

# Corporate governance

## Committed to good corporate governance

As a biomedical company, Marinomed has high standards in compliance. We are convinced that effective and safe drugs and medicines can only be developed in an environment that is dedicated to the principles of good corporate governance. Strict compliance with our own and statutory rules 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 governing basic principles according to which information is to be communicated and on organisational measures to prevent the misuse of insider trading within the Company. Austria's Regulation on Compliance for Issuers implements these legal requirements. It is reviewed and updated at regular intervals. Marinomed has appointed a compliance officer for issuers who reports to the management team and provides information about compliance and ongoing reviews of the principles to prevent market abuse or the sharing of sensitive and confidential information that might influence its share price. As already noted, employees can also contact this officer if they suspect impropriety.

## Commitment to the Austrian Code of Corporate Governance

Marinomed follows the regulations of the Austrian Code of Corporate Governance (ACCG) and creates a corresponding public corporate governance report as part of the annual report.

Since the listing on the prime market 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 (UGB). The company is issuing a Corporate Governance Report as at December 31, 2021.

The Austrian Code of Corporate Governance, as amended in January 2021 and as applicable to this report, is a set of rules and regulations for responsible management and guidance of companies in Austria. Its objective is to create sustained and long-term value and to increase transparency for all shareholders.

It 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. The text of the ACCG is accessible on the website <https://www.corporate-governance.at>.

The ACCG primarily applies to companies listed on the Austrian stock market that undertake to adhere to its 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 ACCG is based on statutory provisions of Austrian corporate law, securities law and capital markets law (Legal Requirements, "L-Rules"). In addition, the ACCG contains rules considered to be part of 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").

Marinomed fully complies with all "L-Rules" of the ACCG. Non-compliance with the "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**

Rule 28 stipulates a holding period of a total of at least three years for 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-Rule 36**

This rule provides for annual self-evaluations of the supervisory board. Marinomed's supervisory board consists of only four members and has frequent interactions (among themselves as well as with the management board members). Thus, it is not yet foreseen to document the efficiency of its activities in writing.

### **C-Rules 41 and 43**

The rule requires the supervisory board to set up a nomination or remuneration committee. In cases where the supervisory board has no more than six members, the functions may be exercised by all members jointly. As Marinomed's supervisory board currently has fewer than six members, nomination and remuneration matters are decided by the entire supervisory board and no separate committees have been established.

### **C-Rule 83**

According to this rule, the auditor has to assess the functionality of the risk management and report to the management board. Since Marinomed is a small corporation in terms of headcount, risk management is not institutionalised 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.

Marinomed does not currently have a works council. As a result, the right to delegate works

council representatives is not applicable. The corporate bodies of the Company are bound in particular by the articles of association, the rules of procedure for the management board (“Geschäftsordnung für den Vorstand”), the rules of procedure for the supervisory board (“Geschäftsordnung für den Aufsichtsrat”) 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 every three years. An external evaluation was 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 and represents the Company vis-à-vis third parties. The supervisory board supervises the management and is responsible for internal controls of the Company. Members of the management board are appointed by the supervisory board. Members of the supervisory board are elected or appointed by the general meeting.

## Members of the management board

Pursuant to the articles of association, the management board consists of at least two and no 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  
Year of first appointment: 2006  
End of term: 2027

**Andreas Grassauer** is Chairman of the management 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 ten 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 legal affairs.



**Eva Prieschl-Grassauer**  
 Chief Scientific Officer  
 Year of birth: 1968  
 Year of first appointment: 2006  
 End of term: 2027

**Eva Prieschl-Grassauer** is Chief Scientific Officer. She co-founded Marinomed in 2006 and since then has been CSO of the Company. Eva Prieschl-Grassauer has more than 20 years of experience in pharmaceutical drug development. Prior to her appointment at Marinomed, she was head of the allergy programme of Novartis in Vienna, Austria. In this position, she discovered the mechanism of action of FTY720 (fingolimod), Novartis' novel 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.

Her responsibilities on the management board include strategy, research and development, business development and legal affairs.



**Pascal Schmidt**  
 Chief Financial Officer  
 Year of birth: 1972  
 Year of first appointment: 2018  
 End of term: 2027

**Pascal Schmidt** is Chief Financial Officer. He took over as CFO of the Company in August 2018. Pascal Schmidt has more than 20 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 organisation, controlling and accounting, investor relations, business development and 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 general meeting for a period of five years. Marinomed does not have a works council at present. The supervisory board had the following four members in the 2021 financial year:



**Simon Nebel**  
 Chairman  
 Year of birth: 1966  
 Year of first appointment: 2017  
 End of term: 2023

**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 SynAffix (NL), Bird Rock Bio (US) Digital Doctor House (CH) and Biosensing Solutions SL (DyCare, ESP). He is a former supervisory board member of Borean Pharma (DK), ImVision (CH), MerLion Pharmaceuticals SA (CH) and was secretary of the supervisory board of Evolva (CH). 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).



**Ute Lassnig**  
 Vice Chairwoman  
 Year of birth: 1970  
 Year of first appointment: 2017  
 End of term: 2023

**Ute Lassnig** was part of the healthcare investment banking team at Goldman Sachs in London, where she advised companies in the biotech, pharma, medtech and agrochemical sectors on mergers and acquisitions, divestments as well as financing. She also served as Managing Partner at Mummert & Company and headed its Vienna office for ten years. Since 2015, Ute Lassnig has been responsible for the Corporate Development and Innovate division at Evotec SE. Ute Lassnig is Managing Partner and sole owner of Laureo Corporate Finance Ges.m.b.H. She holds a master's degree in computer science and business administration from the University of Zurich, Switzerland. Ute Lassnig has been a member of the Company's supervisory board and its Vice Chairwoman since 2017. She was previously a member of the Company's advisory board from 2016 onwards.

**Gernot Hofer**

Member

Year of birth: 1980

Year of first appointment: 2017

End of term: 2023

**Gernot Hofer** has been an investment manager with Invest AG since 2005. Prior to this, he acquired international experience at a business consultancy in Hong Kong and at a venture capital fund based in Vienna. He holds a degree in business studies from Vienna University of Economics and Business, Austria, and was awarded a doctorate in venture capital and private equity by the Department of Entrepreneurship and Innovation, where he is currently employed as a lecturer. Gernot Hofer has been a member of the Company's supervisory board since 2017. He was previously a member of the Company's advisory board from 2016 onwards.

**Brigitte Ederer**

Member

Year of birth: 1956

Year of first appointment: 2018

End of term: 2023

**Brigitte Ederer** was a politician from 1983 to 2001, during which time she was a member of the Austrian Parliament, Secretary of State for European Affairs and a city councillor with responsibility for finance and business 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 Austria RCV GmbH, Infineon Technologies Austria AG und Schoeller-Bleckmann Oilfield 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.

### Supervisory board independence

In accordance with Rule 53 of the Austrian Code of Corporate Governance, the supervisory board of Marinomed has established the following criteria defining independence:

- 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 by the supervisory board 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 to be 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 financial year 2021 based on the criteria indicated.

In 2019 the Company entered into a consultancy contract with the Chairman of the supervisory board in relation to certain business development activities. In the financial year 2021 expenses related to this contract amounted to kEUR 37 (2020: kEUR 30).

The following supervisory board members held posts on supervisory boards or comparable positions in the following companies as at December 31, 2021:

	Name of company	Position held
<b>Simon Nebel</b>	Bird Rock Bio, Inc.	Member of the supervisory board
	Synaffix BV	Member of the supervisory board
	Aravis Biotech II	Vice Chairman of the supervisory board
	Digital Doctor House AG	Member of the supervisory board
<b>Gernot Hofer</b>	JOSKO Fenster und Türen GmbH	Member of the supervisory board
	Lenzing Plastics GmbH	Member of the supervisory board
	Boehringer Ingelheim RCV GmbH	Member of the supervisory board
<b>Brigitte Ederer</b>	AMS AG	Member of the supervisory board
	Schoeller-Bleckmann Oilfield Equipment AG	Vice Chairwoman of the supervisory board
	W.E.B. Windenergie AG	Member of the supervisory board
	TTTech Computertechnik AG	Member of the supervisory board
	ÖBB-Personenverkehr AG	Member of the supervisory board
	Österreichische Bundesbahnen-Holding AG	Member of the supervisory 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. The committees consist of at least three members. Unless the supervisory board issues rules of procedures 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 have been 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 or remuneration committee, but takes related decisions jointly.

### Audit committee

The audit committee reports to the supervisory board and prepares the proposal for the election of the auditor by the general meeting. In addition, the audit committee is responsible for monitoring the accounting process, the effectiveness of the internal control system, reviewing the consolidated

financial statements, examining and monitoring of the auditor's independence and 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. Since November 16, 2020, Gernot Hofer has been Chairman of the audit committee. All members of the audit committee are experienced financial experts with knowledge and practical experience in finance, accounting and reporting that satisfy the requirements of the company.

### Meetings of the supervisory board

One ordinary general meeting and four ordinary supervisory board meetings distributed over the reporting year were held in 2021. The auditor of the consolidated financial statements, BDO Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, met with the supervisory board members in 2021 to discuss the auditing of the 2021 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 after having been elected to the supervisory board.

### Measures to promote women, diversity

Marinomed believes that mixed teams produce better results and is committed to equal opportunities for women and men in the recruitment process 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 background in the appointment of members to the management board and supervisory board. Nevertheless, the supervisory board, the management board and the extended management team are diverse in terms of gender, nationality, education and professional background. As of December 31, 2021 women account for 50% of the supervisory board members (December 31, 2020: 50%). The share of women on the management board is 33%, in the extended management team even 40%.

The diversity practised at Marinomed is also recognised externally. In March 2022 Marinomed achieved 1st place for the second time and became "Diversity Champion Austria 2021". This is an initiative by Boston Consulting Group and the business magazine trend.

### 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 section.

Operational risks are primarily addressed through close communication with internal and external stakeholders (especially investors, analysts, banks). Regular contact with all external suppliers and partners as well as the documentation of the discussions and meetings allow a constant follow-up of planning and implementation.

Through the IPO in 2019 and other financing elements such as the venture loan from the European Investment Bank (EIB) in 2019 or the convertible bond agreement with Nice & Green in 2021, Marinomed has improved its capital structure and been given the opportunity to accelerate the implementation of its research and development activities. This reduces dependencies on the general economic situation, the financing environment or successful accounts receivable management.

The tasks of Marinomed's internal control system include ensuring the reliability of financial reporting, compliance with statutory and internal company policies and the detection of risks even outside of financial reporting. The principle of dual control is applied in all relevant business cases.

The internal control system is divided into the structural and procedural organisation. The organisational structure is characterised by flat hierarchies and a clear assignment of responsibilities. There is an organisational separation of operational and financial responsibility as well as of accounting, controlling and reporting.

The process organisation is characterised by a clear set of rules that represent an appropriate basis for an efficient control system comprising

approvals and competencies. Internal reporting to the management board is particularly important in order to identify risks at an early stage and to be able to take countermeasures. This takes place through regular meetings on the main subject areas, above all research and development, supply chain and finance. These meetings take place weekly or monthly, depending on their importance. The relevant divisional heads report to the management board in a structured manner. This is to avoid those risks that could lead to incomplete or incorrect financial reporting.

The internal reporting system is designed to enable the management board at regular intervals to check important processes and their financial impact for plausibility and to compare them with plans in order to be able to adopt and take appropriate measures in the event of deviations. The necessary plans for this, for example for clinical studies, external service providers and sales, are approved in advance by the management board.

In addition, the Company creates a rolling liquidity plan that is continuously monitored and coordinated with its own specifications.

The correctness of the accounting is based on an internal control system related to the financial reporting process. The objectives are compliance with legal norms, the principles of proper book-keeping and the accounting regulations of the Austrian Commercial Code (UGB) and the accounting regulations of the International Financial Reporting Standards (IFRSs).

Since 2019, accounting has been carried out in the Company using the BMD financial accounting software. Financial planning is drawn up in close cooperation between the management board, the project managers in 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 accounting is audited by the international auditing company BDO Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The evaluation of the Company's activities is also reviewed based on the regulations of the Austrian Code of Corporate Governance (ACCG). The Company has appointed a Compliance Officer who has been advising the management board since the 2019 financial year and monitors the functioning of the internal control system.

## Our sustainability goals

	2022	2030
Maintaining high standards of corporate governance	✓	✓
Compliance with listing laws and regulations	✓	✓
Observance of the rules of the Austrian Corporate Governance Code	✓	✓
External evaluation of compliance with the CGC every three years	✓	✓
Maintaining the independence of the Supervisory Board	✓	✓
Respect for diversity when filling the Management Board and the Supervisory Board	✓	✓
Regular review of the internal control system	✓	✓