinomed managed to unlock new sales and growth potential with the allergen-blocking properties of Carragelose and its application against dry eyes. In parallel, market approval of the Carragelose products out-licensed to Procter & Gamble in the U.S. in 2022 was consistently followed up on.

The foundations for new partnerships in the areas of immunology and Solv4U were laid. The challenges with the stability of Budesolv have now been successfully resolved and new patent protection has been generated. Similar stability problems arose with Tacrosolv, but these also appear to have been solved by adapting the formulation and primary packaging. Following the resolution of these challenges, the Company therefore boosted its business development activities significantly in the second half of 2023 and is confident of concluding further partnering agreements within the immunology segment in the current fiscal year.

In the 2023 reporting year, the Supervisory Board performed the tasks assigned to it by law and the Company's Articles of Association to their full extent in a total of four in-person meetings and one video conference. In addition, the Chairman of the Supervisory Board was in regular, informal contact with the Management Board outside of the Supervisory Board's meetings to discuss business development, financing, risk management and the development of the Company's strategy. At the beginning of the year, the focus was on the audit and approval of the 2022 (consolidated) annual statements. In addition, the targets applicable for determination of the Management Board's variable remuneration for the 2023 financial year were defined and adopted by the Supervisory Board. As a consequence of the business environment mentioned above and in the interest of cash preservation, the members of the Management Board have waived payment of their variable remuneration (bonus) for 2023 until further notice.

On the occasion of the 6th Annual General Meeting on June 21, 2023, Ute Lassnig and Gernot Hofer retired from the Supervisory Board. I would like to cordially thank both of them for their valued contributions to the Board's work. Brigitte Ederer and I were re-elected to the Board, and we welcomed Eva Hofstädter-Thalmann as a new Board member. By resolution of the Annual General Meeting, the Supervisory Board members' term of office was reduced by one year to three years (with the year of election not counting). At the Supervisory Board's constituent meeting, Brigitte Ederer was elected Deputy Chairwoman and Ulrich Kinzel was elected Chairman of the Audit Committee.

At its meeting of September 2023, the Supervisory Board then focused on the Company's Internal Control System (ICS) and accepted a report by the Management Board on measures implemented to

counter corruption as well as on the existing compliance-management-system.

Cash preservation was another focal point of the Supervisory Board's work. Throughout the entire business year, the Supervisory Board was closely involved in considerations regarding corporate financing and supported the Management Board's decision to continue the convertible notes program with Nice & Green with a reduced tranche size from October 2023 onward. The Supervisory Board also supported the Management Board's negotiations with the Company's lenders (including the European Investment Bank EIB), which were a continuous subject of reporting to the Supervisory Board. In March 2024, the Management Board was able to agree with the EIB on an 18-month deferral of repayments, which marks an inportant step for the liquidity position of the Company going forward.

The Supervisory Board's Audit Committee, which includes all members of the Supervisory Board, met on April 13, 2023, chaired by Gernot Hofer for the last time, to deal with the (consolidated) annual report for 2022. The Committee's second meeting on November 28, 2023, was devoted to the preparation of the 2023 annual audit; the Committee received the Auditor's report on the planned audit schedule, auditing procedures and contemplated key audit matters. On April 11, 2024, the auditor finally reported on the audit of the (consolidated) annual report 2023 and discussed the audit results with the Committee. Following an in-depth review of the audit results, the Committee recommended to approve the (consolidated) annual statement 2023 as well as the re-election of BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungs-gesellschaft as auditor of the 2024 (consolidated) annual statement.

The 2023 annual financial statements according to the Austrian Commercial Code (UGB) as well as the consolidated financial statements pursuant to IFRS were audited by BDO Assurance GmbH Wirtschafts-prüfungs- und Steuerberatungsgesellschaft in accordance with statutory provisions and awarded an unqualified auditor's opinion. The Supervisory Board reviewed these documents pursuant to Section 96 of the Stock Corporation Act (AktG) at its meeting of April 11, 2024 and concurred with the audit result as well as with the recommendation expressed by the Audit Committee. In addition, the Supervisory Board approved the (consolidated) financial statements, which were thereby adopted in accordance with Section 96 (4) AktG.

In the course of the discussion of its work efficiency as well as of the review of its organization and work procedures, the Supervisory Board resolved in December 2023 to amend and update its Rules of Procedure as well as those of the Management Board.

The Supervisory Board extends its gratitude and recognition to the Management Board and all employees of Marinomed Biotech AG for their performance and commitment in the 2023 financial year. Likewise, the Supervisory Board thanks all shareholders for their trust and invites them to continue accompanying Marinomed Biotech AG on its growth trajectory.

Korneuburg, April 2024

Simon Nebel
Chairman of the Supervisory Board

Management discussion and analysis

Market environment

As an innovative, globally acting biopharmaceutical company, Marinomed operates in a vibrant business environment alongside major pharmaceutical and biotechnology players. With deep industry integration, Marinomed stays attuned to the rapid and dynamic nature of its surroundings, remaining in sync with the pulse of this fast-moving field.

2023 remained another challenging year for the global economy and led many companies to a more conservative approach in strategic decision making. The biopharmaceutical industry shifted its focus away from COVID-19 as it had to deal with ongoing geopolitical conflicts, supply chain disruptions, prevailing inflation and drug pricing pressures. These challenges had an impact on the entire value chain and required resilience and optimism in a demanding environment. The upcoming regulatory reforms in the U.S. and Europe are forcing manufacturers to re-evaluate R&D, pricing strategies and market access and adding more complexity to product development. Despite these obstacles, growth possibilities across the biotech industry are evident.

Pharmaceutical market

The pharmaceutical industry is responsible for the research, development, production and distribution of (prescription) pharmaceutical products and has experienced significant growth during the past two decades.

The global market for pharmaceutical drugs is expected to grow at an annual rate of 5-8% to USD 2.3 trillion by 2028 (IQVIA, 2024). The therapeutic areas for the treatment of oncological and immunological diseases are expected to grow by 14-17% or 2-5% per year, respectively, until 2028 (IQVIA, 2024). New therapies in Alzheimer's and anxiety/depression are expected to drive spending in neurology and mental health. The demand for parenteral products is expected to exceed USD 1 trillion in the next few years, and the need for treatments for rare diseases is predicted to grow by double digits (World Pharma Today, 2023). Major advances are expected to continue, especially in oncology, immunology, diabetes and obesity, and small molecule innovations are also anticipated in these diseases as well as in neurology.

North America was the largest region within the pharmaceutical drugs market but will see lower volume growth, just like other highly developed markets such as Western Europe and Japan, which are linked to a more established health system and existing access to medicine. While the Middle East may grow the fastest, the highest volume growth over the next five years is likely to be seen in China, India and Asia-Pacific, all exceeding 3% compound annual growth. Latin America's volume growth slowed considerably through 2023. Despite impacts of the Ukraine conflict and slower expected economic growth, Eastern Europe's growth was essentially unchanged (IQVIA, 2024).

Although the biotech industry showed a decrease in overall licensing deal numbers, the total deal value reached the highest volume since 2018 with USD 63 billion (J.P. Morgan, 2023). A trend to later-stage in-licensing deals shaped the investment landscape with cancer ranking in the therapy areas as number one and small molecules ranking as number two (J.P. Morgan, 2023). The availability of innovative medicines, growing aging populations and the losses of exclusivity remain the drivers behind medicine spending, resulting in more patients being treated with better medicines. Biotech R&D continues to fuel innovation of

products and platforms and highlights the importance of this industry.

In Austria, the pharmaceutical market reached EUR 6.3 billion in 2023, with a 10.1% increase in value compared to the previous year (ÖAZ, 2024). This positive trend was evident in all segments and equivalent to the global market trends, with the oncology drugs market building the largest share.

Over-the-counter (OTC) market

The OTC market includes non-prescription medications, treatments, and healthcare products that are available directly to consumers without a prescription from a licensed healthcare professional.

The easy and convenient accessibility and attractive prices of OTC-products have significantly contributed to their increasing sales. Although they are preferably purchased in-store, online platforms are gaining increasing importance and represent one third of overall sales. The worldwide market is projected to generate USD 202.4 billion revenue by 2024, with the largest share in the Cough & Cold segment with a volume of USD 43.9 billion by 2024 (Statista, 2024). North America holds the major share, as the demand for OTC products there is significantly higher than in other markets and the numbers of product approvals and launches increased. An emerging trend in the OTC drugs market is to switch from Rx (prescription) to OTC close to the drug's patent expiry, in order to capitalize on market opportunities and recover product-related expenses.

The Austrian OTC market grew by 10.4% to reach EUR 1.4 billion in 2022 (Pharmig, 2023). The Cough, Cold & Allergy sector represents the largest segment with a share of 24.2% of the total market and a recognizable upwards trend in the demand for natural and homeopathic remedies.

Marinomed provides partners in the biotechnology and pharmaceutical industry with innovative products based on its proprietary Marinosolv and Carragelose technology platforms. The portfolio includes a marketed OTC-portfolio based on Carragelose for the prophylaxis and treatment of viral respiratory infections. Several OTC and prescription (Rx) drugs targeting various diseases in immunology and virology are currently in development to address indications with unmet need.

Virology

Marinomed's marketed Carragelose cough & cold product segment targets viral respiratory infections. In the global consumer healthcare (CHC) market, the Cough, Cold & Allergy (CCA) segment represented around 21% of sales in 2022 (Nicholas Hall, 2023). This segment saw double-digit growth of 18.2% in 2022 (Nicholas Hall, 2023). Vicks, a brand by Procter & Gamble, remained the leading CCA brand with USD 1.8 billion in sales (Nicholas Hall, 2023). North America holds the major share and is expected to dominate the market also in the coming years and accounts for USD 44 billion in sales, surpassing Europe with around USD 40 billion (Nicholas Hall, 2023).

Within the global CHC market, the lifestyle CHC segment reached 10% of sales in 2022 (USD 15.5 billion), which represents a growth of 4% compared to 2021 (Nicholas Hall, 2023). With a share of ~30% (USD 4.6 billion), eye care is the biggest category in the global lifestyle CHC market and saw a strong growth in 2022 (U.S. +7%, China +8%) due to

growing awareness of device and screen-related dry eyes (Nicholas Hall, 2023).

The global viral pneumonia market was estimated at USD 15.3 billion in 2023 and is expected to grow at an annual rate of almost 9% until 2030 (Research and Markets, 2024).

Immunology

Immunology, the world's second-largest therapeutic area after oncology, is projected to grow at a 3-6% annualized rate, reaching USD 177 billion by 2027 (IQVIA, 2023). This growth is fueled by innovation and an increasing number of patients receiving treatment, though it is partially offset by biosimilars competition (IQVIA, 2023). There are over 80 different autoimmune diseases listed in national registries worldwide (NIH, 2022), with more than 1,600 medicines currently in development for immunological disorders (IFPMA, 2022).

With a share of 16% (USD 5.4 billion), the allergy segment represents an important part of the global CHC Cough, Cold & Allergy market (Nicholas Hall, 2023). The global Allergic Rhinitis market is predicted to reach USD 21 billion in 2024 and is expected to grow to USD 31 billion by 2029 (Mordor Intelligence, 2024).

In the area of inflammatory eye diseases, there is potential in large markets such as for the indication dry eye (2023: USD 5.9 billion, Expert Market Research 2023), but also in niche markets for rare diseases such as herpetic stromal keratitis (2022: USD 4 billion, futuremarketinsights.com, 12/22).

Solv4U

Solv4U is a business unit of Marinomed, offering the Marinosolv solubilization technology to customers in the biopharmaceutical industry. Poor water solubility is still a prevailing challenge in pharmaceutical product development, affecting approximately 40% of approved drugs and nearly 90% of pipeline drugs (Kalepu & Nekkanti, 2015). Such compounds need to undergo modifications in the pre-clinical and clinical stages of their development to enhance their solubility and permeability and therefore increase their efficacy.

Given the growing number of BCS (biopharmaceutical classification system) II and BCS IV molecules under evaluation (which are characterized by low solubility and either high permeability (BCS II) or low permeability (BCS IV)), the bioavailability enhancement domain is projected to expand at an annual rate of ~11% until 2035 (Roots Analysis, 2023). Technologies such as micellar solubilization, microemulsions, particle size reduction technologies, co-crystallization, and solid dispersion methods are available for improving bioavailability. Marinomed's Solv4U technology platform offers exciting opportunities to be a part of this rapidly expanding and high-demand field.

Business performance

Since 2022, the Company has reported the segments Virology, Immunology and Other. Virology combines activities from marketed products and research and development of new products based on the active ingredient Carragelose. The Immunology segment mainly comprises product developments based on the Marinosolv technology. Recently, Carragelose products for immunological indications such as allergies and dry eyes were developed and are now also allocated to the Immunology segment. The remaining activities, which cannot be attributed to Virology or Immunology, are reported as Other. This segment also includes income and expenses related to the Solv4U business unit which allows external customers access to the Marinosolv technology.

Virology segment

Carragelose products address viral respiratory diseases. In connection with successful internal and external studies, Marinomed and its customers were therefore able to significantly increase sales during the pandemic years. The end of the pandemic was reached in 2023, and as a result, pharmacy sales for the entire product category fell. Declining demand coincided with well-stocked warehouses at Marinomed's customers. Q1/2023 was a record quarter for Marinomed and contributed to an increase in customers' stock levels against the general market trend. As a result, incoming orders for merchandise are below plan.

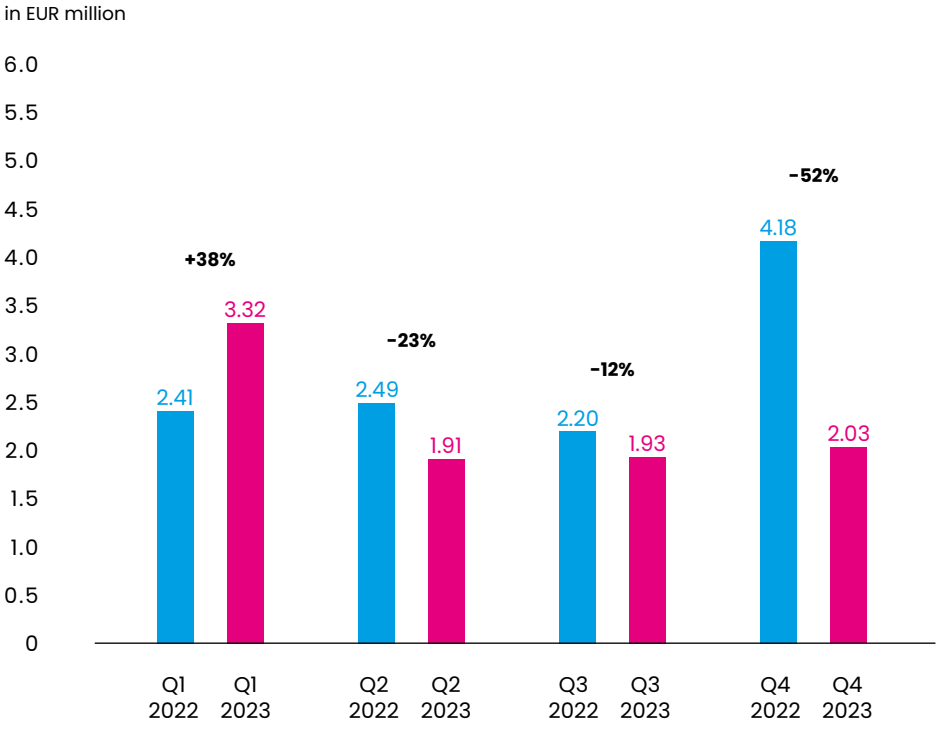
The trend is still ongoing, although a number of activities have the potential to increase Carragelose sales again in the second half of 2024. These include preparations for the market entry in the U.S. with P&G, the market launch by M8 in Mexico, the market launch by the new partner in Hungary and several planned market launches of the lozenges by existing partners. The launch of the allergy product and, later in the year, the eye product by the Austrian partner will also generate additional revenues in 2024.

Immunology segment

There is not yet a marketed product in the Immunology segment based on the Marinosolv technology. However, distribution license rights for the lead product Budesolv were granted for the Chinese market in 2021. Luoxin is a very experienced pharmaceutical partner. We were able to successfully transfer the technology. After several challenges, which have since been resolved, the development of the product is picking up speed again. The focus is now on establishing production and preparing the necessary clinical trials. Based on current progress, we assume that the next milestone will be reached in 2025.

The commercialization of Budesolv, which should have already generated milestone payments in 2022, became significantly more complex than originally assumed. This is mainly due to the different regulatory classifications in the various countries and regions. In addition, product stability at room temperature was not sufficient for potential partners. Stability studies of sensitive active ingredients such as budesonide are carried out in real time. This problem therefore only became apparent during the stability study. Accordingly, the focus in the 2023 financial year was on improving stability, which has now been resolved. A new, innovative approach also enabled a new patent, which can be used positively

Revenues



in business development. Furthermore, the regulatory strategies for the main markets of Europe and the U.S. were defined in a relatively short space of time. In 2024, activity in the partnering processes for the Budesolv product has increased significantly again and we intend to conclude several license agreements with corresponding upfront payments.

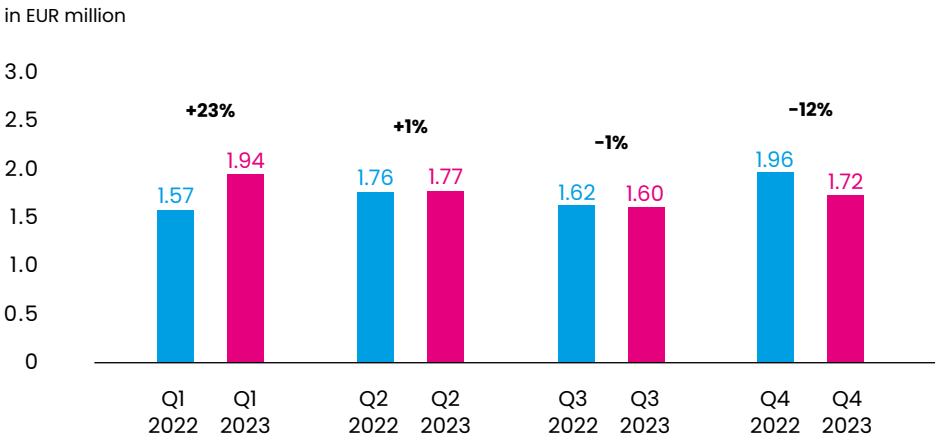
An experienced consultant with a strong network of companies and doctors (key opinion leaders) was hired in 2023 for the product candidate Tacrosolv. During the process, it became clear that potential partners were aware that the active ingredient was "unstable". Although this was an early clinical product (phase II), Marinomed was expected to come up with a solution. A combination of formulation optimization and modified packaging is now likely to meet these expectations. Against this background, business development activity has increased significantly again. License agreements are also planned for Tacrosolv in the short term.

The market launches of the products based on the Carragelose platform will also generate new sales in 2024. The Austrian partner has already launched the allergy product and the eye product will follow later in the year.

Other segment

Sales in the Other segment are attributable to the Solv4U business unit launched in 2021. Feasibility studies will initially be carried out for customers in this area. The aim of these studies is to prove that selected active ingredients can be better dissolved in an aqueous solution using the Marinosolv technology, thereby possibly increasing their bioavailability and efficacy. In follow-up projects, the optimization of the formulation and later a license agreement are then offered. The first long-term contract was concluded in the 2023 financial year. Increased efforts in business development have resulted in several new project approaches and the associated negotiations of

R&D expenses



term sheets and contracts. Accordingly, Marinomed assumes that further commercial exploitation of these developments will very likely lead to further revenue growth.

Revenues and earnings

Revenues in 2023 fell short of the records set in previous pandemic years and amounted to EUR 9.18 million (2022: EUR 11.28 million). This was primarily due to the high inventories held by sales partners and decreased demand for Carragelose products. Other income increased to EUR 1.37 million (2022: EUR 0.84 million). As in the previous year, other income mainly includes the state research premium and grants relating to research in a Carragelose-based SARS-CoV-2 therapy (Emergency Grant KLIPHA-COVID-19).

Expenses for materials fell from EUR 7.28 million in 2022 to EUR 5.87 million in the reporting period as a result of the decline in revenues. The gross margin stood at 29%. Expenses for services increased from EUR 1.85 million in the comparison period to EUR 2.17 million in 2023. Personnel expenses were at EUR 5.05 million in 2023, above the previous year's figure of EUR 4.85 million. Other expenses decreased by 19% to EUR 1.92 million (2022: EUR 2.37 million).

Research and development expenses remained almost unchanged at EUR 7.03 million (2022: EUR 6.91 million). At EUR -5.13 million, the operating result (EBIT) was below the previous period's figure of EUR -4.91 million. The financial result stood at EUR -1.66 million (2022: EUR -1.48 million) and was positively influenced by an adjustment of the carrying amount of the loan from the European Investment Bank (EIB loan) in the amount of EUR 0.84 million (2022: EUR 1.17 million). Consequently, the loss for the year amounted to EUR -6.79 million, after EUR -6.40 million in 2022.

Net assets and financial position

The net assets and financial position primarily reflect the negative earnings that can be expected for a biopharmaceutical company in the development stage.

Total assets decreased from EUR 22.29 million as of December 31, 2022 to EUR 14.61 million on December 31, 2023. Non-current assets were almost unchanged at EUR 7.48 million, after EUR 8.02 million at the end of 2022. Current assets decreased to EUR 7.14 million (December 31, 2022: EUR 14.27 million).

As of the reporting date, equity stood at EUR -10.14 million compared to EUR -4.16 million at the end of December 2022.

As of year-end 2023, non-current liabilities decreased to EUR 15.09 million (December 31, 2022: EUR 20.49 million). Current liabilities increased from EUR 5.96 million to EUR 9.65 million as of December 31, 2023. In March 2024, a deferral of repayments was agreed with the EIB and the real estate financiers. As a result, significant amounts of current liabilities will be classified as non-current in future (see Note 22 in the Notes).

Cash and cash equivalents decreased from EUR 8.18 million at the end of 2022 to EUR 2.59 million as of December 31, 2023.

Outlook

Primary goal of Marinomed remains achieving operating profitability. Partnering initiatives in the segments Virology, Immunology and Other together have the potential to generate the necessary revenues. In the Virology segment, new customers are likely to generate new product sales. In the Immunology segment, business development is aimed at new license agreements with upfront payments. In the Other segment, new projects are emerging for the Solv4U unit, which is making the Marinosolv technology available to pharmaceutical companies. To ensure the best possible commercialization process for our products, the business development team was significantly strengthened in 2023, with professionals who have extensive pharmaceutical experience, in particular in the area of OTC products.

Marinomed has defined five most important projects:

(a) Expanding the Carragelose business: To fill white spots on the Carragelose map, Marinomed is aiming to attract partners for existing and new products. Established and new partnerships, e.g. with P&G, DKSH or Vitaplus will be supported towards market access, with first launches already anticipated for 2024. Particularly high activity relates to the lozenges, for which the manufacturer was changed in the 2023 financial year, the allergy product and eye drops. There is still great potential for growth in this area. In parallel, the entire Carragelose portfolio is being strategically evaluated, possibly enabling Marinomed to focus more on the Marinosolv platform in the future.

(b) Concluding further license agreements for Budesolv: The Business Development for Budesolv was significantly strengthened and gained considerable traction over the last year. Negotiations with a number of possible partners are in progress with the aim of concluding further partnerships in the near term.

(c) Supporting the first Budesolv partner, Luoxin, towards the next development milestone: Here too, the team responsible for coordination and the transfer of expertise and materials from Marinomed to Luoxin has been strengthened. The current collaboration is focused on completing the regulatory and technical requirements and preparing a clinical trial in China. The clinical trial would be linked to a milestone payment.

(d) Concluding a first partnership for Tacrosolv in the short term: Over the last two years, Marinomed has gained valuable feedback from the market regarding the partnering process of Tacrosolv. At the same time, Marinomed has adapted the formulation, defined a primary packaging material and established business development expertise and capacity in-house, enabling the partnering process to pick up speed.

(e) Expanding the Solv4U business area: Following several successful feasibility studies and smaller projects, the first long-term partnership with SPH Sine in China was concluded in August 2023. Further deals beyond feasibility studies are already on the horizon for 2024, which could significantly increase Solv4U's revenue contributions.

Due to the advanced stage of these initiatives, the expenses for research and development are expected to be lower in the 2024 financial year, as no major expenditure, such as a clinical study, is currently planned. Overall, we aim to achieve operating profitability as a result of all the initiatives outlined above.

Risk report

Marinomed is a company that targets global markets and supplies pharmaceutical companies as distribution partner on a global level. As such, Marinomed is exposed to a number of risks. These are mainly operational, financial and regulatory risks.

Marinomed has established systems and processes within the Company to identify these risks at an early stage and to counteract them. The risks described below are continuously monitored.

Global economic risks

As an international company, Marinomed is integrated into the global economy. In recent years, governments on all continents have decided on and implemented massive cuts to global social and economic processes in order to contain the SARS-CoV-2 pandemic. In addition, armed conflicts are being fought in Ukraine and the Middle East. Both have had a significant impact on the global economy, as they have fueled inflation and interest rates on the one hand and had a lasting effect on supply chains on the other. In some cases, bottlenecks in raw materials led to a doubling of delivery times for certain packaging materials. Such global events typically lead to a slowdown in economic growth.

Marinomed was able to significantly increase sales of its Carragelose products during the pandemic years. The end of the pandemic in the reporting year was reflected in a decline in revenues, which will continue in 2024. The Company continues to be exposed to ongoing price and volume risks in procurement and on the demand side. In some cases, customer demand may fall back to pre-pandemic levels or Marinomed may not be able to pass on rising purchase prices to its customers in full or at all. The Marinosolv technology platform also faces an increased risk in terms of timing and value during commercialization. A further decline in global economic growth, in addition to persistently high inflation, may also lead to a sustained drop in customer demand.

Risks relating to funding and funding instruments

Financing risk
As a research and development company, Marinomed has been reporting a balance sheet loss since it was founded. Such losses are not unusual for a company in the biotech sector in the research phase, but are closely linked to the business model. This often involves a research and development phase lasting several years before relevant sales are generated. For this reason, traditional credit instruments are not available to Marinomed. Delays on the development and marketing side could result in further financing requirements. The Company is therefore exposed to the risk that it will not be able to cover its capital requirements in the future, or only at unfavorable conditions. Interest rates were increased worldwide as a measure against inflation. This entails the risk that financing costs will rise for existing and future funding. This may lead to significant delays and restrictions in the Company's research and development activities. In this case, the value of these activities may not be capitalized or may not be capitalized in a timely manner.

Marinomed will always try to maintain its financial flexibility, e.g. by raising additional capital at more favorable market conditions or due to strategic considerations. However, there is a risk that the terms of the Company's new financing agreements may impair its financial and operational flexibility, in particular its ability to raise new debt, provide collateral and dispose of material assets. This could deprive the Company of its ability to make future investments, particularly in research and development. Any of these factors may have a material adverse effect on the net assets, financial position and results of operations of the Company.

Liquidity risk
The liquidity risk arises from the potential inability to raise funds required to repay existing obligations (e.g. in connection with financial instruments). To date, the Company has financed its operating losses primarily through the participation of investors in equity and via shareholder loans, income from license and distribution agreements, the sale of goods, atypical silent partnerships, the issue of convertible bonds and new shares at the IPO as well as grants, subsidized loans and other government subsidies.

The Management Board assumes that the existing cash and cash equivalents and the financing already committed will be sufficient to cover the operating expenses and investments for the primary forecast period (until June 2025). This assessment is based on the conclusion of several license agreements in the Carragelose and Marinosolv segments. A predominantly probable management case was prepared and analyzed as part of the going concern forecast. In the primary forecast period (until June 2025), there is no additional liquidity requirement under the aforementioned conditions, in particular corresponding milestone payments from license agreements.

Against this background, the Management Board expects that the liquidity for the Company will be secured in the primary forecast period (until June 2025) even without additional financing measures with a predominant probability as well as that annual profits will be achieved in the secondary forecast period and that there is therefore a positive going concern forecast.

The planning assumptions presented above are based on estimates that could prove to be incorrect. Deviations from the planning assumptions could potentially prevent the Company from continuing as a going concern and the company may therefore not be able to realize its assets and settle its liabilities in the ordinary course of business.

Interest rate risk
Marinomed is also exposed to interest rate risk to the usual extent as a result of the development of international interest rates. Specific interest rate risks arise from the revenue-based royalties payable in connection with the loan from the European Investment Bank (EIB). From July 1, 2024, a fixed interest rate will be applied as part of the European Recovery Program (ERP) real estate loan, the development of which will depend on the one-year EURIBOR. From December 14, 2026, the NÖBEG financing will have a fixed interest rate linked to the 3-month EURIBOR. Marinomed does not hold any derivative financial instruments.

Exchange rate risk
As an international company contracting with sales partners in currencies other than the Euro, Marinomed is also exposed to the risk of fluctuating exchange rates. For example, there is a risk of devaluation of foreign currencies in which the Company receives payments and a risk of appreciation of foreign currencies in which the Company is to make payments. Currently, only the revenues from the license agreement with Luoxin Pharmaceutical (China) are denominated in USD, and these are initially only planned as milestone payments at large intervals. Regular payments are only expected once the product has been approved in China, which will then entail a continuous risk of foreign currency losses.

Strategic risks

For Marinomed, there is a risk that long-term potential will not be exploited or will be misjudged. For both technology platforms - Carragelose and Marinosolv - the partnerships entered into or yet to be established may not prove advantageous or feasible. The current assessment of the potential of the products on the global markets may turn out to be too optimistic. There is therefore a risk that revenue targets will not be achieved. There is also a risk that competitors will develop better or cheaper products, making the Marinomed portfolio less profitable.

Government authorities in virtually all regional markets are attempting to limit healthcare costs by increasing competition between providers and permanently lowering reimbursement limits for pharmaceuticals. The rapidly growing market for non-prescription drugs (over-the-counter, OTC) is less exposed to these influences. However, there is strong competition from larger providers who have significantly more financial and entrepreneurial resources than Marinomed or its distribution partners in the respective countries.

Operational risks

Marinomed depends on partners on both the supplier and marketing side. Despite existing contracts, the risk remains that one or more partners may not be able to resolve economic, regulatory or technical difficulties through no fault of Marinomed, resulting in damage to Marinomed. The partner may fail to meet its own sales targets, but the risk may also involve delays in delivery, payment difficulties or other risks typical of the industry.

Even if revenue from the sale of goods is invoiced exclusively in Euros, an appreciation of the Euro against local currencies in countries outside the eurozone could make the Company's products more expensive for retailers and end consumers. This could lead to a decline in sales of Marinomed's products.

Risk relating to patents

The Carragelose product portfolio and the Marinosolv technology are protected by several patents worldwide. Marinomed expects patents to be granted in all ongoing nationalization procedures. National patents have already been granted for all major sales markets. In addition, the Company assumes that further innovations can be

protected by patents. Nevertheless, it cannot be ruled out that patents and patent applications will be contested or that current unique selling points will be lost due to new technologies or products. Competitors may also disregard Marinomed's patents and make it necessary for the Company to defend itself against this by seeking legal advice and incurring the associated expenses.

Research and development risk

Marinomed's success depends to a large extent on the achievement of anticipated results through its research and development initiatives. Marinomed's research activities serve to increase knowledge and are committed to the well-being of mankind and the protection of the environment. Internal and external researchers comply with all legal regulations and also observe ethical principles. A responsible approach to research includes the following measures in particular: recognizing and minimizing research risks, careful handling of publications, documentation of risks as well as educational and training measures. Nevertheless, it cannot be ruled out that serious side effects may occur in clinical trials or that the results of research and clinical trials may not achieve the expected primary or secondary endpoints or may not be significantly better than existing or new competitor products. In addition, regulatory authorities may deem the clinical studies to be inadequate and not grant marketing authorization on this basis. This could significantly reduce the value of Marinomed's research projects. In extreme cases, individual projects could be worthless and planned revenues may not be generated.

In research and development, Marinomed is also exposed to the risk that product innovations may not meet expectations in part or in full. For example, despite therapeutically advantageous development, it may not be possible to produce the products or only at high cost. In addition, product characteristics that do not meet market expectations or may require a cold chain in distribution, for example, may lead to additional expenses.

Regulatory risk

Marinomed researches and develops medical devices and pharmaceutical products. Until now, medical devices approved on the basis of the EU Medical Devices Directive (MDD) had to comply with the EU Medical Devices Regulation (MDR), which has been in force since 2021, in order to be allowed to be marketed after May 26, 2024. The EU extended the transitional periods for the market approval of medical devices with a valid CE marking until December 31, 2028, at the latest, depending on the risk class. The applicability of the extended transitional periods for adapting to the new legal situation (MDR) requires an application by the manufacturer for conformity assessment of the medical device under the MDR by May 26, 2024, at the latest. This means that the original sell-off deadline of May 26, 2025, for medical devices that do not comply with the regulation no longer applies, so that such products may be placed on the market until the end of the extended transition periods (i.e. until December 31, 2028, at the latest) and made available until the end of their respective shelf lives. Even if Marinomed has already applied for conversion to the MDR for its products via a service provider, it is exposed to the

risk that Carragelose products marketed in the EU as medical devices will not meet the new, higher standards, that the notified body (TÜV or similar) will find fault with the documentation, or that the EU will amend the relevant regulations again.

The approval of pharmaceutical products is typically associated with high risks. Depending on the decision for a certain type of approval (centralized or decentralized procedure), the admission to market must be approved by authorities in several countries. In different regions (mainly the U.S., Europe and Asia), the authorities also follow different standards. Depending on queries and on conditions imposed by the authorities, this process can take several years or even make it seem sensible to withdraw the approval.

As part of a highly regulated industry, Marinomed is also subject to the risk that regulatory authorities may impose additional or stricter legal requirements on the market approval of products developed by the Company, e.g. as a result of a change in the interpretation of applicable legal standards by the competent courts. This may have a significant impact on the sale of these products and on Marinomed's sales performance.

Personnel risk

Due to the Company's small number of employees, there is a risk that essential expertise will be lost if key employees are absent and that filling vacant positions will lead to delays in achieving targets.

Sustainability report

ESG Highlights 2023

ENVIRONMENT

- **14% of electricity consumption** covered by own **photovoltaic system** in 2023
- **Reduction of air travel by 26%** compared to 2022

SOCIAL

- **Gender Diversity Index Austria 2023:** Marinomed again among **top ten**
- Share of **women** on the **Supervisory Board** at **60%**

GOVERNANCE

- Implemented digital **whistleblowing system**
- New **rules of procedure** for the Management Board and Supervisory Board with a greater **focus on sustainability**

Foreword

Dear Ladies and Gentlemen,

We are convinced that we can only be successful in the long term through sustainable developments. In all our decisions, we consider aspects that are not only beneficial for the Company or our stakeholders, but are also guided by the impact our actions have on our employees, our environment and our reputation as a company.

Sustainability at Marinomed

Our vision and primary goal is to protect and improve the health and well-being of people. With our technologies and innovations, we want to address diseases that have so far been insufficiently treated, improve existing therapies and give as many people as possible access to high-quality treatments. With this objective, we pursue a sustainable strategy from the ground up. This continues in the other aspects of our corporate governance, as this report will show. Decisions are continuously reviewed for sustainability aspects and regularly addressed by the Management Board and Supervisory Board. Sustainability criteria have already been incorporated into important corporate guidelines, such as the rules of procedure for the Management Board and Supervisory Board. For example, the Supervisory Board has already linked parts of the variable remuneration of the Management Board to the sustainable development goals of the Company.

About this report

In 2019, the Green Deal set the goal of achieving carbon neutrality in the European Union by 2050. To reach this goal, companies, too, are required to implement extensive climate protection measures. One part of these measures relates to reporting: In addition to financial reporting, extensive guidelines for non-financial reporting will now also be applied. These guidelines relate to the presentation of sustainability performance and strategies, including environmental, social and governance factors.

In December 2022, the European Union approved the "Corporate Sustainability Reporting Directive" (CSRD), which is to replace the previously applicable "Non-Financial Reporting Directive" (NFRD). At national level, the "Austrian Sustainability and Diversity Improvement Act" (NaDiVeG) applies. The standards for sustainability reporting will be summarized in the "European Sustainability Reporting Standards" (ESRS). In addition, the EU Taxonomy Regulation was passed in 2020, which requires the classification and disclosure of business activities based on sustainable assessment criteria. All these directives are currently aimed at large companies; small and medium-sized enterprises (SMEs), such as Marinomed, are not yet obliged to undertake extended non-financial reporting until at least 2027. Recently, the European Financial Reporting Advisory Group (EFRAG) started the public consultation phase for the exposure drafts on the sustainability reporting standards (ESRS) for listed SMEs.

Even though we are not yet obliged to report on sustainability, we published a sustainability report for the first time in 2022 to provide even more transparency for our stakeholders. Our reporting is currently based on the United Nations Sustainable Development Goals (SDGs). We are constantly expanding and revising our sustainability strategy and will adapt our reporting in stages to the applicable national and EU guidelines.

In this report, we would like to provide an overview of our sustainability performance in the areas of environment, social and governance (ESG). We will highlight the different areas of our business, including our efforts to protect the environment, our social commitment and our engagement to promote a transparent and ethical corporate culture.

This report is intended to provide insight into our sustainability strategy and demonstrate that we are aware of our responsibilities. We are committed to running our business in a sustainable way and creating a positive impact for patients, our employees and our stakeholders.

Andreas Grassauer | Eva Prieschl-Grassauer | Pascal Schmidt

Materiality analysis

Business model

As a result of the Company's size and the outsourcing of significant parts of the value chain to experienced partners, the Company's resource consumption is essentially limited to its headquarters in Korneuburg. At this single location, a large part of the basic research takes place in the Company's own modern laboratory space, and it also houses the management of the supply chain and the administration of the Company. Late-stage clinical development, marketing authorization, production and marketing are carried out in cooperation with experienced pharmaceutical partners around the world. In this way, existing production capacities and distribution channels are utilized and resources are conserved. Learn more about Marinomed's business model on page 18.

Vision & mission

Marinomed is a science-oriented company committed to medical progress. Our vision is to develop innovative and more efficient products that protect the well-being and health of people and that also address those indications that have so far been inadequately treated.

The Company has extensive expertise in virology and immunology and an active pipeline based on its Carragelose and Marinosolv technology platforms. The success of its product development is reflected in a marketed OTC portfolio as well as other products already in the authorization process. We are working hard on translating our expertise into innovation and thus make our contribution to a future worth living.

Key sustainability aspects

Marinomed has conducted a materiality analysis to identify those core areas where the Company can significantly contribute to environmental, social and governance topics. To guide our reporting, we have taken the United Nations Sustainable Development Goals ("SDGs") as a reference. To make our success and goals measurable, we are constantly expanding the selection of relevant key figures. Some of these key figures could only be meaningfully evaluated from the 2021 financial year onwards, as this represented the first full year with our own company premises. Prior to this, the Company was located in buildings of the University of Veterinary Medicine Vienna, for which Marinomed does not have corresponding data.

The analysis has led to the following topics to which Marinomed can make a significant contribution. These results largely define Marinomed's sustainability strategy in line with our vision and mission:

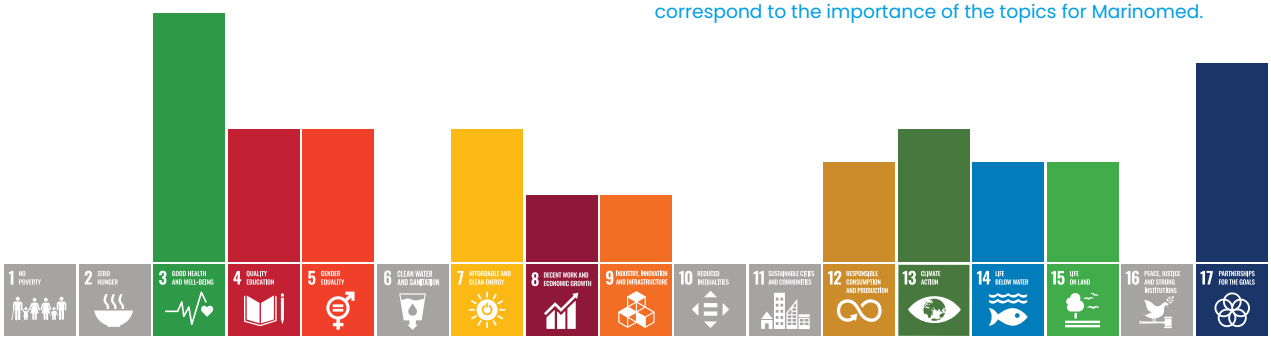
Good health and well-being. As a biopharmaceutical company, we are committed to improving people's health by developing treatment options for various diseases with our innovative therapeutics. With our over-the-counter Carragelose portfolio of virus-blocking products, we were able to make a positive contribution to containing the incidence of viral respiratory infections, particularly during the COVID-19 pandemic. Clinical data from Argentina with our active ingredient showed the effectiveness of iota-carrageenan in the prophylaxis of COVID-19. We have further product candidates in our pipeline in the therapeutic areas of virology and immunology, which address indications with previously insufficient treatment options.

Partnerships for the goals. Our business model is based on cooperation with experienced partners who support us in the late clinical development, achievement of market authorization and marketing of our products. This allows us to focus on the area of research and development.

Quality education. Marinomed is a knowledge-based company that needs skilled professionals for its research and development work and for its quality products. Ongoing training and education are critical to guarantee our Company's innovative strength and to ensure compliance with high quality and safety standards. At Marinomed, there is a comprehensive internal training plan. Further external training is also encouraged.

Gender equality. Diverse teams are the cornerstones of a successful company. Our employees are selected purely on the basis of professional and management skills, regardless of gender. Our efforts to create equal opportunities have repeatedly earned us top rankings in the Gender Diversity Index Austria.

Overview of the most important SDG goals that Marinomed pursues with its sustainability strategy. The length of the bars correspond to the importance of the topics for Marinomed.



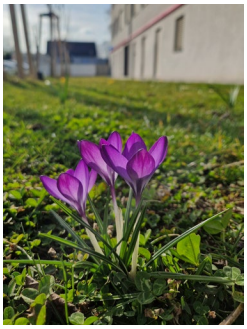
Affordable and clean energy. Marinomed is already able to cover part of its electricity demand with its own photovoltaic system. A further expansion of the system is being planned. In addition, the aim is to obtain 100% of electricity from renewable sources by 2030.

Sustainable business practices. We make an important contribution to sustainable business practices. Our entire business model is sustainable. We consider environmental aspects at all levels of our Company, from our technologies and to the way that we use materials to conserve resources, to our company premises, which are built and operated with sustainability in mind. Our Marinosolv technology helps to decrease the administered dose and thus also reduces the environmental impact of drug residues, especially on the waste water system.

Decent work and economic growth. As a biomedical company, we operate in a highly regulated market. Our growth is powered by our mission to improve patient well-being. Our research and development adheres to strict ethical standards. We are dedicated to respecting human dignity in everything we do. This pledge also applies to the working conditions we offer to our employees. We need committed employees who enjoy what they do to create innovative products that can help advance sustainable development.

Industry, innovation and infrastructure. Research and development drive innovation and progress for the benefit of patients. By working together with our partners in the pharmaceutical industry, we can manufacture our products efficiently and sell them all over the world - making them available to as many people as possible. And we are always planning our next steps into new applications.

Environment



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Sustainable innovation

Marinomed Biotech AG is a biopharmaceutical company that focuses on developing innovative products in the areas of virology and immunology. Our fundamental concept itself is sustainable: novel and more effective therapeutic options help to improve the health of people, avoid or reduce expensive and complex treatment methods, and provide treatment options for diseases that have hardly been addressed to date.

Product development in the therapeutic area of virology is based on the virus-blocking polymer Carragelose, which is extracted from red seaweed, a renewable raw material. The Marinosolv technology, used for product candidates in the immunology therapeutic area as well as in Solv4U partnerships, is based on the active natural ingredients escin (extract from the horse chestnut) and glycyrrhizin (extract from the licorice root), which are also available in pharmaceutical quality.

The Marinosolv technology improves the solubility of hydrophobic active ingredients. This can increase the bioavailability and efficacy of the product, which can not only reduce the administered dose, but may also reduce the amount of drugs entering the environment through excretion. In particular, this reduces drug contamination of water bodies and soils.

Company premises

Since 2020, the Company has been located at its own site in Korneuburg, Lower Austria, which includes both laboratory and office spaces. The acquired property was completely sealed by an existing building complex consisting of old industrial halls, an office building and parking areas. During the remodeling process, special attention was paid to proceeding in the most resource- and environmentally-friendly way possible and to promoting biodiversity at the site.

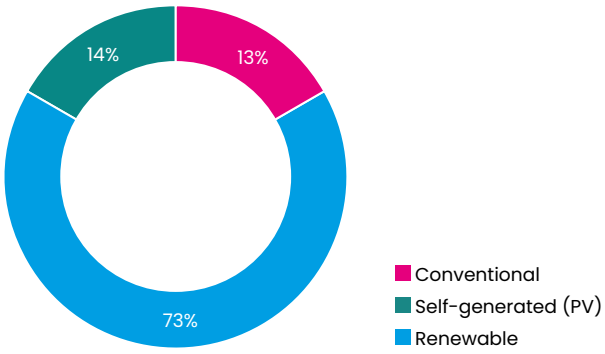
Concrete and asphalt cover was removed from almost 60% (~ 1,400m²) of the site area. In line with the environmental protection concept, the parking areas for the vehicles were designed with infiltrative gravel turf so that no rainwater is discharged into the existing sewer system. The greening concept with trees and diverse planting contributes positively to the microclimate in the surrounding area and provides a habitat for insects.

Preserving the existing office building was also an important environmental aspect. During renovation, it was brought up to the latest thermal and building technology standards. In addition, a new building was constructed to house the laboratories and further offices. Marinomed holds a total of about 2,000m² of laboratory and office space on three levels. During the construction of the new building, attention was also paid to wheelchair accessibility.

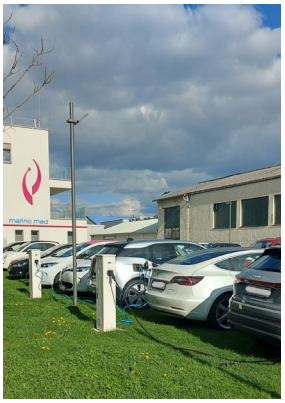
A 20 kWp photovoltaic system was installed on the new building, enabling the sustainable generation of a significant part of the electricity demand. In

2022, the photovoltaic system was expanded by another 8 kWp, which means that a total of 28 kWp is now available for the building's own electricity generation. A further expansion of the photovoltaic system on the roof of the existing building is currently being examined. A heat pump operates the floor heating in the new building in winter. In summer, the heat pump is used to cool the laboratory rooms via a heat exchanger. The existing building and, on particularly cold days also the new building, are heated by a gas boiler. In the period from February 2023 to February 2024, the gas consumption was again significantly reduced thanks to various measures, such as lowering the room temperature. Other elements such as motion detectors, automated light switches, triple-pane glazed windows and automated shading ensure an efficient indoor climate and optimized electricity consumption. 14% of the electricity consumption was covered by the building's own photovoltaic system in 2023. Overall, the share of renewable energies in electricity consumption (including electricity purchased from the local energy provider EVN) was 87%.

Electricity consumption (MWh)



The company premises of Marinomed Biotech AG before the acquisition and conversion of the property in July 2019 (above) and after the conversion work was finished in July 2021 (below). A large part of the existing buildings was removed, and the area was unsealed. The existing office building (left part of building) was thermally renovated and an environmentally friendly new building was built at the back of the property. The car park was laid out as a drainage-capable gravel lawn and has charging stations for electric vehicles.



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Resource consumption	2023	2022	2021
Power consumption in MWh	**165**	**153**	**158**
thereof renewable	*87%*[1)]	*88%*	*93%*
thereof self-generated	*14%*	*16%*	*7%*
per FTE	*3.48*	*3.46*	*3.71*
Gas consumption in MWh	**24**	**41**	**90**
per FTE	*0.51*	*0.93*	*2.11*
Total energy consumption in MWh	**189**	**194**	**248**
per FTE	*3.98*	*4.38*	*5.82*
per EUR 1 million of revenues	20.58	17.20	21.33
Water consumption in m³	**1,198**	**956**	**1,175**
per FTE	*25.23*	*21.60*	*27.58*

[1)] This value is based on the latest information from the electricity provider on the selected product mix as of 31.12.2022.

Mobility

Sustainable acting at Marinomed also continues in terms of mobility. The Company's own vehicle fleet consists exclusively of electric cars, which, just like employees' vehicles, can be charged on the company premises via charging stations with electricity partially generated by our photovoltaic system. As a result, some employees have already switched to electric cars. We also pay attention to environmentally friendly travel options for business trips wherever possible. Videoconferencing technology acquired during the pandemic was also used as often as possible in 2023. The increased acceptance of holding partner and investor meetings virtually led to fewer business trips. In 2023, air travel was reduced by 26% compared to 2022.

Mobility	2023	2022	2021
Air travel (in flight segments)	54	73	32
thereof within Europe	*74%*	*89%*	*100%*
Train journeys	18	12	40

Resource-efficient working

Experimental design for laboratory experiments is carried out as resource-efficiently as possible, taking into account working times and the consumption of materials and chemicals. Usually, a small preliminary experiment (so-called "proof of concept") is carried out first, followed by the actual experimental setup (so-called "upscaling"). In addition, large experiments are planned based on a four-eyes-principle to avoid unnecessary consumption of resources. The equipment used is treated with care and maintained regularly, so that it can usually be used far beyond the end of its normal service life. For example, the oldest HPLC ("High Performance Liquid Chromatography") device has been in operation since 2001. To save electricity, all devices and laboratory PCs are switched off when no analyses are running. This also applies to the equipment used in the offices.

A certain amount of animal testing is required by law to conduct certain medical research. However, Marinomed endeavors to carry out these experiments with the greatest possible care, taking into account the "3-R-principle" (replace - reduce - refine: avoid animal experiments as far as possible, keep the number of animals as low as possible and limit animal suffering to the minimum level). Prior approval by the relevant commission is mandatory. In the majority of ex vivo experiments, organs from animals that were already intended for slaughter are used. In this way, animal parts that are not suitable for consumption are utilized in a way that conserves resources.

Partners for the performance of external analyses or services are preferably selected locally or at least regionally (Austria, Germany or EU). This ensures short transport routes and the greatest possible transparency.

Waste management

Marinomed follows a strict waste management policy in the laboratory: consumables are reused or used sparingly whenever possible. Chemical waste is collected separately and disposed of accordingly by a specialist company, which means that no hazardous chemicals end up in the waste water system.

Marinomed also pays attention to resource-saving measures in the offices. By switching to largely digital working and archiving, paper and office material consumption is reduced to a low level, which is not only more environmentally friendly but also cost-optimized. In addition, waste separation and recycling stations are provided, which should also further raise the employees' already high awareness of correct waste separation.

Sorted waste is either disposed of by specialized companies, the local waste collection service or at the waste collection center. In Austria, a large part of the waste is recycled (e.g. plastic, paper or glass) and residual waste is used in waste incineration plants to generate heat and electricity.

Waste and recycling	2023	2022	2021
Paper waste in liters	34,320	34,320	19,800
Plastic and metal waste in liters	11,440	8,580	8,580
Glass waste in kg	660	600	600
Residual waste in liters	34,320	34,320	34,320
Special organic waste in liters	120	480	360
Medical waste in kg	120	130	140
Solvent-water mixtures in kg	501	495	412

Our environmental sustainability goals

Target	Time frame	Target achievement as of 31.12.2023	
Share of renewable energies in electricity consumption over 90%	Ongoing	🟡	87%
Resource consumption per employee does not exceed the 2021 level (= 5.82 MWh)	Ongoing	🟢	3.98
Vehicle fleet without vehicles with combustion engines	Ongoing	🟢	Yes
Expansion of the photovoltaic system from 20 kWp to 28 kWp	2022	🟢	Yes
Achieve carbon neutrality (Scope 1)	2030	🟡	Ongoing

🟢 = Target fully achieved
🟡 = Target almost/not yet achieved
🔴 = Target not reached

Social

Improving health and well-being

As a biopharmaceutical company, we are clearly aware of our social responsibility. Our actions are determined by the search for therapies that serve to improve the health and safety of patients. With our research, we focus on our core competencies in the field of virology and immunology.

With the Carragelose product line partnered in over 40 countries, we are already making an important contribution to the prevention and treatment of viral respiratory diseases. During the SARS-CoV-2 pandemic, several studies demonstrated the effectiveness of Carragelose against this virus and its variants of concern. With our over-the-counter products, we have created the basis for broadly effective and low-threshold protection against viral respiratory diseases. In 2023, we also introduced two new products based on Carragelose, an allergen-blocking nasal spray and moisturizing eye drops.

Based on the Marinosolv technology, we are developing several products in the field of immunological diseases. With this technology, Marinomed has succeeded in significantly improving the solubility of poorly water-soluble active ingredients. This benefits patient well-being, as Marinosolv can be used to improve existing medicines and new active substances can be considered for treatment. At the same time, administered doses can be reduced and side effects minimized or avoided. The lead product Budesolv for the treatment of allergic rhinitis (which affects an estimated 400 million people worldwide) has already been licensed out for the Chinese market. Our next advanced product candidate, Tacrosolv, is being developed for inflammatory eye diseases.

In the future, we want to focus on disease patterns for which there are currently only insufficient, ineffective treatment options available. This is a great burden for the people affected as well as for society and health care systems. We want to address this problem with our innovative solutions.

Our scientific success is largely based on the know-how and talents of our employees. Apart from that, we maintain cooperations with universities, research institutes and partners to use synergy effects and to advance research for new medical products. We see ourselves as a “think tank” that constantly expands existing knowledge and experience to improve health solutions for people. Marinomed has also been awarded renowned research prizes, such as the Houska Prize, for its scientific activities. CSO Eva Prieschl-Grassauer was awarded the Golden Decoration of Merit of the Republic of Austria in November 2022 for her excellent scientific work and its translation into commercial success.

Employees

The commitment and creative ideas of our employees are crucial for our success. With their performance and skills, they make a significant

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contribution to ensure that our research and development projects ultimately result in bio-pharmaceutical products. In 2022, the human resources department was further expanded and given even higher priority.

In the 2023 financial year, Marinomed had an average of 47 employees. The average number of employees is calculated as FTE (Full Time Equivalent) on the basis of 38.5 hours per week as the average of the 12 monthly values of the respective last day of a month. All employees (with the exception of temporary interns) are employed on a permanent basis.

On average over the last three years, staff turnover has been around 12%. For the calculation of staff turnover, the number of people leaving the Company is divided by the number of average FTEs. This includes dismissals by the Company or proposed severance agreements. Seven people left Marinomed in 2023.

The entire staff is working at the Company's only location in Korneuburg. Human resources management is aligned towards creating a motivating working environment. Employee surveys are carried out regularly, in which various aspects of personnel management and employee satisfaction are assessed. The results of this survey were systematically processed and mostly already implemented. Surveys of this kind are to be carried out regularly in the future.

Since its foundation, Marinomed has placed great emphasis on maintaining a healthy balance between work and private life. We offer flexible working hours, part-time models and working from home in order to provide all employees with the best possible work-life balance. We make special efforts into supporting parents during parental leave and when returning to work. During the pandemic, we also provided our employees with unbureaucratic home office solutions, special care time and even more flexible working hours.

In 2023, two initiatives were launched to promote social interaction outside of the workplace. On the one hand, a team of 13 employees was formed as part of the "Österreich radelt" campaign, which collected a total of 10199 km by cycling to work. In 2023, Marinomed also took part in the Vienna Business Run for the first time, fielding five teams.

We pay attention to performance-based remuneration at all levels. At Marinomed, the salaries of all employees are regulated by collective agreements. All employees receive salaries above the minimum required by the collective agreement guided by their respective position and experience. In addition, a performance-related bonus is usually paid and there is the opportunity to participate in the Company's success through the stock option program. Due to the small number of employees, a calculation of the gender pay gap is currently not useful. As soon as a calculation seems reasonable, details will be published in the sustainability report.

HR metrics	2023	2022	2021
Total employees	**52**	**49**	**47**
thereof part-time	*30%*	*26%*	*23%*
thereof unlimited contracts	*99%*	*99%*	*100%*
thereof with university degree	*77%*	*79%*	*75%*
FTE total	**47**	**44**	**43**
thereof female	*68%*	*69%*	*70%*
thereof male	*32%*	*31%*	*30%*
Turnover rate	*14%*	*15%*	*7%*
Revenues per FTE in kEUR	*193*	*255*	*273*
thereof R&D	*56%*	*54%*	*54%*
thereof female	*75%*	*75%*	*71%*
thereof male	*25%*	*25%*	*29%*
Turnover rate	*8%*	*5%*	*4%*
thereof management	*11%*	*14%*	*12%*
thereof female	*20%*	*33%*	*40%*
thereof male	*80%*	*67%*	*60%*
Turnover rate	*0%*	*17%*	*0%*
Supervisory board	**5**	**6**	**4**
thereof female	*60%*	*50%*	*50%*
thereof male	*40%*	*50%*	*50%*
Total employee training hours	**668**	**1,107**	**541**
per FTE	*14.00*	*25.00*	*12.69*
thereof internal	*4.90*	*4.57*	*1.97*
thereof external	*9.10*	*20.43*	*10.72*
Work accidents	**1**	**0**	**3**
per FTE	*0.02*	*0.00*	*0.07*
thereof commuting accidents	*0*	*0*	*2*
Number of sick days per employee	**8.59**	**7.23**	**7.25**
thereof related to the pandemic	*0.00*	*1.45*	*0.77*

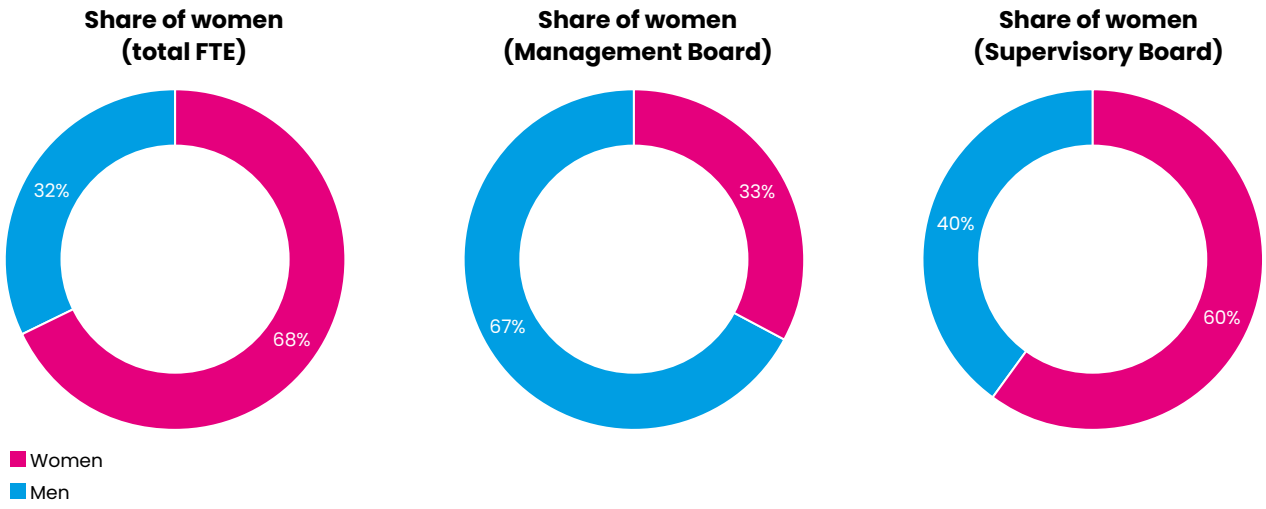
High emphasis is placed on open communication and mutual respect in everyday work. There is a formal opportunity for exchange with the supervisor once a year in the context of an appraisal interview. Our open-door policy allows personal concerns to be expressed at any time. Due to the small size of the Company and flat hierarchies, constant dialogue between all employees is encouraged. In regular updates by the Management Board, our employees are given the opportunity to learn more about the current development and strategy of the Company.

In 2023, we implemented a digital whistleblower system, which enables our employees, but also our business partners, to report anonymously in the event of significant violations of the law. In 2023, no such violations were reported to the Management Board.

Diversity and promotion of young people

Marinomed fills new positions based on qualification, regardless of gender. In 2023, 68% of our employees were women. One third of the Management Board was female and the Supervisory Board had a share of 60% women. The promotion of diversity at Marinomed is also recognized externally. Since 2020, Marinomed has been achieving top rankings in the "Gender Diversity Index Austria", an initiative of the Boston Consulting Group and the Austrian business magazine trend. In March 2024, Marinomed was again ranked among the top ten of companies in the Gender Diversity Index Austria 2023.

Marinomed strives to promote interest in science and in particular in the life sciences industry among young people and motivate them to choose a career in the scientific field. For this reason, we offer internships for students as part of their school career orientation.



Employee health and safety

Maintaining and improving safety and health in the workplace is not seen as a singular training topic at Marinomed, but is an integral part of the corporate culture. In 2020, Marinomed moved into a new building, where accessibility and the well-being of employees were taken into account. In addition to air conditioning, the modern building equipment includes a shading concept that also takes screen work into account. The office furniture is ergonomically optimized, with electrically height-adjustable desks as standard. In addition, there are unassigned offices and phone rooms available for quiet working or small group meetings. The building is equipped with several kitchens that serve as meeting points during work breaks and where meals can be freshly prepared. Large patios can be accessed by all employees.

Marinomed offers preventive health measures to its employees. All employees have free access to Carragelose products. In 2022, employees were also offered the opportunity to be both tested for and vaccinated against SARS-CoV-2. In addition, free flu and hepatitis vaccinations are offered every year.

Safety in the laboratory

Marinomed is a research-based technology company and carries out essential research activities in its own laboratory areas at the company site in Korneuburg. The laboratories are multifunctional and can be used for biochemical, virological, molecular biological, pharmaceutical, analytical and chemical research work.

During the construction of the building, great attention was paid to a design that corresponds to the current state of technology and safety. Two large chemical exhaust hoods and a spot extraction system are available for work with hazardous chemicals. Ambient air is continuously circulated by a ventilation system and the CO_2-content is constantly monitored. Other safety precautions, such as eye wash stations, emergency showers or suitable safety cabinets for toxic or explosive chemicals, have been implemented and are maintained according to regulations. This also applies to all laboratory equipment to ensure safe and accurate working conditions.

Training

The know-how and expertise of our employees are significant for the success of the Company. The majority of Marinomed's employees have an academic education. The internal and external training of our employees through specialist courses and additional training is seen as essential for the professional and personal development of the employees and the Company as a whole.

For Marinomed, it is essential to raise the safety and quality awareness of all employees of the Company and to keep it at a high level at all times. All employees are obliged to participate in regular internal training. For this purpose, a position exclusively responsible for quality management has been created.

When a new employee joins the Company, a training plan tailored to his or her field of activity is established and implemented accordingly. A training matrix managed by the quality management department is used to plan the regular and timely implementation of internal training in the areas of occupational safety, quality management, pharmacovigilance, compliance and much

more. As a listed biopharmaceutical company, we are subject to strict guidelines and regulatory requirements and also raise awareness of safety, quality and compliance among our employees. The training offered is continuously evaluated and adapted. In addition, some employees have also been trained as first aid emergency responders and fire safety attendants. Marinomed also intensively promotes external training for employees. In particular, training sessions in the areas of regulatory affairs, quality management or clinical studies are frequently completed. Overall, the training hours amounted to an average of 14 hours per FTE in 2023.

Our social sustainability goals

Target	Time frame	Target achievement as of 31.12.2023	
At least 40 % women on the Supervisory Board	Ongoing	🟢	60%
Employee turnover rate < 10%	Ongoing	🔴	14%
Maintain a minimum of 15 training hours per FTE	Ongoing	🟡	14 hours
Less than 0.1 work accidents per FTE per year	Ongoing	🟢	0.02
Appointment of a company medical officer	2023	🟢	Yes

🟢 = Target fully achieved
🟡 = Target almost/not yet achieved
🔴 = Target not reached

Corporate governance

Committed to good corporate governance

As a biomedical company, Marinomed has high standards regarding compliance. We are convinced that effective and safe drugs and medical devices can only be developed in an environment that is dedicated to the principles of good corporate governance. Strict compliance with statutory provisions and rules of soft law is vital to ensure our stakeholders' long-term trust in our Company and our products.

As a listed company, Marinomed is subject to the provisions of the EU Market Abuse Directive (MAD) and Regulation (MAR) and the Austrian Stock Exchange Act (*Börsegesetz – BörseG*) governing organizational measures to prevent insider trading. Several years ago, the Company has enacted its own compliance guideline that implements these legal requirements in Marinomed's business. The guideline is reviewed at regular intervals and, if necessary, amended to reflect factual circumstances, with the last such amendment taking place in June 2023. Marinomed has appointed a compliance officer who reports to the Management Board and Supervisory Board and provides information on compliance with and reviews of the principles to prevent market abuse or the sharing of price-sensitive and confidential information (inside information). In the reporting year 2023, there were no reportable violations regarding inside information. In 2023, we also implemented a digital whistleblower system to comply with the requirements of the Austrian Whistleblower Act (*HinweisgeberInnenschutzgesetz - HSchG*).

The Company does not engage in lobbying activities within the meaning of the Austrian Transparency Act for Lobbying and Interest Representation (*Interessenvertretungs-Transparenz-Gesetz – LobbyG*) 2012, as amended.

Commitment to the Austrian Code of Corporate Governance

Since its first listing in the prime market segment of the Vienna Stock Exchange on February 1, 2019, Marinomed Biotech AG has been considered a large corporation pursuant to Section 221 (3) of the Austrian Commercial Code (*Unternehmensgesetzbuch - UGB*). The number of ordinary bearer shares issued by the Company as of December 31, 2023, was 1,523,833, with each share representing one voting right. No preference shares have been issued and no restrictions on ordinary shares exist. As a listed company, Marinomed provides this Corporate Governance Report as of December 31, 2023.

Marinomed is committed to compliance with the rules of the Austrian Code of Corporate Governance (ACCG). The ACCG is a set of rules and regulations for the responsible management of companies in Austria. Its objective is to create sustained and long-term value growth and to provide a maximum of transparency for all shareholders.

The Code entered into force in 2002, is based on international standards of good corporate governance and includes relevant provisions of the Austrian Stock Corporation Act, the Austrian Stock Exchange Act as well as the Austrian Capital

Markets Act. It primarily applies to listed companies on the Austrian capital market, which voluntarily adhere to these principles. The Vienna Stock Exchange also requires compliance with the ACCG under provisions applicable for companies whose shares are traded in its prime market segment. The text of the ACCG is accessible on the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at).

On the one hand, the Code includes legal provisions which - as being part of the Austrian Corporate, Stock Corporation and Capital Market Act - must be complied with (Legal Requirements or "L-Rules"). On the other hand, the ACCG contains rules that are considered common international practice, such as the principles set out in the OECD Principles of Corporate Governance and the recommendations of the European Commission. Non-compliance with these rules must be explained (Comply or Explain, "C-Rules"). The ACCG also contains rules that are voluntary and do not require explanation in case of deviations (Recommendations, "R-Rules").

In 2023, Marinomed fully complied with all "L-Rules" of the ACCG. Non-compliance with "C-Rules" is explained as follows:

C-Rule 18

This rule stipulates the setup of a separate staff unit for internal auditing depending on the size of the enterprise. As Marinomed is a small corporation in terms of headcount, the Company did not set up a separate staff unit and does not intend to do so.

C-Rule 28

C-Rule 28 stipulates a holding period of a total of at least three years for stock options awarded to Management Board members. Management Board members hold significantly more shares than received through the exercise of stock options, therefore, a holding period has not yet been agreed in writing.

C-Rules 41 and 43

These rules require the Supervisory Board to set up a Nomination Committee as well as a Remuneration Committee. In cases where the Supervisory Board has no more than six members, these committees' functions may be exercised by all board members jointly. As Marinomed's Supervisory Board currently has five members, nomination and remuneration matters are decided by the entire Supervisory Board and no separate committees have been established apart from the mandatory Audit Committee.

C-Rule 83

According to this rule, the auditor must assess the effectiveness of the risk management and report to the Management Board. Since Marinomed is a small corporation in terms of headcount, risk management is not institutionalized, and a separate report is not required. However, the Company has established systems and processes to identify risks and counter them. These are continuously monitored and adjusted, if necessary.

Currently, Marinomed does not have a works council. As a result, the right to delegate works council representatives to the Supervisory Board does not apply. The Company's corporate bodies are bound in particular by the Articles of Association, the Rules of Procedure for the Management Board, the Rules of Procedure for the Supervisory Board and the Austrian Code of Corporate Governance.

External evaluation of compliance with the Code

C-Rule 62 of the Austrian Code of Corporate Governance provides for voluntary external evaluation of compliance with the C-Rules of the Code at least once every three years. An external evaluation by the auditor was last carried out as part of the 2021 audit of the consolidated financial statements.

Working methods of the Management Board and the Supervisory Board

In accordance with Austrian law, the Company has a two-tier management and oversight structure comprising the Management Board and the Supervisory Board. The Management Board is responsible for the executive management of the Company and represents the Company vis-à-vis third parties. The Supervisory Board supervises the Company's management as well as internal controls and advises the Management Board. Members of the Management Board are appointed by the Supervisory Board. Members of the Supervisory Board are elected by the Annual General Meeting.

Members of the Management Board

Pursuant to the Articles of Association, the Management Board consists of at least two and not more than five members appointed by the Supervisory Board for a term of up to five years. Members may be reappointed by the Supervisory Board for consecutive terms. Currently, the Management Board consists of three members.

Andreas Grassauer
Chairman and
Chief Executive Officer
Year of birth: 1969
First appointment: April 11, 2006
End of term: April 30, 2027

Andreas Grassauer is Chairman of the Executive Board and Chief Executive Officer. He co-founded Marinomed in 2006 and since then has been CEO of the Company. Prior to founding Marinomed, he built up several other companies and was involved in raising more than EUR 30 million from private and public sources. In the last fifteen years, he executed a series of deals for Marinomed. Andreas Grassauer holds a doctoral degree (PhD) in virology from the Institute of Applied Microbiology at the University of Natural Resources and Applied Life Sciences, Vienna, Austria.

His responsibilities on the Management Board include strategy, intellectual property rights, production, IT, business development and related legal affairs.

Eva Prieschl-Grassauer
Chief Scientific Officer
Year of birth: 1968
First appointment:
September 4, 2007
End of term: April 30, 2027

Eva Prieschl-Grassauer is Chief Scientific Officer. She co-founded Marinomed in 2006 and has been CSO of the Company since 2007. Eva Prieschl-Grassauer has more than 30 years of experience in pharmaceutical drug development. Prior to her appointment at Marinomed, she was head of the allergy program of Novartis in Vienna, Austria. In this position, she discovered the mechanism of action of FTY720 (fingolimod), Novartis' immunomodulatory drug against multiple sclerosis. Eva Prieschl-Grassauer has published more than 50 articles in prestigious peer-reviewed journals in the fields of immunology, molecular biology and medicinal chemistry. She holds a doctoral degree (PhD) in immunology from the University of Vienna, Austria. In 2022, she was awarded the Golden Decoration of Merit of the Republic of Austria for her excellent scientific work and its translation into commercial success.

Her responsibilities on the Management Board include strategy, research and development, business development and related legal affairs.

Pascal Schmidt
Chief Financial Officer
Year of birth: 1972
First appointment:
September 17, 2018
End of term: April 30, 2027

Pascal Schmidt is Chief Financial Officer. He took over as CFO of the Company in September 2018. Pascal Schmidt has more than 25 years of experience in corporate finance, corporate development and M&A, including positions as managing director of Raymond James Financial Inc. and as a partner at the consultancy firm Mummert & Company. Before that, he was a member of the investment committee at Infineon Ventures GmbH. Pascal Schmidt holds a master's degree in business administration from the University of Bayreuth, Germany.

His responsibilities on the Management Board include strategy, administration and organization, controlling and accounting, investor relations, business development and related legal affairs.

Members of the Supervisory Board

In accordance with the Articles of Association, the Supervisory Board of Marinomed Biotech AG comprises a minimum of three and a maximum of six members, who are elected by the Annual General Meeting for a period of three years (with the year of election not counting).

As the Company does not have a works council, there are currently no employee representatives on the Supervisory Board. Since the elections to the Supervisory Board at the 6th Annual General Meeting in June 2023, the Board has the following five members:

Simon Nebel
Chairman
Independent
Year of birth: 1966
Year of first appointment: 2017
End of term: AGM 2027

Simon Nebel is founder and Managing Partner of Viopas Venture Consulting GmbH. He is also a venture partner of Aravis, a private equity firm for which he has participated in financing a number of life science companies and M&A transactions of the Aravis portfolio. Moreover, Simon Nebel is currently a Supervisory Board member of Quadia SA, Kivu BioScience B.V., RhyVest AG, Hanaku AG and Bio-sensing Solutions SL. Simon Nebel holds a PhD in biophysics from the Biocentre of the University of Basel, Switzerland, and an MBA with distinction from the London Business School. Simon Nebel is a member of the Company's Supervisory Board and has been its Chairman since 2017. He was previously Chairman of the Company's Advisory Board (from 2008 onwards).

Brigitte Ederer
Deputy Chairwoman
Independent
Year of birth: 1956
Year of first appointment: 2018
End of term: AGM 2027

Brigitte Ederer was a politician from 1983 to 2001, during which time she was a member of the Austrian National Assembly, Secretary of State for European Affairs and a city councilwoman with responsibility for finance and business affairs in Vienna. From 2001 to 2013, she held various management positions at Siemens Group. Brigitte Ederer is also a member of several supervisory boards, including Boehringer Ingelheim RCV GmbH & Co KG, ÖBB-Holding AG and Schoeller-Bleckmann Oilfield Equipment AG. Brigitte Ederer holds a degree in economics from the University of Vienna, Austria. She has been a member of the Company's Supervisory Board since 2018 and has been Deputy Chairwoman of the Supervisory Board since 2023.

Elisabeth Lackner
Member
Independent
Year of birth: 1973
Year of first appointment: 2022
End of term: AGM 2027

Elisabeth Lackner is CEO of CRS Clinical Research Services and well-networked pharmaceutical and biotechnology executive with more than 20 years of experience combining growth, business strategy & innovation, marketing, business development and international expansion, regulatory and operations in life science with full P&L responsibility, thereof 10+ years as CEO. Elisabeth Lackner holds a PhD in pharmaceutical sciences from the University of Vienna, is a respected consultant and speaker in the pharmaceutical and biotech industry and has been a member of the Supervisory Board since 2022.

Ulrich Kinzel
Member
Independent
Year of birth: 1964
Year of first appointment: 2022
End of term: AGM 2027

Ulrich Kinzel is a managing director at the advisory firm goetzpartners, responsible for the healthcare industry group. Ulrich Kinzel has extensive financing and capital markets experience and has advised leading international healthcare, life sciences and digital health companies in more than 70 successful M&A and ECM transactions, including cross-border European, U.S. and Asian public and private takeovers as well as IPOs and secondary offerings on all major European stock exchanges. Ulrich Kinzel holds a degree in business administration from the University of Munich, has been a member of the Supervisory Board since 2022, and has been the Chairman of the Audit Committee since 2023.

Eva Hofstädter-Thalmann
Member
Independent
Year of birth: 1962
Year of first appointment: 2023
End of term: AGM 2027

Eva Hofstädter-Thalmann graduated in biochemistry from the University of Vienna and spent more than 30 years in the pharmaceutical industry, working for Johnson & Johnson and Janssen in several commercial and medical affairs leadership positions. Her activities were initially focused on the Austrian market and then - in the U.S. - combined with global responsibility. Over the past 20 years, her area of responsibility has covered Europe, the Middle East and Africa. Her tasks extended to the areas of oncology, hematology and virology. Currently, she is Chairwoman of the Global Alliance of Medical Education (GAME) and member of the Board of Directors of the Journal of European Continuing Medical Education (JECME). From January 2023 onward, Eva Hofstädter-Thalmann has been working as an independent consultant in healthcare with a focus on strategic stakeholder management, working with the pharmaceutical industry and international medical companies. In February 2024, she founded Legacy MD International Limited and is since then director. Eva Hofstädter-Thalmann has been a member of the Supervisory Board since 2023.

Supervisory Board independence

In accordance with C-Rule 53 of the Austrian Code of Corporate Governance, the Supervisory Board of Marinomed has established the following criteria defining the independence of its members:

- The Supervisory Board member has not been a member of the Management Board or a senior manager of the Company in the last five years.
- The Supervisory Board member does not have a business relationship with the Company that is of such significance for the Supervisory Board member that it affects his or her activities on the Supervisory Board to the detriment of the Company. This also applies to business relationships with companies in which the Supervisory Board member has a considerable economic interest. The Supervisory Board's approval of individual transactions in accordance with L-Rule 48 does not automatically lead to a classification of non-independence.
- The Supervisory Board member has not been an auditor of the Company's financial statements or held an ownership interest in or been an employee of the auditing company executing such audits in the last three years.
- The Supervisory Board member is not a member of the Management Board of another company that has a member of Marinomed's Management Board on its Supervisory Board.
- The Supervisory Board member is not a close family member (direct descendant, spouse, partner, parent, uncle, aunt, brother, sister, niece, nephew) of a member of the Management Board or individuals holding one of the positions described above.

The Supervisory Board as a whole is considered independent, if at least 50% of the members elected by the general meeting satisfy the criteria above for the independence of a Supervisory Board member.

Each member of the Supervisory Board has declared whether they can be considered independent based on the criteria specified by the Supervisory Board. All Supervisory Board members were independent throughout the 2023 financial year based on the criteria indicated.

In accordance with C-Rule 36 of the ACCG, the Supervisory Board shall deal with the efficiency of its activities, in particular with its organization and working methods once a year. As a result of this self-evaluation, the Board resolved to amend and update its own Rules of Procedure as well as those of the Management Board in December 2023.

Since 2019, the Chairman of the Supervisory Board has performed business development activities as part of a consultancy agreement concluded with Viopas Venture Consulting GmbH (VVC). In the financial year 2023, expenses related to this contract amounted to kEUR 30 (2022: kEUR 30), which are mainly attributable to the Chairman. The resulting open liability amounts to kEUR 8 as of December 31, 2023 (December 31, 2022: kEUR 0).

In Q1/2023, an additional consulting contract for business development services was concluded with the company VVC. The consulting services are primarily remunerated on a performance basis. In 2023, retainer fees and out-of-pocket expenses borne by Marinomed related to this contract

amounted to kEUR 94 (2022: kEUR 0). The resulting open liability amounts to kEUR 0 as of December 31, 2023 (December 31, 2022: kEUR 0). The Chairman of the Supervisory Board is a shareholder of VVC, however, the main part of the remuneration is due to the project lead, which is not held by Simon Nebel.

There is a consultancy agreement with the Supervisory Board member Elisabeth Lackner for business and corporate development activities. In the 2023 financial year, the expenses related to this agreement amounted to kEUR 29 (2022: kEUR 0) including out-of-pocket expenses. The resulting outstanding liability amounted to kEUR 29 as of December 31, 2023 (December 31, 2022 kEUR 0).

All transactions with related parties are carried out at arms-length principle.

The following Supervisory Board members held positions on supervisory boards or comparable corporate bodies in the following companies as at December 31, 2023:

	Name of company	Position held
Simon Nebel	Quadia SA	Member of the Supervisory Board
	Kivu BioScience B.V.	Member of the Supervisory Board
	Aravis Biotech II GP AG	Venture Partner
	RhyVest AG	Member of the Supervisory Board
	Viopas Venture Consulting GmbH	Managing Partner
	Bio-sensing Solutions SL	Member of the Supervisory Board
	Hanaku AG	Member of the Supervisory Board
Brigitte Ederer	Boehringer Ingelheim RCV GmbH & Co KG	Member of the Supervisory Board
	ams-OSRAM AG	Member of the Supervisory Board
	Schoeller-Bleckmann Oilfield Equipment AG	Vice Chairwoman of the Supervisory Board
	WEB Windenergie AG	Member of the Supervisory Board
	TTTech Computertechnik AG	Member of the Supervisory Board
	ÖBB-Personenverkehr AG	Member of the Supervisory Board
	ÖBB-Holding AG	Member of the Supervisory Board
Elisabeth Lackner	Rivean Capital	Member of the Management Board
Ulrich Kinzel	Kinzel Corporate Finance GmbH	Managing Partner
	goetzpartners Securities Ltd.	Managing Director
Eva Hofstädter-Thalmann	Global Alliance for Medial Education	Chairwoman
	Journal of European Continuing Medical Education	Member of the Board

Supervisory Board committees

Pursuant to the Austrian Stock Corporation Act, the Supervisory Board may establish one or more committees from among its members in order to prepare its discussions and resolutions or to supervise the execution of its resolutions. Committees may consist of at least three members each. Unless the Supervisory Board issues Rules of Procedure for its committees, the Rules of Procedure for the Supervisory Board apply to the committees subject to the necessary changes.

Since securities of the Company are listed on a regulated market, the Company is required by Austrian law to establish an Audit Committee, which must convene at least two meetings in each financial year. In accordance with C-Rules 41 and 43 of the ACCG and given that the Supervisory Board does not have more than six members, the Supervisory Board has not established a separate Nomination Committee and Remuneration Committee but takes related decisions at board level.

Audit committee

The Audit Committee reports to the Supervisory Board and prepares the proposal for the election of the auditor by the Annual General Meeting. In addition, the Audit Committee is responsible for monitoring the accounting process and the effectiveness of the Company's internal control system, for reviewing the (consolidated) financial statements, for examining and monitoring the auditor's independence and for preparing the approval of the (consolidated) financial statements and the management report, the recommendation for the distribution of profits and the corporate governance report.

For the time being, the Audit Committee consists of all Supervisory Board members. Ulrich Kinzel has been chairing the Audit Committee since the retirement of Gernot Hofer from the Supervisory Board on the occasion of the 6th Annual General Meeting on June 21, 2023. All members of the Audit Committee are experienced financial experts with knowledge and practical experience in corporate finance and reporting that satisfy the requirements of the Company.

Meetings of the Supervisory Board

Four face-to-face Board meetings and one video conference, all distributed over the reporting year, were held in 2023. The auditor of the (consolidated) financial statements, BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, met with the Supervisory Board members in 2023 to discuss the review of the 2022 (consolidated) financial statements and also attended the Annual General Meeting.

No member of the Supervisory Board attended less than half of the Supervisory Board meetings in 2023 after having been elected to the Supervisory Board.

Measures to promote diversity

Marinomed believes that mixed teams produce better results and is committed to equal opportunities for women and men in the recruitment process and in all areas of employment.

Due to its small size, the Company does not have a binding diversity policy that stipulates the consideration of criteria such as gender, age, education and professional or cultural background in the appointment of members to the Management Board and Supervisory Board. Nevertheless, the Supervisory Board and the Management Board are diverse in terms of gender, nationality, education and professional background. As of December 31, 2023, women accounted for 60% of the Supervisory Board members (December 31, 2022: 50%). One of the Company's three Management Board members is female.

Currently, Marinomed does not employ persons with disabilities, but pays a compensation according to the Austrian Disabled Persons Employment Act (*Behinderteneinstellungsgesetz – BEinstG*).

Risk management and internal control system

Marinomed conducts research and development of pharmaceuticals and medical devices. Taking advantage of opportunities and avoiding risks is therefore important for the success of the Company. Accordingly, Marinomed pursues a systematic approach to the early detection of opportunities and risks. The aspects listed in the "Risk report" section are repeatedly reviewed using company-wide planning and control processes. Overall responsibility for internal control and risk management at Marinomed lies with the Management Board. The risk management system focuses on the areas mentioned in the Risk Report. Operational risks are primarily addressed through close communication with internal and external stakeholders (including investors, analysts and banks). Regular contact with all external suppliers and partners as well as the documentation of discussions and meetings allow a constant follow-up of planning and implementation.

The regularity of the accounting is based on an accounting-related internal control system (ICS). The objectives of the ICS are compliance with legal standards, the proper accounting principles, the Austrian Commercial Code (UGB) and the International Financial Reporting Standards (IFRS). The ICS also has the purpose of ensuring the reliability of financial reporting and the identification of risks outside of financial reporting. The four-eyes principle is observed in all relevant business cases.

The internal control system is divided into structural organization and process organization. The organizational structure features flat hierarchies and a clear assignment of responsibilities. There is an organizational separation of operational and financial responsibility. In the finance department, the accounting, controlling and reporting processes are also separate.

The process organization is characterized by a clear set of rules that represents an appropriate basis for an efficient control system of approvals and competencies. Internal reporting to the Management Board is particularly important to be able to identify risks at an early stage and take countermeasures. This is done through regular meetings on the main topics, above all research and development, supply chain and finance. Depending on their importance, these meetings take place weekly, bi-weekly or monthly. The respective heads of department report to the Management Board in a structured manner. This is intended to avoid those risks that could lead

to incomplete or incorrect financial reporting. The internal reporting system is intended to enable the Management Board to check important processes and their financial impact for plausibility at regular intervals and to compare them with plans in order to be able to decide on and take suitable measures in the event of deviations. The planning required for this, for example for clinical studies, external service providers and sales, is approved in advance by the Management Board. Consolidated reporting, including the non-operating subsidiary, takes place at the end of each quarter.

In addition, the Company creates a rolling liquidity plan, which is constantly monitored and coordinated with its own specifications. Due to the planned negative equity, the Company is obliged to prepare a going concern forecast. This is compared and updated every quarter by the accounting department, in close cooperation with the Management Board, with current reporting and is presented to the auditor in the course of the audit of the annual financial statements or the half-yearly review. Since 2019, the Company's accounting has been managed using the financial accounting software BMD. Financial planning is prepared in close cooperation between the Management Board, the project managers for research and development and the finance department. The planning data is compared with the actual data recorded in BMD on a monthly basis and reported internally.

The annual financial statements are audited by the auditing company BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

Sustainable research and development policy

Patient safety and well-being are at the heart of Marinomed's operations. As a biomedical company, Marinomed is subject to particularly stringent rules governing the entire value chain.

Marinomed's research activities serve to increase knowledge and are committed to the well-being of patients and the protection of the environment. Its internal and external researchers comply with all applicable legal regulations and ethical principles. Respecting good scientific practice is a matter of course. Marinomed's responsible approach to research includes:

- Identifying and minimizing research risks
- Carefully managing publications
- Documenting risks as well as awareness-raising and training measures
- Seeking approvals and informed consent when using human tissue
- Adhering to Good Clinical Practice (GCP) guidelines when conducting clinical studies and having an effective and established quality management system in place
- Publishing key data from clinical studies on pertinent databases, such as www.clinicaltrials.gov
- Making sure that our results are transparent and easily accessible. We primarily publish our research findings on platforms that are accessible to readers free of charge. Our website also features a large selection of scientific publications on our research topics.

When conducting research and drug development, Marinomed and its research partners cannot always avoid animal testing. Applicable legislation might sometimes even require this practice. The ethical and humane treatment of animals and compliance with the principles of animal welfare are a matter of course for Marinomed. Before starting any animal testing, all approvals by the Ethics Committee must be available, the staff must be appropriately trained, and all veterinary prerequisites for implementation must be met. Provided that animal-free testing and investigation methods exist, are adequate and legally permissible alternatives, we will make use of this option with the aim of avoiding animal testing as much as possible.

Partnerships and supply chains

Marinomed's business model is largely based on successful collaboration with partners to bring product developments to authorization, production and marketing. Partnerships make it possible for the various stages of the value chain to be in the hands of specialists who carry them out as efficiently as possible and thus saving resources. In 2023, Marinomed maintained business relationships with 20 partners for the distribution of its products. In addition, a large number of business relationships with potential partners are actively maintained with the aim of both marketing Carragelose products in additional countries and closing partnerships for product candidates based on Marinosolv.

Our partners are responsibly selected and regularly audited. Recurring audits and reviews ensure that regulatory requirements and ethical principles are met. In 2023, there were neither reportable incidents nor violations of vigilance agreements. Compliance with laws and regulations is a matter of course, as is taking human rights and child welfare into account and showing mutual respect. These values characterize the cooperation with our partners, customers and suppliers. There is regular and close coordination with our partners, and Marinomed also informs them promptly about the latest scientific findings and results obtained from ongoing research and development activities.

Marinomed's distribution partners and thus also its supply chains are embedded in the special regulatory environment of pharmaceutical and medical device companies. When initiating partnerships, it is checked whether the partners meet all regulatory requirements necessary for distribution. Furthermore, Marinomed preferably retains partners headquartered in the EU for the manufacturing of products and for external research services. In addition to well-known and stable legal, social and political framework conditions, this keeps transport routes short and makes appropriate controls easier. "Code of Conduct" agreements have already been included in the contracts with some distribution partners, which set fundamental legal, sustainable and qualitative standards for cooperation. Marinomed is currently working on developing its own code of conduct for suppliers. In addition to the documentation of internal standards and compliance with human rights and decent working conditions, the

transparency and traceability of supply chains should be further optimized. Important governance principles against money laundering, corruption and terrorist financing are also contractually agreed with our partners.

In our Solv4U business area, too, the quality of our partners is carefully reviewed before a contract is concluded.

Product quality and safety

Our products are produced mostly by contract manufacturers located in Europe. These are regularly audited by us, and the quality of the manufactured products is tested and monitored.

Awareness of quality, pharmacovigilance and good distribution practice is raised through regular training of our employees. In 2023, around two adverse events were reported for every million of Carragelose products sold.

Data security and protection

Data security is of central importance to Marinomed. The Company's IT infrastructure, encryption technologies and backups are state-of-the-art and are constantly updated. Although Marinomed almost exclusively maintains B2B business relationships, the implementation of the EU General Data Protection Regulation (GDPR) is taken very seriously. Data protection management is therefore assigned directly to the Management Board.

In 2023, there were no reportable incidents of data breaches, leaks, theft or loss of data related to customer data or other business information.

Intellectual property

As a science-based company, our developments and our intellectual property must be extensively protected by patents. Patent management is therefore assigned directly to the Management Board. At moment, Marinomed holds 250 active patents in over 50 countries. Both the Company's Carragelose products and its products based on the Marinosolv technology are protected in all economically important countries.

Capital market

Since Marinomed is listed in the prime market segment of the Vienna Stock Exchange, we have a great responsibility towards our shareholders. We always fulfill the associated obligations with the greatest possible care. We actively seek dialogue with investors, capital market players, lenders and shareholders through investor events, our Annual General Meeting and conference calls.

Transparency is important to us, which is why the activities of the Investor Relations department were further expanded in 2023. With this sustainability report, we are making extensive efforts to disclose further information to provide our stakeholders with a complete picture of Marinomed.

Our governance sustainability goals

Target	Time frame	Target achievement as of 31.12.2023	
No reportable incidents regarding insider trading	Ongoing	🟢	Yes
No reportable violations of the Austrian Stock Exchange Act	Ongoing	🟢	Yes
No reportable violations of data protection (e.g. data leaks, data theft or data loss)	Ongoing	🟢	Yes
Establishment of a digital whistleblower system	2023	🟢	Yes
Redesign of the corporate homepage for more transparency	2022	🟢	Yes
Revision of the company homepage with regard to data protection	2023	🟢	Yes
Introduction of a code of conduct for suppliers	2024	🟡	Ongoing

🟢 = Target fully achieved
🟡 = Target almost/not yet achieved
🔴 = Target not reached

Outlook

Our primary goal and mission is to improve people's health and well-being. This mission alone is sustainable for us and determines a large part of our actions. However, other aspects of sustainability are also of great relevance to us, and as a company we are aware of our responsibility towards society and the environment.

Although we are not yet required to report on sustainability as a small company, it is very important to us to be transparent towards our stakeholders about our efforts in the area of sustainability. We already have high standards today and want to expand them further. We are constantly adapting our sustainability strategy and reporting while keeping an eye on the new EU directives. In the future, sustainability will also be increasingly incorporated into important aspects of corporate management, such as strategy, rules of procedure or as parameters for the variable remuneration of the Management Board.

We would like to thank our customers, partners, shareholders and employees for their commitment, which is essential to achieving Marinomed's goals. We strive to manage our company sustainably and successfully and thus create positive values for everyone.

Consolidated financial statements

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

all amounts in kEUR	Note	1-12/2023	1-12/2022
Profit or loss			
Revenues	5	9,183.5	11,275.9
Other income	6	1,371.2	837.6
Expenses for materials	7	−5,868.1	−7,283.0
Expenses for services	7	−2,172.4	−1,852.2
Personnel expenses	8	−5,048.9	−4,848.7
Depreciation and amortization		−678.2	−669.7
Other expenses	9	−1,916.5	−2,373.6
Operating result (EBIT)		**−5,129.2**	**−4,913.6**
Financial income	11	861.8	1,194.4
Financial expenses	11	−2,523.4	−2,671.7
Financial result		**−1,661.6**	**−1,477.3**
Loss before taxes		**−6,790.8**	**−6,390.9**
Taxes on income	12	−4.0	−6.8
Loss for the year		**−6,794.8**	**−6,397.7**
Thereof attributable to the shareholders of the Company		*−6,794.8*	*−6,397.7*
Other comprehensive income (loss) for the year		-	-
Total comprehensive loss for the year		**−6,794.8**	**−6,397.7**
Thereof attributable to the shareholders of the Company		*−6,794.8*	*−6,397.7*
Earnings per share			
Basic (EUR per share)	13	−4.5	−4.3
Diluted (EUR per share)	13	−4.5	−4.3

Statement of financial position

all amounts in kEUR	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Intangible assets	16	1,524.5	1,804.1
Property, plant and equipment	15	5,944.9	6,203.3
Deposits and other non-current receivables	19	6.7	11.6
		7,476.2	8,019.0
Current assets			
Inventories	17	1,012.4	1,562.1
Trade and other receivables	19	3,531.8	4,527.4
Current tax receivables	12	2.4	2.8
Cash and cash equivalents	20	2,588.8	8,175.4
		7,135.4	14,267.5
Total assets		**14,611.7**	**22,286.6**

all amounts in kEUR	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	21	1,523.8	1,506.2
Capital reserves	21	44,889.9	44,092.1
Retained losses		−56,550.1	−49,755.3
		−10,136.4	−4,157.1
Non-current liabilities			
Non-current borrowings	22	14,840.2	20,182.1
Other non-current liabilities	24	254.7	304.9
		15,094.9	20,486.9
Current liabilities			
Current borrowings	22	6,957.1	2,445.6
Trade payables	23	1,531.3	1,153.2
Current contract liabilities and other current liabilities	24	1,164.8	2,357.9
		9,653.2	5,956.7
Total equity and liabilities		**14,611.7**	**22,286.6**

Statement of cash flows

all amounts in kEUR	Note	1-12/2023	1-12/2022
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period		−6,794.8	−6,397.7
Adjustments for:			
Taxes on income recognized in profit or loss		4.0	6.8
Financial income recognized in profit or loss		−861.8	−1,194.4
Financial expense recognized in profit or loss		2,523.4	2,671.7
Depreciation and amortization expense		678.2	669.7
Gain from disposal of assets		-	−7.9
Loss on disposal of assets		4.5	0.9
Other non-cash income/expense		−51.4	−48.4
Changes in deposits and other non-current receivables		4.9	8.9
Changes in inventories		549.7	−534.7
Changes in trade and other receivables		995.6	1,520.6
Other changes in trade payables, contract liabilities and other liabilities		−818.2	−1,449.8
Interest paid		−773.1	−448.7
Interest received		10.9	0.0

all amounts in kEUR	Note	1-12/2023	1-12/2022
Cash flow utilized by operating activities	**14**	**–4,528.2**	**–5,202.9**
Cash outflow from capital expenditure for property, plant and equipment and intangible assets		–128.5	–227.6
Proceeds from sale of property, plant and equipment		0.0	20.1
Cash flow utilized by investing activities	**14**	**–128.5**	**–207.5**
Proceeds from convertible notes		620.0	1,800.0
Proceeds of long-term borrowings		-	6,200.0
Repayments of long-term borrowings		–1,542.4	–200.0
Lease payments		–7.3	–16.4
Cash flow generated from financing activities	**14**	**–929.7**	**7,783.6**
Total change in cash & cash equivalents		**–5,586.5**	**2,373.2**
Cash & cash equivalents at beginning of period		8,175.4	5,802.1
Cash & cash equivalents at end of period		2,588.8	8,175.4
Of which effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		2.5	–1.4

Statement of changes in equity

all amounts in kEUR	Nominal capital/ Share capital	Capital reserves	Retained losses	Total
December 31, 2021	**1,480.2**	**42,068.8**	**–43,357.6**	**191.4**
Loss for the period	-	-	–6,397.7	–6,397.7
Total comprehensive income (loss) for the period	-	-	–6,397.7	–6,397.7
ESOP 2019	0.9	80.3	-	81.2
Convertible notes	25.1	1,943.0	-	1,968.1
December 31, 2022	**1,506.2**	**44,092.1**	**–49,755.3**	**–4,157.1**
December 31, 2022	**1,506.2**	**44,092.1**	**–49,755.3**	**–4,157.1**
Loss for the period	-	-	–6,794.8	–6,794.8
Total comprehensive income (loss) or the period	-	-	–6,794.8	–6,794.8
ESOP 2019	-	–2.1	-	–2.1
Convertible notes	17.7	799.9	-	817.5
December 31, 2023	**1,523.8**	**44,889.9**	**–56,550.1**	**–10,136.4**

For futher details please refer to Note 21.

Notes to the consolidated financial statements 2023

1. General information

Marinomed Biotech AG ("Marinomed" or the "Company") is an Austrian science-based biotech company with globally marketed therapeutics. The Company was incorporated in March 2006 as a spin-off from the Veterinary University of Vienna. The Company's headquarters are located at Hovengasse 25, 2100 Korneuburg, Austria.

The Management Board approved the consolidated financial statements for issuance on April 15, 2024.

1.1. Material uncertainties related to going concern

Since inception, the Company has incurred significant losses from its operations. The business model of the Company foresees a phase of research and development over several years before generating relevant income. The research and development risk as well as the financing and liquidity risk are covered primarily by equity and debt financing, the use of support programmes by the Austrian Research Promotion Agency (Österreichische Forschungsförderungsgesellschaft, or FFG) and the research premium from the Austrian government as well as external research contracts.

Due to delays in the marketing of the lead products from the Marinosolv platform, it was not possible to generate the planned level of revenue. As a result, the funds raised through the IPO, EIB loan and funding programs have been used up to such an extent, that future research and development expenses must be covered by revenues. As the reasons for the delay in the Marinosolv platform products have been identified and rectified, feedback from the business development processes is now positive and term sheets are already being negotiated in some cases, it is highly likely that the delayed planned sales will now be achievable.

On February 25, 2019, the Company was granted a loan of up to EUR 15 million by the European Investment Bank (EIB), which is covered by a guarantee from the European Fund for Strategic Investments (EFSI). This venture debt loan bears interest at standard market rates. Marinomed drew down the first tranche of the loan in the amount of EUR 4 million in October 2019, the second tranche in the amount of EUR 5 million in December 2020 and the third tranche in the amount of EUR 6 million in February 2022. Repayment was originally planned for the years 2023-2027. On March 27, 2024, an agreement was reached to postpone the repayments for all tranches by 18 months. Only for the third tranche, which is repaid in semi-annual installments, the next repayment due was suspended until December 31, 2025. Interest payments and performance-related components will continue to be serviced (see Note 31).

Furthermore, both tranches of the real estate financing (ERP loan) for the construction of the new company headquarters in Korneuburg totaling EUR 3.8 million were drawn down in November 2020 and October 2021. The second part of the financing, which was provided by NÖ Bürgschaften und Beteiligungen GmbH (NÖBEG), was drawn down in December 2021 and May 2022 (EUR 1.2 million). These loans each have terms of 12 and 13 years and bear interest at around 2.5% p.a. The real estate financiers have agreed to a comparable deferral of the repayments by 18 months. However, the real estate financiers may not extend the term, so that in the case of NÖBEG the three deferred repayments are repaid

in one payment at the end of the deferral period, and in the case of ERP the three suspended semi-annual tranches are added to the last three tranches (see Note 31).

In October 2021, financing with a volume of up to EUR 5.4 million was concluded in a flexible convertible notes funding program (CNFP) with the Swiss investment company Nice & Green S.A. Under the agreement, Marinomed Biotech AG is entitled to issue up to 18 tranches of zero-coupon bonds in the amount of up to kEUR 300 per tranche during the term of the agreement. Nice & Green S.A. has undertaken to subscribe to these convertible bonds and to apply for conversion into ordinary shares in the Company within one month of their issue. The program allows the tranches to be called as required or not to be called. At the time of the preparation of these consolidated financial statements, 13 of 18 possible tranches have been called up and converted. With the resumption of the paused program in Oktober 2023, the amount of drawdowns was reduced to up to kEUR 160. This reduces the potential total financing volume to EUR 4.14 million.

The Management Board currently expects that sustainable positive operating results will be generated from 2024 onwards if the development and marketing strategy is implemented as planned.

The Management Board assumes that the existing cash and cash equivalents and the financing already committed will be sufficient to cover the operating expenses and investments for the primary forecast period (until June 2025). This assessment is based on the conclusion of several license agreements in the Carragelose and Marinosolv segments. A predominantly probable management case was prepared and analyzed as part of the going concern forecast. In the primary forecast period (until June 2025), there is no additional liquidity requirement under the aforementioned conditions, in particular corresponding milestone payments from license agreements.

Against this background, the Management Board expects that the liquidity for the Company will be secured in the primary forecast period (until June 2025) even without additional financing measures with a predominant probability as well as that annual profits will be achieved in the secondary forecast period and that there is therefore a positive going concern forecast.

These consolidated financial statements have therefore been prepared on a going concern basis that contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The planning assumptions presented above are based on estimates that could prove to be incorrect. Deviations from the planning assumptions could potentially prevent the Company from continuing as a going concern and the company may therefore not be able to realize its assets and settle its liabilities in the ordinary course of business.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are consistent with those of the previous periods except for the adoption of new and amended standards as described in Note 2.3. These policies have been consistently applied to all the periods presented, unless otherwise noted. The tables in this report may contain rounding differences.

2.1. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and the Interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union (EU). The consolidated financial statements meet the requirements of section 245a UGB (Austrian Commercial Code) on exempting consolidated financial statements according to internationally accepted accounting standards.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain material accounting estimates. It requires the management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are discussed at the respective balance sheet/P&L position.

The consolidated financial statements as of December 31, 2023, include Marinomed Biotech AG and Marino Immo GmbH. The consolidation of Marino Immo GmbH, a wholly owned subsidiary of Marinomed Biotech AG, does not have any material effect on the presentation of net assets, financial position and results of operations.

2.2. Impact of climate change, the war in Ukraine and macroeconomic conditions on the consolidated financial statements

The war in Ukraine and risks related to climate change have currently no impact on the consolidated financial statements. Nevertheless, it cannot be completely ruled out that significant price increases, such as those recently caused by the pandemic and the Ukraine war, may not, not entirely or only with a time delay be passed on. Marinomed has not had any sales in Ukraine or Russia so far.

At the same time, it must be feared that the war in Ukraine will have long-term effects on many areas and that a weakening of economic growth is to be expected. This could lead to lower customer demand.

2.3. Application of new and revised International Financial Reporting Standards (IFRSs)

New and revised standards and interpretations that are effective for the current year:

The following amendments and interpretations that are mandatorily effective for an accounting period that begins on or after January 1, 2023, do not have a material impact on the consolidated financial statements of the Company:

Standard / Amendment	Date of Publication (IASB)	Date of Endorsement (EU)	Effective Date (EU)
IFRS 17 Insurance Contracts including Amendments to IFRS 17	18.05.2017 25.06.2020	19.11.2021	01.01.2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	12.02.2021	02.03.2022	01.01.2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	12.02.2021	02.03.2022	01.01.2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	07.05.2021	11.08.2022	01.01.2023
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules	23.05.2023	08.11.2023	Immediately and from 01.01.2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	09.12.2021	08.09.2022	01.01.2023

New and amended standards that will be effective in future periods:

Standard / Amendment	Date of Publication (IASB)	Date of Endorsement (EU)	Effective Date (EU)
Amendments to IAS 1 Presentation of Financial Statements: - Classification of Liabilities as Current or Non-current; - Classification of Liabilities as Current or Non-current – Deferral of Effective Date; - Non-current Liabilities with Covenants;	23.01.2020 15.07.2020 31.10.2022	19.12.2023	01.01.2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	22.09.2022	20.11.2023	01.01.2024

Standard / Amendment (Pending Adoption into EU Law)	Date of Publication (IASB)	Effective Date (IASB)
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15.08.2023	01.01.2025
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	25.05.2023	01.01.2025

2.4. Segment reporting

Since 2022, the Company reports the segments Virology, Immunology and Other. Virology combines activities from marketed products and research and development of new products based on the active ingredient Carragelose. The Immunology segment mainly comprises product developments based on the Marinosolv technology. Recently, Carragelose products for immunological indications such as allergies and dry eyes were developed and are now also allocated to the Immunology segment. The remaining activities, which cannot be attributed to Virology or Immunology, are reported as Other. This segment also includes income and expenses related to the Solv4U business unit which allows external customers access to the Marinosolv technology. General information on revenues from the Carragelose segment is provided in the section titled "Break-down of revenues by category and geographical area." The reporting format was derived from the Company's internal reporting. IFRS segment information is provided to the management. The following is an analysis of the Company's revenues and operating result (EBIT) by reportable segment.

Period ended December 31, 2022 all amounts in kEUR	Virology	Immunology	Other	Total
Total revenues	11,198.1	-	77.7	**11,275.9**
Of which sale of goods	*10,518.6*	-	-	**10,518.6**
Austria	*555.6*	-	-	**555.6**
Other European countries	*6,749.4*	-	-	**6,749.4**
Non-European countries	*3,213.6*	-	-	**3,213.6**
Of which other revenues	*679.5*	-	*77.7*	**757.3**
Austria	*431.9*	-	-	**431.9**
Other European countries	*60.0*	-	*46.5*	**106.4**
Non-European countries	*187.6*	-	*31.3*	**218.9**
Cost of goods sold	−7,120.2	-	-	**−7,120.2**
Contract research	−742.9	−320.2	−3.2	**−1,066.3**
Personnel expenses	−1,340.3	−1,490.2	−2,018.1	**−4,848.7**
Other miscellaneous income/expense	−815.5	−181.1	−1,488.0	**−2,484.5**
Depreciation and amortization	−272.4	−215.1	−182.3	**−669.7**
Operating result (EBIT)	**906.9**	**−2,206.6**	**−3,613.8**	**−4,913.6**

Period ended December 31, 2023 all amounts in kEUR	Virology	Immunology	Other	Total
Total revenues	9,115.8	-	67.7	**9,183.5**
Of which sale of goods	*8,139.0*	-	-	**8,139.0**
Austria	*243.6*	-	-	**243.6**
Other European countries	*4,586.4*	-	-	**4,586.4**
Non-European countries	*3,309.0*	-	-	**3,309.0**
Of which other revenues	*976.8*	-	*67.7*	**1,044.5**
Austria	*292.8*	-	-	**292.8**
Other European countries	*86.1*	-	*2.0*	**88.1**
Non-European countries	*597.9*	-	*65.7*	**663.6**
Cost of goods sold	−5,780.6	-	-	**−5,780.6**
Contract research	−625.0	−451.9	−2.5	**−1,079.4**
Personnel expenses	−1,205.3	−1,718.8	−2,124.7	**−5,048.9**
Other miscellaneous income/expense	−104.6	−361.1	−1,260.0	**−1,725.7**
Depreciation and amortization	−267.4	−225.3	−185.4	**−678.2**
Operating result (EBIT)	**1,132.9**	**−2,757.1**	**−3,504.9**	**−5,129.2**

Revenues in 2023 fell short of the records set in previous pandemic years and amounted to EUR 9.18 million (2022: EUR 11.28 million). This was primarily due to the high inventories held by sales partners and a decreased demand for Carragelose products. The focus of contract research and personnel expenses shifted from virology to the immunology segment over the course of the year. In the second half of 2023, two thirds of the expenses in these line items came from immunology.

In both reporting periods, "Cost of goods sold" includes expenses for merchandise, primary packaging and other raw materials as well as regular batch release charges (excluding exceptional charges) related to "Sales of goods" and form part of, but not sum up to total of the line items "Expenses for materials" and "Expenses for services" in the statement of profit or loss. The financial result and the tax result are not broken down into segments, which is why they are not listed in the reporting format shown above.

Break-down of revenues by category and geographical area

Revenues from the sale of goods include nasal and throat products based on the Carragelose technology. Other revenues relate to income from licences and royalties, milestone payments as well as miscellaneous other services. The geographical break-down is based on distribution markets. Between 20 and 30% of revenues were generated on the German market in 2023 (2022: 30-40%). In 2022, 10-20% of revenues were generated in the UK market, in 2023 its share remained under 10%. The Philippines contributed 10-20% of revenues in 2022, but remained below 10% in 2023. While the Iranian and Scandinavian markets each accounted for 10-20% of revenues in 2023, they stood below 10% in 2022.

Non-current assets

Non-current assets are fully attributable to Austria where the Company's premises were located in 2023 and 2022. The internal reporting does not include a split of non-current assets by operating segments.

Major customers

Customers exceeding 10% of total revenues are considered major customers for the following presentation.

Year ended December 31, 2022 all amounts in kEUR	Total revenues	%	Segment
Top 1	3,462.4	31%	Virologie
Top 2	2,798.3	25%	Virologie
Total	**6,260.7**	**56%**	

Year ended December 31, 2023			
Top 1	1,882.6	20%	Virologie
Top 2	1,817.2	20%	Virologie
Top 3	1,684.1	18%	Virologie
Top 4	983.5	11%	Virologie
Total	**6,367.4**	**69%**	

2.5. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in euros, which is the Company's functional and presentation currency.

Transactions and balances

In preparing the consolidated financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the prevailing exchange rates. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income (loss).

2.6. Significant accounting policies

These consolidated financial statements are prepared on the basis of amortized cost with the exception of certain items such as financial assets at fair value through profit or loss ("FVTPL") which are shown at fair value. The statement of profit or loss and other comprehensive income (loss) is presented using the nature-of-expense method. In the statement of profit or loss and other comprehensive income (loss) and statement of financial position, certain items are combined for the sake of clarity or immateriality. As required by IAS 1, assets and liabilities are classified by maturity. They are classified as current if they mature within one year, and otherwise as non-current.

2.7. Dividend distribution

To date, the Company has not paid dividends. Dividend distribution to the Company's shareholders shall be recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.8. Impairment of non-financial assets

Assets that are subject to depreciation/amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impaired non-financial assets are reviewed for possible reversal of the impairment at each reporting date. During the reporting period, no events have been identified that would have deemed a significant impairment as necessary.

2.9. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs (transaction costs).

3. Financial risk management

3.1. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company has not used derivatives or other hedging instruments to mitigate these risk factors.

a) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

As of December 31 all amounts in kEUR	2023 GBP	2022 GBP	2023 USD	2022 USD
Trade receivables	-	-	-	-
Cash and cash equivalents	-	44.1	0.2	0.2
Trade payables	-	-	-	-
Total	**-**	**44.1**	**0.2**	**0.2**

In October 2021, Marinomed entered into a license agreement with Luoxin Pharmaceutical Group Stock Co, Ltd., regarding the commercialization of the first drug of the Marinosolv platform, Budesolv, in China, targeting the allergic rhinitis market. Revenues from the license agreement with Luoxin are made in USD, but initially occur only at long intervals as milestone payments. Regular payments are only expected once the product has been approved in China, which then entails a continuous risk of foreign currency losses. As of December 31, 2023, the Company's sensitivity to a 10% increase/decrease in EUR against the USD amounted to kEUR (0.0)/0.0 (December 31, 2022: kEUR (0.0)/0.0), against the GBP to kEUR (0.0)/0.0 (December 31, 2022: kEUR (4.4)/4.4). The sensitivity analysis includes outstanding USD and GBP denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of changes in market interest rates because of its long-term borrowings with variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Although the Company has no specific requirements on the exact proportion of interest that should be fixed or floating, the position is reviewed regularly by the management.

The majority of interest-bearing financial liabilities carry fixed interest rates. The Company's operating cash flows are substantially independent of changes in market interest rates. Cash flow interest rate risk is therefore immaterial.

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

From July 1, 2024, a semi-fixed interest rate will be used for the ERP loan, which will depend on the 1-year EURIBOR. From December 14, 2026, the NÖBEG financing will bear a semi-fixed interest rate, which will depend on the 3-months EURIBOR.

Price risk
Price risk is the risk that the value of a financial instrument will fluctuate due to changes in the market price.

The Company is currently not exposed to equity or debt securities price risk from investments held by the Company and classified in the statement of financial position as FVTOCI or FVTPL. The Company is not subject to any particular commodity price risk, as it has outsourced production to partners on the basis of long-term quotes. For the most part, Marinomed has the contractual possibility to adjust prices based on changes in a consumer price index. Nevertheless, it cannot be completely ruled out that significant price increases, such as those recently caused by the pandemic and the Ukraine war, may not, not entirely or only with a time delay be passed on.

b) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Outstanding customer receivables are regularly monitored and collection measures taken as required. The customer's creditworthiness is checked regularly and impairments for expected losses are recognized in accordance with IFRS 9 based on historical experience and days past due. Given the favourable market environment in the pharmaceutical industry, there is no indication of a future decline in creditworthiness of the Company's customers. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable (see Note 19).

At the time of the preparation of these consolidated financial statements, the credit risk on liquid funds (bank accounts, cash balances and securities) is limited because more than 98% of cash lies with banks with high credit ratings from international credit rating agencies.

c) Liquidity risk

Liquidity risk (funding risk) is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management involves maintaining sufficient cash, ensuring the availability of adequate funding in the form of committed credit facilities and being able to close out market positions. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the residual maturities of non-derivative financial liabilities and receivables at the end of the reporting period. The amounts disclosed are the contractual undiscounted cash flow values. Please refer to Note 31 with regard to the renegotiation of the EIB loan and real estate financing in March 2023.

As of December 31, 2022 all amounts in kEUR	**Less than 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings	–2,420.2	–22,667.3	–5,189.7
Trade payables	–1,153.2	-	-
Trade receivables	1,392.6	-	-
Total	**–2,180.8**	**–22,667.3**	**–5,189.7**
As of December 31, 2023			
Borrowings	–8,188.0	–15,058.6	–3,397.1
Trade payables	–1,531.3	-	-
Trade receivables	1,402.7	-	-
Total	**–8,316.6**	**–15,058.6**	**–3,397.1**

For borrowings with variable interest rates, the cash flows have been estimated using the interest rate applicable to the contract at the end of the reporting period. In 2023 and 2023, borrowings include royalty payments related to the EIB loan (see Note 22).

4. Critical accounting estimates and assumptions

The preparation of financial statements requires the management to make estimates and other judgements that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgements made by the management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed at the respective balance sheet/P&L position. The war in Ukraine and risks related to climate change have no significant impact on the key estimates and assumptions.

5. Revenues

The Company generates the following types of revenues:

Period ended December 31 all amounts in kEUR	**2023**	**2022**
Sale of goods	8,139.0	10,518.6
License revenues	747.5	406.2
Other revenues	297.0	351.1
Total revenue from contracts with customers	**9,183.5**	**11,275.9**

Marinomed's revenues are mostly based on the sale of goods. Customers of Marinomed act as distributors in the respective geographical regions. Depending on the stage of a product in the respective country, revenues may fluctuate year over year, e.g. customers typically stock up heavily before an initial sales launch and have significantly lower demand in the following year. Accordingly, in subsequent years, demand from such customers decreases. In some countries, customers place TV advertisements for quick market penetration, while in other countries, they may focus on the education of doctors and pharmacists.

After the above-average, pandemic-related growth rates of previous years, sale of goods is now showing a decline, while license revenues are showing a significant one-off increase in connection with a contract extension compared to the previous year.

Today, Marinomed distributes its products via 20 partners (2022: 17) in more than 40 countries. This enables regional fluctuations to be balanced.

All revenue from contracts with customers is recognized at a specific point in time.

Significant accounting policies

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is shown net of value added tax and is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods
Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer. Some contracts for the sale of goods provide customers with a cash discount for early payment, volume rebates or other rebates/discounts. Under IFRS 15, such discounts and rebates give rise to variable consideration. The variable consideration is estimated at contract inception and maintained until the associated uncertainty is subsequently resolved. Discounts are estimated and recognized on the basis of cumulative experience using the expected value method. Sales are only recognized if there is a high probability that a significant reversal will not occur. A refund liability is recognized for expected volume rebates payable to customers in relation to sales made until the end of the reporting period, which is deducted from trade receivables. No element of financing is deemed present as the payment terms for sales are regularly based on the number of days customary for the industry and in the respective region.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract and control of the goods is transferred to the customer.

Licence revenues
For revenue from licensing of intellectual property, IFRS 15 provides specific guidance which differs from the recognition model for other promised goods and services. According to this, a licence will either provide a right to access the entity's intellectual property throughout the licence period, which results in revenue being recognized over time, or a right to use the entity's intellectual property as it exists at the point in time at which the licence is granted, which results in revenue being recognized at a point in time. The Company's licensing agreements in place provide right-to-use licences. Revenue is therefore recognized when the licence is granted to the customer in accordance with the substance of the relevant agreement. For milestone payments agreed in licensing agreements, please refer to the "milestone payments" section below.

The Company applies the exception for sales-based or usage-based royalties received in exchange for licences of intellectual property. Accordingly, revenue is recognized only when (or as) the later of the following events occurs: a) the subsequent sale or usage occurs; and b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated, satisfied (or partially satisfied). Consequently, royalties are not included

in the transaction price until the customer makes sales, regardless of whether or not the Company has predictive experience with similar arrangements.

Milestone payments
Milestone payments resulting from one-off revenues agreed in licensing and distributor agreements give rise to variable consideration under IFRS 15, which is estimated at contract inception and maintained until the associated uncertainty is subsequently resolved. Revenue from milestone payments is therefore only recognized to the extent that it is highly probable that a significant reversal will not occur; this is basically the fact when all contractual obligations associated with the payment are fulfilled by the Company and the amounts are non-refundable.

Milestone payments relating to "sales milestones" may arise when an (annual) sales threshold is met by the customer. The Company concludes that such milestones are, in substance, sales-based royalties, since they are receivable only when underlying sales are made. As such, revenue for these milestones is recognized if and when the annual sales threshold is met in accordance with the exception for royalties.

6. Other income

Other income consists of the following items:

Period ended December 31 all amounts in kEUR	2023	2022
Grant income	1,014.0	244.5
Research premium	322.4	467.8
Other income	34.8	125.4
Total	**1,371.2**	**837.6**

In the financial year, for the last time, grant income relates to FFG funding for research into a SARS-CoV-2 therapy based on Carragelose. This grant is non-refundable, except in the case of non-compliance with the agencies' rules and regulations or in the case of misuse of the funds.

According to IAS 20.10A and IFRS 1.B10, the differences between the nominal interest rates of R&D support loans and the market rate of interest, estimated at the time of initial recognition at 6.0% (WAW loan) and 15.0% (AWS Seed loan) respectively, are treated as a government grant and recognized over the term of the corresponding borrowings (see Note 22). In 2023, this interest advantage amounted to kEUR 26 (2022: kEUR 44) and is shown in the line item "Other Income".

Significant accounting policies

Grants were provided to support specific research projects and are recognized according to the progress of the respective project. Furthermore, grant income may result from conversion of loans into non-repayable grants. The research premium, which is paid out by the Austrian fiscal authorities, is calculated as 14.0% (2022: 14.0%) of a specified research and development cost base. It is recognized to the extent the research and development expenses have been incurred. All grants are non-refundable as long as the conditions of the grant are met.

According to IAS 20.10A, the benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit due to the difference between the market rate of interest and the rate of interest charged by the governmental organization is measured as the difference between the initial carrying amount of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is deferred (recorded in the line item "other liabilities" (see Note 24)), and recognized through profit or loss over the term of the corresponding borrowing in accordance with IAS 20.10A. For further information on the market interest rate and the nominal interest rates of the government loans, please refer to Note 22. The loans are recognized and measured in accordance with IFRS 9.

7. Expenses for materials and for services

Expenses for materials comprise expenses for sale of goods (cost of goods sold) including merchandise, cost of primary packaging and other raw materials, as well as expenses for laboratory consumables.

The expenses for services relate primarily to R&D services, patents and regulatory consulting (see Note 10).

8. Personnel expenses

Personnel expenses include the following items:

Year ended December 31 all amounts in kEUR	2023	2022
Salaries	–4,026.0	–3,877.6
Expenses for social security and payroll related taxes	–1,005.8	–929.1
Other employee benefit expenses	–17.1	–42.0
Total	**–5,048.9**	**–4,848.7**

Significant accounting policies

The Company is legally required to make monthly contributions to a state plan classified as a defined contribution plan. These contributions are recognized under expenses for social security and payroll related taxes.

Employee Stock Option Plan (ESOP)
On February 1, 2019, Marinomed established ESOP 2019 for the members of the Management Board as well as all other employees of the Company. The total number of options that may be granted under ESOP 2019 is 43,694 and each option entitles the option holder to subscribe for one voting share.

In 2019, 21,847 stock options were issued to the three Management Board members and 19,660 stock options to 28 employees from all hierarchy levels. In 2020, an additional 2,478 options were issued to eight new employees. When options are exercised, the Company may settle via shares (equity-settled) or in cash (cash-settled). This decision is taken at the sole discretion of the Company. The management plans to settle via shares. Granted options cannot be exercised immediately, but after vesting, i.e. 25% after 12 months starting with the first trading day (February 1, 2019), then another 6.25% every three months. The exercise price equals the IPO issue price (= EUR 75.00). The exercise period is limited to 10 trading days, starting with the 6th trading day after the release of financial statements (annual reports, quarterly financial statements). Furthermore, a hurdle rate of 2.5% per quarter starting with the first trading day applies (without compound interest). The options expire without further compensation on January 31, 2025, at the latest. If the employment is effectively terminated, the options that have not yet vested, expire immediately. However, vested options may be exercised in the exercise period following termination, depending on the achievement of the hurdle rate. The development of the issued stock options was as follows:

Number of issued stock options	As of December 31, 2021	Additions	Exercised options	Expired options	As of December 31, 2022	Therof vested
Management Board	20,897	-	-	-	20,897	19,531
Employees	12,879	-	-	800	12,079	11,051
Total	**33,776**	**-**	**-**	**800**	**32,976**	**30,582**

Number of issued stock options	As of December 31, 2022	Additions	Exercised options	Expired options	As of December 31, 2023	Therof vested
Management Board	20,897	-	-	-	20,897	20,897
Employees	12,079	-	-	211	11,868	11,868
Total	**32,976**	**-**	**-**	**211**	**32,765**	**32,765**

Critical accounting estimates and assumptions

As at the grant date, the Company estimated the fair value of one issued share option at EUR 20.75 (EUR 28.94 for options granted in July 2019, EUR 33.92 for options granted in September 2020). The fair value of the options was measured using a Monte Carlo simulation. Due to the lack of a long enough price history for the Marinomed share, expected volatility was derived from historical data of a representative peer group. Additionally, estimates on future dividends, fluctuations and exercise dates were taken into account. Furthermore, the inputs used in the measurement were as follows:

- Expected volatility: 37%
- Risk-free interest rate: 0.00%-0.68%

9. Other expenses

Other expenses include the following items (nature of expenses):

Period ended December 31 all amounts in kEUR	2023	2022
Consulting expenses	–945.9	–1,231.2
Marketing/PR expenses	–237.8	–281.0
Maintenance expenses	–286.2	–259.9
Operating costs	–111.5	–80.5
Fees	–41.1	–51.5
Travel expenses	–40.1	–45.9
Insurance	–38.5	–49.2
Scientific literature	–37.1	–30.0
Telecommunication expenses	–35.8	–34.2
Claims	–30.0	–78.6
Education expenses	–24.2	–40.2
Bank charges	–18.1	–41.5
Car expenses	–9.6	–9.6
Freight	–8.9	–17.5
Other expenses	–51.5	–122.8
Total	**–1,916.5**	**–2,373.6**

Consulting expenses include expenses for legal advice and other consulting services.

10. Research and development expenses

The Company has incurred research and development expenses which are included in the following positions in the statement of profit or loss and other comprehensive income (loss):

Year ended December 31 all amounts in kEUR	2023	2022
Personnel expenses	–2,346.5	–2,193.2
Expenses for services	–1,450.5	–1,270.6
Expenses for materials	–119.5	–216.6
Other expenses	–319.5	–418.8
Depreciation and amortization	–486.8	–490.3
Financial expenses	–2,310.1	–2,316.1
Total	**–7,032.9**	**–6,905.6**

In 2023, the main focus in the virology segment of was on the final tasks, primarily statistical work, in relation to the COVID-19 studies which were supported by the government grant as well as on the switch to the new European medical device regulation (MDR). With regards to immunology, further research work was performed for Tacrosolv, Budesolv and the MAM-1001-3 eye drops. This also applies to the previous year. Financial expenses are to a large extent related to financing costs (mainly interest) for the EIB funds spent on research and development.

Significant accounting policies

Research and development costs are usually expensed as incurred. For development costs recognized as an intangible asset according to IAS 38 please refer to Note 16.

11. Financial income and expenses

Year ended December 31 all amounts in kEUR	2023	2022
Interest income		
Bank deposits	16.9	0.2
Total	**16.9**	**0.2**
Interest and similar expenses		
EIB loan	–2,271.0	–2,260.9
Real estate financing	–117.7	–115.6
Other interest and similar expenses	–101.2	–131.7
Total	**–2,489.9**	**–2,508.2**
Other financial income/(expenses)		
Adjustments of carrying amount - income according to IFRS 9.B5.4.6	844.9	1,194.2
Adjustments of carrying amount - expenses according to IFRS 9.B5.4.6	–33.5	–163.5
Total	**811.4**	**1,030.6**
Total financial result	**–1,661.6**	**–1,477.3**
Of which financial income	*861.8*	*1,194.4*
Of which financial expenses	*–2,523.4*	*–2,671.7*

Interest income arises on bank deposits. Interest expenses consist of interest on borrowings of all kinds and are expensed as incurred.

As required by IFRS 7.20, interest on financial instruments is classified as follows:

all amounts in kEUR	Financial assets at amortized cost	Financial liabilities at amortized cost	FVTPL (held for trading)	Total
Financial result as per statement of profit or loss and other comprehensive income (loss)				
Year ended December 31, 2022				
Financial income	0.2	1,194.2	-	1,194.4
Financial expenses	-	–2,509.2	–162.5	–2,671.7
Total	**0.2**	**–1,315.0**	**–162.5**	**–1,477.3**

all amounts in kEUR	Financial assets at amortized cost	Financial liabilities at amortized cost	FVTPL (held for trading)	Total
Financial result as per statement of profit or loss and other comprehensive income (loss)				
Year ended December 31, 2023				
Financial income	16.9	844.9	-	861.8
Financial expenses	-	–2,494.2	–29.2	–2,523.4
Total	**16.9**	**–1,649.2**	**–29.2**	**–1,661.6**

12. Taxes on income

Year ended December 31 all amounts in kEUR	2023	2022
Current tax	−4.0	−4.0
Foreign withholding tax	-	−2.8
Total	**−4.0**	**−6.8**

The total charge for the year can be reconciled to the accounting profit as follows:

Year ended December 31 all amounts in kEUR	2023	2022
Profit (Loss) before taxes	−6,790.8	−6,390.9
Tax income (expense) at 24% (2022: 25%)	1,629.8	1,597.7
Expenses not deductible for tax purposes	−43.7	−83.5
Income not subject to tax	82.7	123.8
Effect of deferred tax asset not recognized	−1,668.7	−1,638.0
Foreign withholding tax	-	−2.8
Minimum corporate income tax	−4.0	−4.0
Total income tax expense	**−4.0**	**−6.8**

Deferred taxes

Temporary differences resulting in deferred tax liabilities in the amount of kEUR 602 (2022: kEUR 693) are offset against deferred tax assets resulting mainly from tax loss carryforwards showing the same amount and timing with the same fiscal authority. The tax loss carryforwards clearly exceed the deferred tax liabilities. Further to this, no deferred tax assets have been recognized in the statement of financial position or effects shown in the statement of profit or loss and other comprehensive income.

Year ended December 31 all amounts in kEUR	**2023**	**2022**
Deferred tax asset from		
Tax losses carried forward	13,219.4	11,714.0
Property, plant and equipment	26.2	14.9
Current receivables	44.2	66.5
Borrowings	37.4	8.0
Convertible note	-	5.4
Other liabilities	11.4	11.2
Non-recognition of deferred tax assets	–12,736.3	–11,127.4
Total deferred tax assets	**602.3**	**692.5**

Year ended December 31 all amounts in kEUR	**2023**	**2022**
Deferred tax liability from		
Intangible assets - software	–2.5	–2.7
Intangible assets - development costs	–318.5	–372.0
Property, plant and equipment	–18.6	–19.2
Inventories	–28.3	–43.3
Current receivables	–227.6	–231.4
Borrowings	–5.8	–21.9
Convertible note	–0.8	–2.0
Other liabilities	–0.3	-
Total deferred tax liability	**–602.3**	**–692.5**
Deferred tax, net	**-**	**-**

As of December 31, 2023, the Company has unrecognized deferred tax assets of kEUR 12,736 (2022: kEUR 11,127) mainly resulting from cumulative tax loss carryforwards in respect of losses of kEUR 57,438 (2022: kEUR 50,897). Since the Company is in a loss-making position and has a history of losses, no deferred tax asset has been recognized. The tax loss carryforwards will not expire.

The reduction in corporate tax rate to 23% from 2024 was taken into account when determining deferred taxes as of December 31, 2023. The reduction in corporate tax rates to 24% in 2023 and to 23% from 2024 was taken into account when determining deferred taxes as of December 31, 2022.

Critical accounting estimates and assumptions

A deferred tax asset is recognized for an unused tax loss carryforward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profits against which the loss or credit carryforward can be utilized.

The Company is in a loss-making position and has a history of losses. Therefore, the Company can recognize a deferred tax asset arising from unused tax losses or tax credits only to the extent that the Company has sufficient taxable temporary differences, or where there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized.

Significant management judgement is required to determine whether such deferred tax assets can be recognized and, if so, the amount to be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward further than to the extent that can be offset with deferred tax liabilities, as there is currently not enough convincing evidence of when future taxable profits will be available.

13. Earnings (loss) per share

Basic earnings/losses per share

Basic earnings/losses per share are calculated by dividing the net profit/loss attributable to shareholders by the weighted average number of shares outstanding during the year.

Period ended December 31	2023	2022
Profit (loss) for the period (in kEUR)	−6,794.8	−6,397.7
Weighted average number of shares outstanding	1,518,194	1,498,906
Basic earnings (loss) per share (in EUR)	**−4.5**	**−4.3**

On September 17, 2018, the extraordinary general meeting approved the increase in the number of shares from 132,360 shares by 867,640 shares to 1,000,000 shares. All shareholders subscribed to the nominal capital increase on a prorata basis.

The number of shares outstanding increased on February 1, 2019, by 260,000 in the course of the IPO, on February 20, 2019, by 170,772 after the conversion of the convertible bond and on February 28, 2019 due to the exercise of the green-shoe option by another 39,000. From 2020 to 2022, 8,134 shares were issued under the employee stock option plan. 45,927 shares were issued in 2021-2023, as a result of the conversion of the convertible notes from the first ten tranches of the CNFP. Taking these capital measures into account, the weighted average number of shares outstanding in 2023 amounts to 1,518,194 (2022: 1,498,906).

Diluted earnings/losses per share

Basic and diluted earnings per share are the same in 2023 and 2022, because at December 31, 2023, zero (December 31, 2022: 2,394) non-vested stock options as well as 5,283 (December 31, 2022: 5,816) convertible notes not yet converted into equity were not included in the calculation of potentially dilutive shares, as they were, due to the reported losses, anti-dilutive for the 2023 and 2022 financial year. These shares may potentially have a dilutive effect in the future.

14. Notes to the statement of cash flows

The table below shows changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	all amounts in kEUR	EIB Loan	Real estate financing	Other borrowings
	Carrying amount as of January 1, 2022	10,243.3	4,649.9	905.1
	Financing cash flows	6,000.0	200.0	1,583.6
Non-cash changes	Conversion convertible note	-	-	–1,800.0
Non-cash changes	Adjustments of carrying amount according to IFRS 9.B5.4.6	–1,170.7	1.0	–23.5
Non-cash changes	Effective interest accrued	2,260.4	115.6	131.7
Non-cash changes	Other non-cash changes	-	-	–20.2
	Interest paid	–307.0	–66.1	–75.6
	Carrying amount as of December 31, 2022	**17,026.1**	**4,900.4**	**701.2**

	all amounts in kEUR	EIB Loan	Real estate financing	Other borrowings
	Carrying amount as of January 1, 2023	17,026.1	4,900.4	701.2
	Financing cash flows	–1,333.3	–109.1	512.7
Non-cash changes	Conversion convertible note	-	-	–760.0
Non-cash changes	Adjustments of carrying amount according to IFRS 9.B5.4.6	–844.9	0.7	3.5
Non-cash changes	Effective interest accrued	2,271.0	117.7	91.2
Non-cash changes	Other non-cash changes	-	-	–16.7
	Interest paid	–632.0	–100.5	–30.6
	Carrying amount as of December 31, 2023	**16,486.8**	**4,809.2**	**501.3**

15. Property, plant and equipment

all amounts in kEUR	IT equipment	Laboratory equipment	Other plant and office equipment	Right-of-use asset	Land and buildings	Total
As of January 1, 2022						
Cost	253.2	646.5	540.5	49.6	5,887.5	7,377.2
Accumulated depreciation	−137.6	−436.0	−151.5	−1.6	−218.8	−945.5
Carrying amount	**115.5**	**210.4**	**389.0**	**48.1**	**5,668.7**	**6,431.7**
Year ended December 31, 2022						
Beginning carrying amount	115.5	210.4	389.0	48.1	5,668.7	6,431.7
Additions	73.8	44.6	16.2	-	24.8	159.3
Disposals	−0.2	−0.8	−12.2	-	-	−13.1
Depreciation	−47.3	−45.6	−78.5	−6.2	−197.0	−374.6
Carrying amount	**141.9**	**208.7**	**314.4**	**41.9**	**5,496.5**	**6,203.3**
As of January 1, 2023						
Cost	324.9	678.6	491.7	49.6	5,912.3	7,457.0
Accumulated depreciation	−183.0	−469.9	−177.2	−7.8	−415.8	−1,253.7
Carrying amount	**141.9**	**208.7**	**314.4**	**41.9**	**5,496.5**	**6,203.3**
Year ended December 31, 2023						
Beginning carrying amount	141.9	208.7	314.4	41.9	5,496.5	6,203.3
Additions	10.8	107.4	9.9	-	0.5	128.5
Disposals	−0.0	-	-	-	-	−0.0
Depreciation	−51.8	−57.0	−74.5	−6.2	−197.3	−386.9
Carrying amount	**100.8**	**259.0**	**249.8**	**35.7**	**5,299.6**	**5,944.9**
Year ended December 31, 2023						
Cost	332.9	786.0	501.6	49.6	5,912.8	7,582.8
Accumulated depreciation	−232.1	−526.9	−251.8	−14.0	−613.1	−1,637.9
Carrying amount	**100.8**	**259.0**	**249.8**	**35.7**	**5,299.6**	**5,944.9**

As of December 31, 2023, fully depreciated property, plant and equipment with acquisition costs of kEUR 459 (2022: kEUR 438) is still in use.

The laboratory equipment as well as the other plant and office equipment line item include the following amounts where Marinomed is a lessee (see Note 22).

Year ended December 31 all amounts in kEUR	2023	2022
Leasehold laboratory equipment		
Cost	132.3	132.3
Accumulated depreciation	–118.2	–111.9
Net carrying amount	**14.1**	**20.4**

Year ended December 31 all amounts in kEUR	2023	2022
Other plant and office equipment		
Cost	49.6	49.6
Accumulated depreciation	–14.0	–7.8
Net carrying amount	**35.7**	**41.9**

Significant accounting policies

Property, plant and equipment is shown at historical costs less accumulated depreciation. Historical costs include the acquisition price, ancillary costs and subsequent acquisition costs less any discounts received on the acquisition price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset where appropriate, but only if it is probable that future economic benefits associated with the item will accrue to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are shown in the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Assets are depreciated on a straight-line basis over their estimated useful lives. Estimated useful life is calculated taking into account the assets' expected economic and technical life. In 2022 and 2023, the estimated useful lives of property, plant and equipment are as follows: 3-8 years for IT equipment, 2-10 years for laboratory equipment, 2-10 years for other plant and office equipment and 30 years for the building. The assets' residual carrying amounts and useful lives are reviewed, and adjusted if appropriate, at each reporting date. When assets are sold, closed down or scrapped, the difference between the net proceeds and the net carrying amount of the asset is recognized in other income/other expenses.

In accordance with IAS 23, borrowing costs directly attributable to the construction of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of the asset. The requirements for capitalizing borrowing costs according to IAS 23 were not met for any property, plant and equipment in 2022 and 2023.

16. Intangible assets

The following table shows the changes in intangible assets:

all amounts in kEUR	Development costs	Software	Purchased patents	Total
As of January 1, 2022				
Cost	3,190.5	243.3	100.0	3,533.8
Accumulated depreciation	–1,360.1	–159.3	–7.1	–1,526.5
Carrying amount	**1,830.5**	**84.0**	**92.9**	**2,007.3**
Year ended December 31, 2022				
Beginning carrying amount	1,830.5	84.0	92.9	2,007.3
Additions - acquisitions	-	76.8	-	76.8
Additions - development	-	-	-	-
Disposals	-	-	-	-
Amortization	–222.9	–49.9	–7.1	–280.0
Carrying amount	**1,607.6**	**110.9**	**85.7**	**1,804.1**
As of January 1, 2023				
Cost	3,190.5	320.1	100.0	3,610.6
Accumulated amortization	–1,583.0	–209.2	–14.3	–1,806.4
Carrying amount	**1,607.6**	**110.9**	**85.7**	**1,804.1**
Year ended December 31, 2023				
Beginning carrying amount	1,607.6	110.9	85.7	1,804.1
Additions - acquisitions	-	-	-	-
Additions - development	-	-	-	-
Disposals	-	–4.5	-	–4.5
Amortization	–222.9	–45.1	–7.1	–275.1
Carrying amount	**1,384.7**	**61.3**	**78.6**	**1,524.5**
As of December 31, 2023				
Cost	3,190.5	293.1	100.0	3,583.6
Accumulated amortization	–1,805.9	–231.7	–21.4	–2,059.0
Carrying amount	**1,384.7**	**61.3**	**78.6**	**1,524.5**

As of December 31, 2023, the Company has entered no agreements (December 31, 2022: no agreements) entailing financial commitments for the future and relating to services provided by third parties in connection with the implementation of clinical trials and other research and development activities which are capitalized as development costs.

Significant accounting policies

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire the software and bring it into use. These costs are amortized on a straight-line basis over their estimated useful lives (3-8 years in 2022 and 2023).

Research and development expenses (IAS 38) are defined as costs incurred for current or planned activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development expenses are defined as costs incurred for the application of research findings or specialist knowledge to production, production methods, services or goods prior to the commencement of commercial production or use.

All research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate the following:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- The management intends to complete the intangible asset and to utilize or sell it;
- The Company is able to utilize or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and/or other resources to complete the development and to utilize or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

The amount initially recognized for internally-generated intangible assets is the sum of directly attributable costs incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognized, development costs are recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit.

Critical accounting estimates and assumptions

Development costs are capitalized in accordance with the accounting policies presented above. Initial capitalization of costs is based on the management's positive judgement that technical and economic feasibility has been confirmed.

Development costs incurred after this positive judgement that are directly attributable to the development activities have been recognized as an intangible asset. Directly attributable costs include employee costs, material costs, contract research as well as an appropriate portion of relevant overheads. Capitalized development costs are shown as an intangible asset which is amortized over its expected useful life. Starting with the commercialization of the product, no further development costs are capitalized. The expected useful economic life has been estimated on the basis of the duration of the corresponding patent, i.e. the period over which the Company expects to generate economic benefit, which is 14.8-16.5 years for development costs where the amortization period has already started.

The management constantly monitors the recoverability of capitalized development costs as well as the amortization period. Adjustments will be made if future market activity indicates that such adjustments are appropriate.

17. Inventories

Inventories include the following items:

Year ended December 31 all amounts in kEUR	2023	2022
Raw materials and supplies	741.3	942.4
Bulk goods	-	180.8
Goods for sale	238.7	193.1
Raw materials and supplies in production and unfinished services	32.5	245.8
Total	**1,012.4**	**1,562.1**

Inventories recognized as an expense during the year ended December 31, 2023 amounted to kEUR 5,745 (2022: kEUR 7,061). These were included under the line item "Expenses for materials" in the statement of profit or loss and other comprehensive income.

18. Financial instruments

In accordance with IFRS 9 and IFRS 7, financial instruments are classified as follows:

As of December 31, 2022 all amounts in kEUR	Financial assets at amortized cost	FVTPL
Assets as per statement of financial position		
Non-current receivables	0.5	-
Trade and other receivables	3,106.4	-
Cash and cash equivalents	8,175.4	-
Total	**11,282.3**	**-**

all amounts in kEUR	Financial liabilities at amortized cost	FVTPL
Liabilities as per statement of financial position		
Borrowings	22,627.6	-
Current contract liabilities and other current liabilities	770.8	22.7
Trade payables	1,153.2	-
Total	**24,551.7**	**22.7**

As of December 31, 2023 all amounts in kEUR	Financial assets at amortized cost	FVTPL
Assets as per statement of financial position		
Non-current receivables	0.4	-
Trade and other receivables	2,376.5	5.7
Cash and cash equivalents	2,588.8	-
Total	**4,965.7**	**5.7**

all amounts in kEUR	Financial liabilities at amortized cost	FVTPL
Liabilities as per statement of financial position		
Borrowings	21,797.3	-
Current contract liabilities and other current liabilities	418.9	-
Trade payables	1,531.3	-
Total	**23,747.5**	**-**

The Company did not hold any financial assets classified as at FVTOCI as of December 31, 2023 (December 31, 2022: none). At the balance sheet date, financial assets classified as at FVTPL solely consist of the equity conversion right of a convertible note. As of December 31, 2022, financial liabilities classified as FVTPL solely consist of the equity conversion right of a convertible note (see also Note 22).

Trade receivables are shown under trade and other receivables in the statement of financial position (see also Note 19).

The carrying amount of current borrowings is a reasonable approximation of their fair value, as the impact of discounting is not significant. The carrying amounts for current trade receivables and trade payables are assumed to approximate their fair value due to their relatively short maturity. For non-current borrowings, refer to Note 22.

Significant accounting policies

Due to non-fulfilment of the fixed-for-fixed criterion, convertible notes are accounted for as financial liabilities until they are converted into equity (see also Note 22). The equity conversion right from the convertible bond program, which is recorded on the balance sheet either under current contract liabilities and other current liabilities (if the fair value of the right is negative from Marinomed's perspective) or under other receivables (if the fair value of the right is positive from Marinomed's perspective), is classified as an embedded derivative of the bond and is separated from the main contract (derivatives held for trading as per IFRS 9 Appendix A). The fair value of the derivative instrument was calculated as the difference between the fair value of the hybrid instrument and the fair value of the host contract.

Financial assets
At initial recognition, financial assets are classified as subsequently measured at (a) amortized cost, (b) FVTOCI or (c) FVTPL. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This measurement is referred to as the SPPI test and must be performed at instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from primarily collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at amortized cost are currently the only category relevant to the Company and include financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The Company's financial assets at amortized cost include trade and other receivables. They are included in current assets, except for items with maturities greater than twelve months after the end of the reporting period, which are classified as non-current assets.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial liabilities
At initial recognition, financial liabilities are classified as subsequently measured at either (a) amortized cost or (b) FVTPL and include loans, trade payables, current contract liabilities and other current liabilities as well as other financial liabilities.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

This category generally applies to loans, trade payables, current contract liabilities and other current liabilities as well as other financial liabilities.

In February 2019, Marinomed was granted a loan commitment of up to EUR 15 million by the European Investment Bank. The payout of three tranches in total took place from 2019 to Q1/2022 and was subject to the achievement of certain contractually defined milestones. Each tranche has a maturity of five years. Apart from fixed interest payments, Marinomed also has to pay royalties based on revenues (for more details, see Note 22). If the Company revises its estimates of payments or receipts, it adjusts the amortized cost of the EIB loan to reflect revised estimated contractual cash flows in accordance with IFRS 9.B5.4.6. The Company recalculates the amortized cost of the EIB loan as the present value of the estimated future contractual cash flows, which are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in profit or loss as income or expense (see Note 11). Repayment was originally planned for the years 2023-2027. On March 27, 2024, an agreement was reached to postpone the repayments for all tranches by 18 months. Only for the third tranche, which is repaid in semi-annual installments, the next repayment due was suspended until December 31, 2025. Interest payments and performance-related components will continue to be serviced (see Note 31).

The Company has obtained loans from various governmental agencies for certain research and development projects, which are shown under borrowings in the statement of financial position. These loans bear an interest rate below the market interest rate. The difference between fair value and the notional amount is treated as a grant in accordance with IAS 20.10A (please refer to Note 6 for further details). The loans are recognized and measured in accordance with IFRS 9.

Critical accounting estimates and assumptions

Estimation of future cash flows for financial liabilities at amortized cost

The estimated future cash flows, on which the valuation of the EIB loan which is recognized at amortized cost is based, are adjusted to the Company's current long-term planning on the balance sheet date. This is decisive for the estimated future royalty payments based on the Company's revenues.

19. Long-term and current receivables

Year ended December 31 all amounts in kEUR	2023	2022
Deposits	0.4	0.5
Prepaid expenses	6.3	11.1
Total long-term receivables	**6.7**	**11.6**
Trade receivables	1,402.7	1,392.6
Prepaid expenses	1,147.4	1,405.3
Other receivables	981.7	1,729.5
Total current receivables	**3,531.8**	**4,527.4**

Current receivables were all due within one year. None of them was impaired. Other receivables mainly include receivables resulting from the research premium and credits from VAT returns. All material trade receivables due as of the balance sheet date were already paid at the time of the preparation of these consolidated financial statements.

20. Cash and cash equivalents

The following table shows the cash and cash equivalents:

Year ended December 31 all amounts in kEUR	2023	2022
Cash on hand	0.7	1.2
Cash at bank	2,588.2	8,174.1
Total cash and cash equivalents	**2,588.8**	**8,175.4**

21. Capital and reserves

As of December 31, 2023, the number of shares outstanding amounts to 1,523,833 (December 31, 2022: 1,506,162), of which 1,519,167 (December 31, 2022: 1,484,706) recorded in the Company register at the balance sheet date.

At the Annual General Meeting held on June 21, 2023, resolutions were adopted to cancel the existing Authorized Capital 2020 (736,017 shares) and to authorize the Management Board in accordance with Section 169 of the Austrian Stock Corporation Act to increase the Company's share capital by up to 759,583 shares by June 20, 2028, subject to the partial disapplication of pre-emption rights and partial authorization to disapply pre-emption rights, if necessary in several tranches, against cash and / or contribution in kind by issuing up to 759,583 new no-par value bearer shares at a minimum issue price of EUR 1 per share (proportionate amount of share capital per share) and to increase the issue amount, issue conditions and other details of the capital increase to be determined in agreement with the Supervisory Board ("Authorized Capital 2023").

At the Annual General Meeting held on September 17, 2020, the Conditional Capital 2019 (100,000 shares) was reduced by 56,306 to 43,694 no-par value bearer shares, and a resolution was passed for conditional capital of up to 54,000 bearer shares for the purpose of servicing stock options under the Stock Option Plan 2020 ("Conditional Capital 2020"). In accordance with the resolution of the Annual General Meeting on June 21, 2023, this conditional capital can solely be used to service stock options, which are allocated to employees of the Company under the Stock Option Plan 2023. The Stock Option Plan 2023 replaced the Stock Option Plans 2020 and 2022. There are no beneficiaries from the old Stock Option Plans, as no stock options have been granted and no subscription shares have been issued.

At the Annual General Meeting held on June 17, 2021, the Management Board was authorized in accordance with Section 174 (2) of the Austrian Stock Corporation Act to issue financial instruments, i.e. convertible bonds, participating bonds or participation rights, which can provide for the subscription to and/or exchange for shares, including the authorization to disapply shareholders' pre-emption rights to these financial instruments with the approval of the Supervisory Board. In addition, the "Conditional Capital 2018" was cancelled and the conditional increase in the Company's share capital pursuant to Section 159 (2) 1. of the Austrian Stock Corporation Act was resolved for the issue of financial instruments to creditors ("Conditional Capital 2021").

All shares have a nominal value of EUR 1 and are fully paid-in.

22. Borrowings

Borrowings consist of the following items:

Year ended December 31 all amounts in kEUR	2023	2022
Non-current borrowings		
EIB loan	10,039.8	15,223.8
Real estate financing	4,649.5	4,730.7
Other borrowings	150.9	227.6
Total non-current borrowings	**14,840.2**	**20,182.1**
Current borrowings		
EIB loan	6,447.0	1,802.3
Real estate financing	159.6	169.7
Other borrowings	350.5	473.5
Total current borrowings	**6,957.1**	**2,445.6**
Total borrowings	**21,797.3**	**22,627.6**

The maturity of borrowings is as follows:

Year ended December 31 all amounts in kEUR	2023	2022
No later than 1 year	6,957.1	2,445.6
Later than 1 year and no later than 5 years	12,401.1	16,473.2
Later than 5 years	2,439.1	3,708.8
Total borrowings	**21,797.3**	**22,627.6**

As of December 31, 2023, the nominal and carrying amounts, maturity dates and interest rates on borrowings were as follows:

Financial instrument all amounts in kEUR	Nominal amount	Carrying amount	Maturity date	Weighted nominal interest rate	Weighted average effective interest rate
EIB loan	13,666.7	16,486.8	14.10.2024 - 11.02.2027	6.45%	14.71%
ERP loan	3,800.0	3,715.6	31.12.2033	1.74%	2.32%
NÖBEG financing	1,090.9	1,093.6	31.12.2033	2.53%	2.76%
AWS Seed loan	219.9	212.0	undefined	4.18%	4.18%
Convertible note	160.0	156.7	08.01.2024	N/A[1)]	N/A[1)]
WAW loan	100.0	102.3	15.01.2024	2.00%	2.00%
Leasing	30.4	30.4	22.09.2026	2.67%	2.67%

[1)] The convertible note had already been converted into equity at the time these annual financial statements were prepared. Therefore, this information is not disclosed.

The following table shows a comparison by class of the carrying amounts and fair values of the Company's borrowings, other than those with carrying amounts that are reasonable approximations of fair values:

Year ended December 31 all amounts in kEUR	2023	2022
Carrying amount		
EIB loan	16,486.8	17,026.1
Real estate financing	4,809.2	4,900.4
Other borrowings	471.0	663.5
Total	**21,767.0**	**22,590.0**
Fair Value		
EIB loan	16,486.8	17,026.1
Real estate financing	5,189.1	5,117.3
Other borrowings	481.3	688.8
Total	**22,157.2**	**22,832.2**

The fair values of the aws Seed loan and the WAW loan stated above are based on discounted cash flows using an interest rate of 9.9% (2022: 8.2%), which, at the time of the fair value calculation, was considered to be the best estimate for a market interest rate for the Company derived from quotation received by an external financial institution. They are classified as level 3 fair values in the fair value hierarchy (see Note 18) due to the use of unobservable inputs, including an estimation of the timing of repayment of the aws Seed loan based on the Company's forecast.

For other financial liabilities, the fair values are not materially different to their carrying amounts, since the interest payable on those financial liabilites is either close to current market rates or the financial liabilities are of a short-term nature.

aws Seed loan

In 2006, the Company took out a loan from aws ("aws Seed loan") in the total nominal amount of kEUR 500. The aws Seed loan is generally granted to support start-up companies. In case of the Company, aws granted the loan for the purpose of supporting the development of the Company's antiviral medical devices.

The aws Seed loan has a term of ten years including a grace period of five years, starting on July 1, 2007, (date on which the last tranche was received from aws) and a fixed interest rate of 8.50% p.a. Yearly repayments are to be based on annual profits made by the Company. If the Company generates a profit, 30% of the profit before tax (adjusted for certain items) has to be used to repay the loan. If the Company does not make any profits in any given year, no repayments shall be made in that year. The loan period is extended indefinitely until the outstanding amount is paid off.

Due to an improved liquidity position after the IPO in February 2019, it was possible to repay the principal of the aws Seed loan amounting to kEUR 500 in June 2019. Regarding the repayment of the accrued interest, which had accumulated since 2006, a favourable agreement was reached. Starting on February 1, 2019, the interest was retrospectively reduced from a fixed rate of 8.5% to 2% plus 3M-EURIBOR (maximum interest rate according to SME grants law). Furthermore, it was agreed to settle kEUR 100 yearly in the event of a loss. In the event of a profit, 30% of the profit before tax (adjusted for certain items, at least kEUR 100) has to be used to repay the loan. The first repayment date was June 30, 2020. The aws has promised to agree to a similar postponement of the aws Seed loan once the agreements have been concluded (see EIB loan, ERP loan, NÖBEG financing).

EIB loan

In February 2019, Marinomed was granted a loan commitment of up to EUR 15 million by the European Investment Bank. The payout of three tranches in total took place from 2019 to Q1/2022 and was subject to the achievement of certain contractually defined milestones. Each tranche has a maturity of five years. Apart from interest payments, Marinomed also has to pay royalties based on revenues. On March 27, 2024, an agreement was reached to postpone the repayments for all tranches by 18 months. Only for the third tranche, which is repaid in semi-annual installments, the next repayment due was suspended until December 31, 2025. Interest payments and performance-related components will continue to be serviced.

WAW loan

In October 2020, an installment plan agreement was concluded with the Vienna Business Agency (WAW) for a total amount of kEUR 510. The repayment of the residual amount amounting to kEUR 102, which should have been settled on November 1, 2023, was suspended for the time being as at the balance sheet date. A delay in loan repayment of at least 18 months was also agreed with the WAW (see EIB loan, ERP loan, NÖBEG financing).

ERP loan, NÖBEG financing

To finance the new Company headquarters, aws Wirtschaftsservice in conjunction with the ERP fund and NÖBEG granted a financing framework totaling EUR 5 million. From the credit line of the ERP Fund (totaling EUR 3.8 million), EUR 3 million were already drawn in 2020, the remaining EUR 0.8 million were paid out in September 2021. The loan bears interest at 0.5% p.a. (semi-fixed from July 1, 2024) plus a guarantee fee of 1.2% - 2.0% p.a. and is, after a grace period, to be repaid in 20 half-yearly installments from June 30, 2024. The second part of the financing, provided by NÖBEG), was drawn down in December 2021 and May 2022 (EUR 1.2 million). The financing bears interest at 2.25% p.a. (from December 14, 2026, variable with a minimum interest of 1.75% p.a.) plus a guarantee fee of 0.28% p.a.. It will be repaid in 11 yearly installments from December 31, 2023. The financing framework is secured by a mortgage in favour of the paying bank in the maximum amount of EUR 4.4 million. The real estate financiers have agreed to a comparable deferral of the repayments by 18 months. However, the real estate financiers may not extend the term, so that in the case of NÖBEG, the three deferred repayments are repaid in one payment at the end of the deferral period, and in the case of ERP, the three suspended semi-annual tranches are added to the last three tranches (see EIB loan).

Convertible note

In October 2021, Marinomed secured financing in a total amount of up to EUR 5.4 million via a flexible Convertible Notes Funding Program (CNFP) from the Swiss investment firm Nice & Green S.A. Under the terms of the agreement, Marinomed Biotech AG is entitled to issue up to 18 tranches of zero-coupon convertible bonds of up to kEUR 300 per tranche. Nice & Green S.A. has committed to subscribing for those convertible notes and requesting the conversion into ordinary shares of the Company within a specific period after their issuance. After a pause since March 2023, it was agreed in October 2023 to continue the program, but to reduce the tranches from kEUR 300 to kEUR 160. The program allows to draw down tranches as required, or not to make any draw-downs, respectively. As of the date of preparation of this consolidated financial statements, 13 out of 18 tranches have been issued and converted.

Leases

As of December 31, 2023, the Company leases a vehicle (December 31, 2022: laboratory equipment and a vehicle). The leasing vehicle has a residual value of kEUR 18. Total lease liabilities at the balance sheet date sum up to kEUR 30 (December 31, 2022: kEUR 38).

23. Trade payables

Trade payables were all due within one year. Trade payables are unsecured and are usually paid within 30 days of recognition.

24. Current contract liabilities and other liabilities

Current contract liabilities and other liabilities include the following items:

Year ended December 31 all amounts in kEUR	2023	2022
Other non-current liabilities		
Grant - below market rate, investment grants	254.7	304.9
Total other non-current liabilities	**254.7**	**304.9**
Current contract liabilities and other current liabilities		
Holiday not taken	279.2	256.6
Social security and payroll related taxes	184.4	119.4
Employee bonuses	143.4	262.2
Contract liabilities	76.7	-
Clinical studies	50.2	95.4
Accounting, tax and audit services	44.5	48.2
Grant - below market rate	12.9	26.0
Overtime	6.8	34.3
Deferred grant income	-	817.0
Outstanding invoices merchandise	37.2	228.7
Other	329.5	470.0
Total current contract liabilities and other current liabilities	**1,164.8**	**2,357.9**
Total contract liabilities and other liabilities	**1,419.5**	**2,662.8**

The position “Other” primarily contains liabilities from expenses for services and other expenses.

25. Provisions

Significant accounting policies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income (loss).

26. Contingent liabilities

The Company has no contingent liabilities in respect of legal claims arising in the ordinary course of business.

27. Commitments

The Company has entered into a number of agreements which also entail financial commitments for the future and mainly relate to services provided by third parties in connection with the implementation of clinical trials and other research and development activities. The remaining payments to be made under these agreements, if all milestones and other conditions are met, are estimated as follows:

Year ended December 31 all amounts in kEUR	2023	2022
No later than 1 year	382.0	798.6
Later than 1 year and no later than 5 years	143.0	203.6
Later than 5 years	-	-
Total	**524.9**	**1,002.2**

28. Employees

The average number of employees (FTEs) during the financial year was 47 (2022: 44), including 3 members of the Management Board (2021: 3).

29. Related party transactions

Management remuneration
In 2023, the members of the Management Board of the Company were:

- Andreas Grassauer, CEO
- Eva Prieschl-Grassauer, CSO
- Pascal Schmidt, CFO

In 2023, expenses for salaries and short-term employee benefits of members of the Management Board excluding expenses for social security and payroll related taxes amounted to kEUR 817 (2022: kEUR 919). In 2023, these amounts included expenses for the employee stock option plan amounting to kEUR 1 (2022: kEUR 22). No long-term employee benefits or termination benefits were paid in 2022 and 2023.

Supervisory Board remuneration
The Supervisory Board, which supports the management in strategic, commercial and scientific matters, consisted of the following members in 2023:

- Simon Nebel (Chairman, since June 2, 2017)
- Brigitte Ederer (Deputy Chairwoman since June 21, 2023; member since November 21, 2018)
- Elisabeth Lackner (member since June 15, 2022)
- Ulrich Kinzel (member since June 15, 2022)
- Eva Hofstädter-Thalmann (member since June 21, 2023)

In 2023, the aggregate remuneration of the members of the Supervisory Board amounted to kEUR 163 (2022: kEUR 154).

Since 2019, the Chairman of the Supervisory Board has performed business development activities as part of a consultancy agreement concluded with Viopas Venture Consulting GmbH (VVC). In the financial year 2023, expenses related to this contract amounted to kEUR 30 (2022: kEUR 30), which are mainly attributable to the Chairman. The resulting open liability amounts to kEUR 8 as of December 31, 2023 (December 31, 2022: EUR 0).

In Q1/2023, an additional consulting contract for business development services was concluded with the company VVC. The remuneration for this consulting services contains fixed and (predominantly) performance-related components. In 2023, retainer fees and out-of-pocket expenses borne by Marinomed related to this contract amounted to kEUR 94 (2022: EUR 0). The resulting open liability amounts to EUR 0 as of December 31, 2023 (December 31, 2022: EUR 0). The Chairman of the Supervisory Board is shareholder of VVC, however, the main part of the remuneration is due to the project lead, which is not held by Simon Nebel.

There is a consultancy agreement with the Supervisory Board member Elisabeth Lackner for business and corporate development activities. In the financial year, the expenses related to this agreement amounted to kEUR 29 (2022: EUR 0) including out-of-pocket expenses. The resulting outstanding liability amounted to kEUR 29 as of December 31, 2023 (December 31, 2022 EUR 0).

All transactions with related parties are carried out at arms-length principle.

30. Audit fees

The auditors of the statutory accounts BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft have performed the following services for the Company:

Year ended December 31 all amounts in kEUR	2023	2022
Audit fees financial statements	70.5	63.7
Other assurance services	28.9	27.4
Other advisory services	1.6	5.9
Total	**101.0**	**97.0**

31. Events after the balance sheet date

In the years 2021 - 2024, a total of 13 tranches of the flexible convertible bond program were subscribed and 13 tranches were converted. The share capital increased by 3,116 shares in 2021, by 25,140 shares in 2022, by 17,816 shares in 2023 and by a further 16,697 shares in 2024. The last tranche for the time being was drawn in February 2024 and converted in March 2024, resulting in a share capital increase of 5,213 shares.

On March 27, 2024, the Company has reached an agreement with the European Investment Bank (EIB) on the deferral of repayments of the EUR 15 million venture loan granted in 2019. Under the amendment, repayment of tranche one with a nominal value of EUR 4 million will be shifted from October 2024 to April 2026. Tranche two, with a nominal value of EUR 5 million, will be shifted from December 2025 to June 2027. Marinomed will repay tranche three with an outstanding nominal value of EUR 4.7 million in bi-annual installments of EUR 0.67 million between December 2025 and August 2028. Interest rates remain unchanged. The amendment contains further terms and conditions, including the extension of the existing royalty agreement for five years. The lenders of the real estate financing also agreed to suspend their capital repayments alongside with the EIB. The aws has promised to agree to a similar postponement of the aws Seed loan once the agreements have been concluded. A delay in loan repayment of at least 18 months was also agreed with the WAW.

Beyond this, there were no significant events after the balance sheet date that would have an impact on the consolidated financial statements.

The Company's consolidated financial statements were approved by the management for submission to the Supervisory Board on April 15, 2024.

Korneuburg, 15.04.2024	Korneuburg, 15.04.2024	Korneuburg, 15.04.2024
Andreas Grassauer	Eva Prieschl-Grassauer	Pascal Schmidt

Auditor's report

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of Marinomed Biotech AG, Korneuburg, and of its subsidiary (the Group) comprising the consolidated balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2023 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with the additional requirements stated in section 245a UGB (Austrian Company Code).

Basis for opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Material uncertainties regarding the company's ability to continue as a going concern

The consolidated financial statements as of December 31, 2023 show negative equity of kEUR 10,136.4 and an annual loss of kEUR 6,794.8. When preparing the consolidated financial statements as of December 31, 2023, the Board of Directors assumed the going concern principle. With regard to the material uncertainties regarding the going concern, we refer to the statements in the chapter "Material uncertainties in connection with the going concern" in the notes. It explains that the currently available positive continuation forecast requires, in addition to the postponement of repayments for the existing EIB financing, the conclusion of several license agreements in the areas of Carragelose and Marinosolv. The agreements with the EIB to defer repayments by 18 months have already been concluded.

As set out in the Notes, these events or circumstances demonstrate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and that the Company may be unable to meet its assets and liabilities as reported in the consolidated financial statements as of December 31, 2023 to be realized or repaid in the normal course of business. Our audit is not modified in light of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Below we present the Key audit matters:

1. Revenue recognition

1. Revenue recognition

Facts and reference to further information

The group generated sales revenue according to IFRS in the amount of kEUR 9,183.5 in 2023. The majority of kEUR 8,139.0 in 2023 was attributable to the sale of goods from the area Carragelose.

The revenue recognition standard, IFRS 15, provides for revenue recognition using a five-stage model. For point-in-time delivery transactions, revenue is recognized in accordance with IFRS 15 at the time the customer receives control of the goods. Revenue from milestone payments is recognized to the extent that there is a high probability that a significant reversal will not occur; This is generally the case if all contractual obligations associated with the payment are fulfilled by the company and the amounts are non-refundable.

Sales revenue represents an important decision-making criterion for (potential) investors and users of financial statements in order to assess the company's market success and progress.

Due to the significant influence of sales revenue on the consolidated result and the importance of sales revenue for the company's consolidated financial statements in general, revenue recognition was identified as a particularly important audit matter.

Information on the accounting and valuation principles and the composition of sales revenue in the 2023 financial year can be found in the notes to the consolidated financial statements in Chapter 5.

Audit procedure

As part of the audit, we examined the accounting-related internal control system and tested the processes relevant to the realization of sales revenue and the controls implemented therein with regard to their effectiveness as part of structural and functional tests.

We also carried out substantive audit procedures. For this purpose, contracts were assessed in random samples to determine whether the contractual terms contained therein were correctly reflected in the revenue recognition process.

The correct period demarcation was verified by checking deliveries of goods around the key date.

In addition, we had the receivables from sales revenue from individual customers that were shown in the balance sheet as of the reporting date confirmed.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Audit Committee for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with the additional requirements stated in section 245a UGB (Austrian Company Code), for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Comments on the management report for the group

Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements, comprising the details in accordance with section 243a UGB (Austrian Company Code) and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

Addition

With regard to the material uncertainties concerning the company's ability to continue as a going concern, we refer to section 3 risk report in the management report, which describes the analysis of the company's situation. Furthermore, we refer to section 2 outlook in the management report, which deals with the expected development of the company.

Additional information in accordance with article 10 of the EU regulation

We were elected as auditor by the ordinary general meeting at June 21, 2023 We were appointed by the Supervisory Board on August 4, 2023. We are auditors without cease since 2018.

We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the Audit Committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner on the audit is Mr. Gerhard Fremgen, Certified Public Accountant.

Vienna, April 15, 2024

BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gerhard Fremgen
Auditor

ppa. Christoph Leutgeb, MSc (WU)
Auditor

We draw attention to the fact that the English translation of this audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 paragraph 2 UGB (Austria Company Code) applies to alternated versions.

Statement by the Management Board

Pursuant to section 124 (1) 3. of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements of the Group (Marinomed Biotech AG) for the year ended December 31, 2023 prepared in accordance with the International Financial Reporting Standards (IFRS) and the requirements of section 245a UGB (Austrian Commercial Code) give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group and that the consolidated management report for the year ended December 31, 2023 gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the financial statements of the parent company (Marinomed Biotech AG) for the year ended December 31, 2023 prepared in accordance with the Austrian Commercial Code (UGB) give a true and fair view of the assets, liabilities, financial position, and profit or loss of the parent company and that the management report for the year ended December 31, 2023 gives a true and fair view of the development and performance of the business and the position of the parent company, together with a description of the principal risks and uncertainties the parent company faces.

Korneuburg, April 15, 2024
The Management Board

Andreas Grassauer	Eva Prieschl-Grassauer	Pascal Schmidt
Chairman	Chief Scientific Officer	Chief Financial Officer

Legal notice

Marinomed Biotech AG
Hovengasse 25
2100 Korneuburg
Austria
www.marinomed.com

Contact
Nikolaus Bauer, Finance Manager
Lucia Ziegler, Head of Investor & Public Relations
Phone +43 2262 90 300
ir@marinomed.com

Consultancy
Metrum Communications GmbH

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