

# Corporate governance 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 this Corporate Governance Report as at December 31, 2019.

## **Commitment to the Austrian Code of Corporate Governance**

The Austrian Code of Corporate Governance (hereinafter "ACCG"), as amended in January 2018 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 Stock Corporation Act, the Stock Exchange Act as well as the 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. Deviations from the “C-Rules” are 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 with regards to headcount, the company did not set up a separate staff unit and does not intend to do so.

### **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.

### **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 is responsible for supervising the management and 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 shareholders’ meeting. 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.

## Members of the management board

Pursuant to the Articles of Association, the management board consists of at least two and a maximum of 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: 2022

**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 as well as 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**  
Vice Chairwoman and  
Chief Scientific Officer  
Year of birth: 1968  
Year of first appointment: 2006  
End of term: 2022



**Pascal Schmidt**  
Chief Financial Officer  
Year of birth: 1972  
Year of first appointment: 2018  
End of term: 2022

**Eva Prieschl-Grassauer** is Vice Chairwoman of the management board and 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 35 articles in high-ranking 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** 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.

His responsibilities on the management board include strategy, administration and organisation, controlling and accounting, business development and legal affairs.

## Members of the supervisory board

Pursuant to the Articles of Association, the supervisory board consists of a minimum of three and a maximum of six members appointed by the shareholders' meeting for a term of five years. Marinomed does not have a works council at present. The supervisory board had the following five members as at December 31, 2019:



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

**Simon Nebel** is 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. He is also managing director of and holds 100% of the shares in Viopas Venture Consulting GmbH and managing director and 26.6% shareholder of Viopas Partners AG. Moreover, Simon Nebel is currently a board member of SynAffix (NL) and Bird Rock Bio (US). He is a former board member of Borean Pharma (DK), ImVision (CH), MerLion Pharmaceutical SA (CH) and was secretary of the board of Evolva (CH). Simon Nebel holds a PhD in biophysics from the Biocentre of the University of Basel and an MBA with distinction from the London Business School. Simon Nebel has been a member of the company's supervisory board and 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 served as Managing Partner at Mummert & Company and headed its Vienna office for ten years. Since 2015, Ute Lassnig has been responsible for corporate development and Innovate BD at Evotec AG. Ute Lassnig is managing director of and holds 100% of the shares in Laureo Ges.m.b.H. She holds a master's degree in computer science and business administration from the University of Zurich. 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.

**Karl Lankmayr**

Member

Year of birth: 1978

Year of first appointment: 2017

End of term: 2023

**Karl Lankmayr** has been managing director of aws Fondsmanagement GmbH and aws Mittelstandsfonds Beteiligungs GmbH & Co KG since 2014. He has longstanding experience in M&A, corporate finance and investment banking (e.g. at Raiffeisen Investment and PwC Corporate Finance), was a founding partner and managing partner of Noreia Capital, a leading M&A advisory and investment company, and served as Head of Finance at the Alukönigstahl group. He holds a degree (Mag. FH) in international economics from the University of Applied Sciences Kufstein. Karl Lankmayr has been a member of the company's supervisory board since 2017. He was previously a member of the company's advisory board from 2015 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 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 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 studied economics at the University of Vienna. 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 managing 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 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 managing 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 managing 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 shareholders' 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 as at December 31, 2019 based on the criteria indicated.

The following supervisory board members exercised supervisory mandates or comparable positions in the following companies as at December 31, 2019:

	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
	Viopas Partners AG	Member of the supervisory board
<b>Karl Lankmayr</b>	Sico Technology GmbH	Member of the advisory board
	A.M.I. Agency for Medical Innovations GmbH	Chairman of the advisory board
	System Industrie Electronic GmbH	Member of the advisory board
<b>Gernot Hofer</b>	O.L.S. Handels G.m.b.H.	Member of the advisory board
	JOSKO Fenster und Türen GmbH	Member of the supervisory board
	Lenzing Plastics GmbH	Member of the supervisory board
<b>Brigitte Ederer</b>	Boehringer Ingelheim Austria GmbH & Co KG	Member of the supervisory board
	Infineon Technologies Austria 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

## 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 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 have been listed on a regulated market, the company is required by Austrian law to establish an audit committee ("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 shareholders' meeting. In addition, the Audit Committee is responsible for monitoring accounting procedures, the effectiveness of the internal control system, reviewing the annual financial statements, examining and monitoring of the auditor's independence and preparing the approval of the annual 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. On December 31, 2019 Karl Lankmayr was appointed as chairman of the Audit Committee (until December 13, 2019: Ute Lassnig). 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 shareholders' meeting and six ordinary supervisory board meetings distributed over the reporting year were held in 2019. The auditor of the financial statements, BDO Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, met with the supervisory board members in 2019 to discuss the auditing of the 2019 annual financial statements and also attended the ordinary shareholders' 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 is committed to equal opportunities for women and men in the recruitment process and in all areas of employment without taking measures specifically designated as "measures to promote women".

Due to its small size the company does not have a binding diversity concept 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. Women account for 40% of the supervisory board. The share of women on the management board is 33%.

Marinomed participated in a study by the Boston Consulting Group (BCG) in which the gender ratio in Austrian management boards and supervisory boards was analyzed. In the result published in

February 2020, Marinomed immediately achieved 4th place in the BCG Gender Diversity Index Austria. The 50 largest Austrian companies that are listed in the Prime or Standard Market (ATX, ATPX, WBI) were examined.

### **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. Marinomed seeks to have such an evaluation after 2020.