



Marinomed Biotech AG Reports Financial Results for Fiscal Year 2020 and Record Sales For Virus Blocker Carragelose

April 14, 2021
Corporate News

Marinomed Biotech AG (VSE:MARI), an Austrian science-based biotech company with globally marketed therapeutics derived from innovative proprietary technology platforms, today reported strong results for the fiscal year ending 31 December 2020. The company closed the year with an 32 % increase in revenues to € 8.12 m (2019: € 6.14 m). Investments in research and development increased by almost 25 % in 2020 at € 5.94 m (2019: € 4.78 m), of which the largest part is attributable to clinical development. The operating loss (EBIT) of € 5.82 m improved compared to 2019 at € 6.21 m. The total loss for 2020 was reduced to € 6.01 m from € 7.22 m in 2019.

“Due to the COVID-19 pandemic, 2020 was a challenging but very successful year for Marinomed. We were able to quickly build on our expertise in the existing research and data in coronaviruses and to initiate the necessary preclinical and clinical work to demonstrate that Carragelose is effective against SARS-CoV-2. As we are seeing from the results, Carragelose could be one building block in overcoming this pandemic,” said Dr. Andreas Grassauer, Marinomed’s CEO. “With our Marinosolv platform, progress was slower than we had expected due to our increased focus on the Carragelose COVID-19 program. However, we did substantially advance our Marinosolv platform. In addition to gastroenterological and allergic indications, we also plan to target asthma and ophthalmology. Marinomed soon expects results from the Tacrosolv phase II trial in ocular hay fever symptoms. We will continue to work hard to build on the excellent achievements of the year, scientifically, commercially, and financially. Both Carragelose and Marinosolv will play a major role in our future success and remain value drivers for the company.”

Operational highlights 2020 through April 2021:

Corporate:

- January 2020: Successful completion of accelerated book building with over 100.000 shares placed with institutional investors
- June 2020: Moved into new Company headquarters in Korneuburg on Vienna city borders
- February 2021: First rank on BCG’s Gender Diversity Index Austria 2020

Carragelose:

- April 2020: Research grant from the Austrian Research Promotion Agency (FFG) to investigate a Carragelose-based therapy against SARS-CoV-2
- May 2020: First license agreement to commercialize Carragelose in Italy
- June 2020: Preclinical proof of Carragelose efficacy against SARS-CoV-2
- August 2020: Decongestant nasal spray filed for approval in Europe
- November 2020: Clinical trial with Carragelose nasal spray initiated in Vienna to investigate prevention of COVID-19 infection in frontline healthcare staff; support for similarly designed investigator-initiated trial (IIT) in Swansea, UK
- January 2021: New supporting data on the in vitro efficacy of Carragelose® against SARS-CoV-2 published
- February 2021: Clinical validation of iota-carrageenan nasal spray for prevention of COVID-19 in Argentinian IIT
- February 2021: Positive clinical data for Carragelose lozenges against respiratory viruses including SARS-CoV-2
- March 2021: First patient in clinical study of inhaled Carragelose to treat COVID-19 infections

Marinosolv:

- January 2020: Strong preclinical Marinosolv results in severe eye disease Neurotrophic keratopathy
- February 2020: Marinosolv additional application in ophthalmology
- September 2020: First development steps for medicinal product against autoimmune gastritis
- December 2020: European Patent granted for Marinosolv technology
- February 2021: First patients in phase II clinical trial of Tacrosolv to treat allergic rhinoconjunctivitis (hay fever)
- April 2021: Last patient completes phase II clinical trial with Tacrosolv to treat ocular hay fever symptoms

Impact of the COVID-19 pandemic

The COVID-19 pandemic provided, and continues to exert, a strong influence on Marinomed's business activities. Accordingly, Marinomed increasingly allocated resources to the Carragelose business, yielding some very strong clinical and commercial results. In early 2021, clinical data were published, which confirmed Marinomed's previous preclinical findings that Carragelose virus blocker is effective against SARS-CoV-2. Carragelose is the first causally effective and patented therapy against common cold and flu-associated viruses, that also has demonstrated clinical efficacy against SARS-CoV-2. The year 2020 has been extremely positive for Carragelose products, as Carragelose had previously demonstrated efficacy against other coronaviruses.

However, the pandemic and the re-allocation of resources resulted in delays regarding the Marinosolv platform. Partnering discussions were slowed down due to pandemic challenges and shifting priorities. Significant advances have however been reported with adding Flutisolv to the pipeline, a potential phase III asset to treat allergic rhinitis, as well as ongoing preclinical studies in the autoimmune gastritis program. Though delayed, a Tacrosolv phase II trial evaluating the eye drops in allergic rhinoconjunctivitis, i. e. hay fever affecting both the eyes and nose, is expected to report results in the second half of 2021.

Pascal Schmidt, Marinomed's CFO, said: "We are very pleased to report a strong 2020. We saw a significant increase in Carragelose demand and optimized our supply chain early in the year to eliminate supply bottlenecks. This allowed us to realize record revenues. Based on this, we improved our operating results despite significantly increased spending in our R&D programs. As a science-based company, research and development is a central pillar for Marinomed's strategic development. We will also build on the promising Carragelose sales by further extending our global reach and the product line itself."

2020 Financial Results

Marinomed reports Marinosolv and Carragelose as separate segments, as both platforms are in different development stages and accordingly, different factors influence the respective business developments. While the Marinosolv technology is still in the development stage and full rights lie with Marinomed, the Carragelose platform consists of six already marketed products plus several new products still in development. Commercialization rights of the available products are licensed to 15 partners, which are marketing the products in over 40 countries on five continents.

Revenues in 2020 increased by 32 % to € 8.12 m (2019: € 6.14 m). Adjusted by a one-time effect in 2019 from a licensing contract, revenues in 2020 increased by 55 %. Other income increased to € 1.15 m (2019: € 0.67 m), primarily because of a SARS-CoV-2 research grant for Carragelose from the Austrian government (Emergency Grant KLIPHA-COVID19). Other gains and losses remained at a largely constant level.

In expenses, investments in research and development increased by almost 25 %, totaling € 5.94 m in 2020 (2019: € 4.78 m). Material expenses went up to € 5.41 m (2019: € 3.58 m) due to the increase in Carragelose sales. Personnel expenses decreased slightly due to bonuses that had been paid in 2019 in relation to the IPO. This was partially made up in parts due to the increase in headcount. Other expenses remained mostly unchanged 2020 € 1.83 m (2019: € 1.79 m).

Despite high investments, the operating loss (EBIT) of € 5.82 m was improved compared to 2019 (€ 6.21 m). The total loss for 2020 was reduced to € 6.01 m, compared to € 7.22 m in 2019.

Assets and balance sheet structure are largely typical for a biopharmaceutical company in the development stage. Total assets increased from € 19.50 m as of December 31, 2019 to € 23.50 m at year-end 2020. Non-current assets increased to € 8.11 m (31 December 2019: € 4.16 m) mainly from additions to fixed assets due to the new company headquarters in Korneuburg. Current assets remained almost stable at € 15.40 m (2019: € 15.34 m).

The balance sheet closed with an equity of € 5.36 m (31 December 2019: € 10.87 m). Non-current liabilities increased from € 4.61 m to € 12.54 m during 2020 due to drawing down the second tranche of the European Investment Bank loan of € 5 m and the drawdown of the first tranche of the real estate financing (ERP loan) amounting to € 3 m. Current liabilities increased from € 4.03 m to € 5.61 m as of December 31, 2020. Cash and cash equivalents decreased from € 12.02 m (2019) to € 9.21 m (31 December 2020). Large positions in the cash flow were the second tranche of the EIB loan and investments in the new Company headquarters.

Select financial figures for the fiscal year

All amounts in € thousand: 2020 (2019)

Revenues: 8,124.4 (6,144.6)

Personnel expenses: -4,097.9 (-4,219.4)

Operating result (EBIT): -5,816.0 (-6,210.4)

Total comprehensive loss for the period: -6,010.2 (-7,216.5)

Basic earnings per share (in €): -4.1 (-5.1)

Capital and reserves: 5,357.6 (10,866.0)

Current liabilities: 5,608.4 (4,026.0)

Cash flow utilized in operating activities: -6,884.9 (-7,640.7)

Cash and cash equivalents: 9,206.9 (12,019.6)

Total change in cash & cash equivalents: -2,812.7 (10,304.1)

Outlook 2021

The ongoing COVID-19 pandemic continues to strongly influence Marinomed's business activities. Marinomed expects Carragelose sales to grow further but below the 2020 level. Several clinical trials are ongoing: Marinomed initiated two clinical trials, both ongoing in Vienna. One is investigating the preventative potential of Carragelose against SARS-CoV-2 and other respiratory viruses in healthcare staff. The second trial is designed to demonstrate the efficacy and safety of inhaled Carragelose (Inhaleen) in treating COVID-19 and other viral pneumonias. The company expects to obtain marketing approval of the decongestant nasal spray combining Carragelose and Xylometazoline in the first half 2022.

Marinomed regards the Marinosolv platform as an important value driver and aims to further advance the development of Budesolv, Flutisolv and Tacrosolv. The ongoing phase II trial investigating safety and efficacy of Tacrosolv eye drops in treating ocular symptoms of hay fever (allergic rhinoconjunctivitis) is expected to report results in the second half of 2021. For the anti-allergic nasal spray Flutisolv, Marinomed is preparing a phase III trial.

Realizing the potential of both platforms requires investments in research and development. The focus lies on the expansion of the Marinosolv platform and clinical trials for larger indications. For the current fiscal year, the Company expects a slight increase in research and development costs leading to an operating loss in 2021. In-line with our business plans we expect to show profitability in the midterm.

Conference Call Details:

Marinomed Biotech AG (VSE:MARI) will inform about its full year results in an international conference call (held in English language) today. The conference call is scheduled for 10.00 a.m. CET (9.00 a.m. GMT). Your dialogue partners will be Dr. Andreas Grassauer, CEO, and Pascal Schmidt, CFO.

Pre-registration:

To participate, please pre-register for the conference call here:

<https://webcast.meetyoo.de/reg/sjBgewXlf4fl>

During registration, participant information is collected, and a personal attendee-ID provided. Following registration, you will receive an e-mail with your personal access code (PIN) for the conference call.

Logging in to the call:

To dial in to the conference call, please use the information provided in the confirmation email. We recommend dialing a few minutes prior to the call.

To dial in, please use one of the following dial-in numbers:

AUSTRIA: +43 1 3865463

GERMANY: +49 89 200039051 (English speaking)

FRANCE: +33 4 82 98 61 32

SWITZERLAND: +41 43 550 14 51

UK: +44 20 3872 0883

If you have not registered in advance, you can enter the conference assisted by an operator. After collecting the necessary information, the operator will place you in the conference. To reach an operator, please dial the following number:

GERMANY: +49 89 244184431 (English speaking)

The conference call will be supported by a web presentation:

<https://webcast.meetyoo.de/index.html?e=sjBgewXlf4fl>

The Marinomed presentation window will open at the beginning of the conference. Only registered participants can follow the presentation in the online tool. The webcast does not support audio (please follow above instructions for audio) and runs best with the Firefox or Chrome browser.

The presentation can be downloaded c. 15 minutes before the conference call from the Company's website: <https://www.marinomed.com/en/investors/publications>

Consolidated Financial Statements (IFRS):

Consolidated statement of comprehensive income (loss)

Fiscal year ended 31 December

€ thousand 2020 (2019)

Revenues 8,124.4 (6,144.6)

Other income 1,152.0 (671.8)

Other gains / (losses), net -7.1 (9.9)

Expenses for materials -5,414.2 (-3,575.2)

Expenses for services -3,351.9 (-3,081.7)

Personnel expenses -4,097.9 (-4,219.4)

Depreciation and amortization -428.4 (-327.2)
Other expenses -1,792.8 (-1,833.2)
Operating result (EBIT) -5,816.0 (-6,210.4)
Financial income 23.0 (0.3)
Financial expenses -713.7 (-1,002.0)
Financial result -190.7 (-1,001.6)
Loss before taxes -6,006.7 (-7,212.1)
Taxes on income -3.5 (-4.4)
Loss for the period -6,010.2 (-7,216.5)
Other comprehensive income (loss) for the period 0.0 (0.0)
Total comprehensive loss for the period -6,010.2 (-7,216.5)

Earnings per share

Basic (EUR) -4.1 (-5.1)

Diluted (EUR) -4.1 (-5.1)

Consolidated statement of financial position

31 December

€ thousand

ASSETS 2020 (2019)

Intangible assets 2,056.8 (1,625.4)

Property, plant and equipment 6,036.4 (2,491.0)

Shares in affiliated companies 0.0 (35.0)

Deposits and other non-current receivables 12.2 (12.5)

Non-current assets 8,105.4 (4,163.9)

Inventory 926.1 (97.5)

Trade and other receivables 5,263.1 (3,220.4)

Current tax receivables 0.0 (0.0)

Cash and cash equivalents 9,206.9 (12,019.6)

Current assets 15,396.1 (15,337.5)

Total assets 23,501.6 (19,501.5)

EQUITY AND LIABILITIES

Share capital 1,472.1 (1,469.8)

Capital reserves 41,351.2 (40,848.1)

Retained losses -37,466.3 (-31,451.9)

Capital and reserves 5,357.6 (10,866.0)

Non-current borrowings 12,457.1 (4,505.4)

Other non-current liabilities 78.5 (104.1)

Non-current liabilities 12,535.6 (4,609.5)

Current borrowings 356.8 (135.2)

Trade payables 1,975.8 (1,002.4)

Current contract liabilities and other current liabilities 2,512.7 (1,615.4)

Provisions 763.0 (1,273.0)

Current liabilities 5,608.4 (4,026.0)

Total equity and liabilities 23,501.6 (19,501.5)

Consolidated statement of cash flows

Fiscal year ended 31 December

€ thousand 2020 (2019)

CASH FLOW FROM OPERATING ACTIVITIES:

Loss for the period -6,010.2 (-7,216.5)

Adjustments for:

Taxes on income recognized in profit or loss 3.5 (4.4)

Financial income recognized in profit or loss -523.0 (-0.3)

Financial expenses recognized in profit or loss 713.7 (1,002.0)

Depreciation and amortization expense 428.4 (327.2)

Net book value of disposals of assets 1.0 (0.0)

(Gain) / Loss on disposal of assets 0.0 (-0.0)

Other non-cash income/expenses 247.8 (356.4)

Changes in deposits and other non-current receivables 0.4 (0.3)

Changes in inventories -828.6 (18.2)

Changes in trade and other receivables -2,042.7 (-1,328.2)

Change in provisions 0.0 (453.0)

Other changes in trade liabilities, contract liabilities and other liabilities 1,337.6 (-870.7)

Interest paid -212.0 (-382.2)

Interest received 0.1 (0.2)

Taxes paid -0.9 (-4.4)

Cash flow utilized by operating activities -6,884.9 (-7,640.7)

Purchase of property, plant and equipment and intangible assets -3,963.5 (-2,340.9)

Investments in financial assets 0.0 (-35.0)

Cash flow utilized by investing activities -3,963.5 (-2,375.9)

Proceeds from shareholders 0.0 (22,425.0)
 Convertible bond repayments 0.0 (-24.8)
 Proceeds of long-term borrowings 8,000.0 (4,000.0)
 Repayments of shareholders' loans 0.0 (-2,262.7)
 Proceeds from equity-settled options 306.0 (0.0)
 Repayments of long-term borrowings -210.0 (-1,891.1)
 Lease payments -78.7 (-98.4)
 Equity transaction costs -11.7 (-1,779.5)
 EIB loan transaction costs 0.0 (-47.9)
 Cash flow generated from financing activities 8,005.6 (20,320.7)
 Sum of cash flows -2,842.9 (10,304.1)
 Effect of initial consolidation of Marino Immo GmbH 30.2 (0.0)
 Total change in cash & cash equivalents -2,812.7 (10,340.1)
 Cash and cash equivalents at beginning of the period 12,019.6 (1,715.5)
 Cash and cash equivalents at the end of the period 9,206.9 (12,019.6)

About Marinomed Biotech AG

Marinomed Biotech AG (Korneuburg, Austria) (VSE:MARI) is an Austrian science-based biotech company with globally marketed therapeutics listed on the Prime Market of the Vienna Stock Exchange. The company focuses on the development of innovative products based on two patent-protected technology platforms. The Marinosolv® technology platform increases the efficacy of hardly soluble compounds for the treatment of sensitive tissues such as eyes, nose, lung or gastrointestinal tract. The Carragelose® platform comprises innovative patent-protected products targeting viral infections of the respiratory tract and can reduce the risk of an infection with SARS-CoV-2. Carragelose® is used in nasal sprays, throat sprays and lozenges, which are sold via international partners in over 40 countries worldwide. Marinomed, Marinosolv® and Carragelose® are registered trademarks of Marinomed AG. These trademarks may be owned or licensed in select locations only. Further information is available at <https://www.marinomed.com/en/technologies-markets/markets>.

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