

**2020**

**Marinomed Biotech AG**

Update Q1



## Dear shareholders,

The COVID-19 crisis has clearly shown how vulnerable our population, health systems and economy are when a new, dangerous and infectious pathogen begins to spread. The result was a global pandemic with worldwide lockdowns. According to the German Robert Koch Institute (RKI), it is a globally very dynamic and serious situation. In some cases, the course of the disease is severe, sometimes fatal. The RKI experts still consider the risk to the health of the population as high, very high for risk groups.

### Development of a Carragelose®-based SARS-CoV-2 therapy

With the Carragelose® technology platform, which is effective against respiratory viruses, Marinomed has good chances to play a role in the global race for effective countermeasures. Currently Marinomed possesses no data on the effect of Carragelose® on the SARS-CoV-2 virus. We are working intensively to collect this data. In the past few weeks, Marinomed was able to enter into a corresponding partnership with the Medical University of Vienna and acquire funding for the project from the Austrian Research Promotion Agency (FFG). The aim of the project is to test the effectiveness of Carragelose® on the SARS-CoV-2 virus and subsequently to develop a Carragelose® inhalation solution. The product would have the great advantage that it could not only be used for viral pneumonia against the new corona virus, but also for pneumonia caused by other viruses.

After a normal start to 2020, Marinomed saw a dramatic increase in demand for Carragelose® products from the arrival of the virus in Europe in March. This increase, which remains unchanged, will be reflected in sales in the following quarters in particular. In the first quarter, revenues increased by about 35% to EUR 1.01 million. Similar to the manufacturers of masks or disinfectants, we could not completely cover the short-term exponential increase in demand. The challenge for the Carragelose® segment was and is therefore to secure the supply chain in a situation with a high order volume and restrictions for the business partners. We accept this challenge and work intensively to expand our production capacities together with our partners.

### Broadening of the Marinosolv® platform

Research and development on the Marinosolv® technology platform was pursued in parallel. The results are consistently positive and have widened the pipeline. Despite delays in regulatory approval, we are now planning to conduct the Tacrosolv study in the indication allergic conjunctivitis in autumn 2020. Data should then be available around the turn of the year. For the anti-allergic drug Budesolv, the lead product of the Marinosolv® technology platform, the next milestone is the submission for marketing approval and the establishment of appropriate sales partnerships. Although the COVID-19 crisis has a braking effect, we are more confident than ever that we can successfully launch the product

on the market. The new projects will open up new markets.

### Outlook 2020

Marinomed expects a positive order and sales development again in 2020. This is supported by the continued strong demand for Carragelose® products. As we continue to invest heavily in research and development to exploit the potential of our two platforms, operational losses are also expected for this year and the years to come. Overall, the Marinomed team is looking to the future with great confidence despite the COVID-19 crisis.

Andreas Grassauer

Eva Prieschl-Grassauer

Pascal Schmidt

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

all amounts in kEUR	1-3/2020	1-3/2019
<b>Profit or Loss</b>		
Revenues	1,013.9	751.2
Other income	87.3	160.0
Other gains (losses), net	-5.6	3.5
Expenses for materials	-673.8	-496.3
Expenses for services	-291.7	-1,086.8
Personnel expenses	-1,013.6	-1,154.7
Depreciation and amortisation	-92.0	-79.7
Other expenses	-431.1	-729.1
<b>Operating result (EBIT)</b>	<b>-1,406.5</b>	<b>-2,631.7</b>
Financial income	0.1	0.0
Financial expenses	-167.6	-606.3
<b>Financial result</b>	<b>-167.5</b>	<b>-606.3</b>
<b>Loss before taxes</b>	<b>-1,574.0</b>	<b>-3,238.0</b>
Taxes on income	-0.9	-1.8
<b>Loss for the year</b>	<b>-1,574.9</b>	<b>-3,239.7</b>
Other comprehensive income (loss) for the year	0.0	0.0
<b>Total comprehensive loss for the year</b>	<b>-1,574.9</b>	<b>-3,239.7</b>

All results are attributable to shareholders of the Company.

# Statement of financial position

	31.03.2020	31.12.2019
all amounts in kEUR		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	1,697.2	1,625.4
Property, plant and equipment	2,907.7	2,491.0
Shares in affiliated companies	35.0	35.0
Deposits and other non-current receivables	11.8	12.5
	4,651.6	4,163.9
<b>Current assets</b>		
Inventories	26.1	97.5
Trade and other receivables	3,236.0	3,220.4
Current tax receivables	0.0	0.0
Cash and cash equivalents	10,229.3	12,019.6
	13,491.4	15,337.5
<b>Total assets</b>	<b>18,143.0</b>	<b>19,501.5</b>

	31.03.2020	31.12.2019
all amounts in kEUR		
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	1,469.8	1,469.8
Capital reserves	40,941.5	40,848.1
Retained losses	-33,026.8	-31,451.9
	9,384.5	10,866.0
<b>Non-current liabilities</b>		
Borrowings	4,647.8	4,505.4
Other financial liabilities	-	-
Other non-current liabilities	91.9	104.1
	4,739.7	4,609.5
<b>Current liabilities</b>		
Borrowings	122.6	135.2
Trade payables	779.7	1,002.4
Current contract liabilities and other current liabilities	1,843.5	1,615.4
Provisions	1,273.0	1,273.0
	4,018.8	4,026.0
<b>Total equity and liabilities</b>	<b>18,143.0</b>	<b>19,501.5</b>

# Statement of cash flows

	<b>1-3/2020</b>	<b>1-3/2019</b>
all amounts in kEUR		
<b>Cash flow utilised by operating activities</b>	<b>-1,588.2</b>	<b>-3,226.4</b>
<b>Cash flow utilised by investing activities</b>	<b>-175.3</b>	<b>-29.2</b>
<b>Cash flow generated from financing activities</b>	<b>-26.8</b>	<b>19,375.5</b>
<b>Net cash flow</b>	<b>-1,790.3</b>	<b>16,119.9</b>
Cash & cash equivalents at beginning of period	12,019.6	1,715.5
Cash & cash equivalents at end of period	10,229.3	17,835.4

# Statement of changes in equity

all amounts in kEUR	Nominal capital/ share	Capital Reserves	Retained losses	Total
<b>January 1, 2019</b>	<b>1,000.0</b>	<b>6,968.3</b>	<b>-24,235.4</b>	<b>-16,267.1</b>
Loss for the period	-	-	-3,239.7	-3,239.7
Total comprehensive income (loss) for the period	-	-	-3,239.7	-3,239.7
Paid in capital, net of transaction cost	299.0	20,336.3	-	20,635.3
Conversion of convertible bond	170.8	13,117.0	-	13,287.8
<b>March 31, 2019</b>	<b>1,469.8</b>	<b>40,421.6</b>	<b>-27,475.1</b>	<b>14,416.2</b>
<b>January 1, 2020</b>	<b>1,469.8</b>	<b>40,848.1</b>	<b>-31,451.9</b>	<b>10,866.0</b>
Loss for the period	-	-	-1,574.9	-1,574.9
Total comprehensive income (loss) for the period	-	-	-1,574.9	-1,574.9
ESOP 2019	-	93.4	-	93.4
<b>March 31, 2020</b>	<b>1,469.8</b>	<b>40,941.5</b>	<b>-33,026.8</b>	<b>9,384.5</b>



# Research and development expenses

	1-3/2020	1-3/2019
all amounts in kEUR		
Personnel expenses	-422.3	-277.8*
Expenses for services	-165.9	-924.0
Expenses for materials	-20.5	-18.1
Other expenses	-30.1	-27.8
Depreciation and amortisation	-67.2	-57.4
Financial expenses	-157.5	-82.5
<b>Total</b>	<b>-863.5</b>	<b>-1,387.6</b>

\* Amount does not include one-time IPO bonus payments for R&D personnel

# Legal notice

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This condensed interim report of Marinomed Biotech AG was neither fully audited nor reviewed by the Company's statutory auditor.

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

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