



Marinomed

Update Q3

2022

Dear shareholders,

The war in Ukraine, inflation still on the rise and uncertainties in supply chains continue to challenge us. Even this difficult environment offers opportunities and Marinomed is ready to pursue them. We are working on accelerating our business and Q3 numbers once again underline that Marinomed is on track. The existing, revenue-generating and sustainably growing Carrage-lose-business forms a strong foundation. On top of that, we work hard to progress our promising product candidates towards commercialization and further growth for the company.

Virology – Carragelose

Following the license agreement with Procter & Gamble (P&G) for Carragelose, both teams are now working together on the registration of the product in the United States. The U.S. market for Cough, Cold and Allergy (CCA) with a size of USD 7.9 billion is the biggest in the world and almost double the size compared to Western Europe (Nicolas Hall OTC Yearbook 2022). If we are successful in entering the U.S. market, this opens the opportunity to take revenues to new levels. Similar regulatory work is also ongoing with our new partners in other regions. With SARS-CoV-2 developing into a seasonal virus and the comeback of classical cold viruses, the addressable global market for our products is prone to grow. With new partnerships in place, an increasing demand for our products and a pipeline of new product candidates, we are committed to increase our share in that exciting market.

Immunology – Marinosolv

The Marinosolv technology enables soluble formulations for highly hydrophobic small molecules and peptides. Marinomed is applying the patented technology for its own R&D projects in immunological indications. Under the brand SOLV^{4u}, we offer our technology to third parties with the ultimate goal to enable new innovative products for our clients as well as future revenue streams for Marinomed. Our two Marinosolv based lead products Budesolv and Tacrosolv are currently in a post-clinical development phase. Regulatory work, business development and build-up of future supply chains is currently the major work for Budesolv. Following our first deal with the China-based company Luoxin Pharmaceutical, we are now supporting our partner to develop and commercialize Budesolv according to local regulatory requirements in China for the treatment of allergic rhinitis. In parallel, business development activities are targeting to tap into new regions.

Tacrosolv is the solubilized version of the immunomodulator Tacrolimus. For this product candidate we are working both on potential commercial partnerships and the development plan for the target indication herpetic stromal keratitis – a debilitating eye disease where Tacrosolv eye drops have the potential to make a meaningful difference. Additionally, there is the opportunity to get orphan drug designation allowing to pursue a faster, cost-effective path to commercialization for patients.

Building on solid existing business, entering new markets

Our existing business with Carragelose products is on a solid growth path. For future growth, a series of contracts are in place, with P&G for the U.S. being the most prominent one. In addition, the combination product Carravin, a product containing Carragelose and Xylometazoline, is in the registration process in several countries in Europe. With Budesolv, Marinomed has a post phase III product which has generated first revenues and is on its way to further commercialization. With the progress of the phase II product Tacrosolv, Marinomed targets the attractive market of ophthalmology.

Record sales and growth in the first three quarters 2022

We report record nine-months revenues with EUR 7.1 million, mainly generated by our Carragelose products. The result demonstrates once again that Carragelose is a sustainable growth story. The operating result (EBIT) improved to EUR -3.8 million (Q1-Q3/2021: EUR -5.2 million). Apart from increased profit contributions, the improvement stems from the decrease in R&D expenses, in particular clinical trials. Our reported cash position of EUR 9.5 million as of September 30, 2022, reflects the drawdown -of the last tranche of the EIB venture debt and a cost-conscious cash management for the first nine months of the year 2022.

Outlook 2022 – the right direction

We confirm our outlook for 2022. For our Carragelose business, we expect continued growth, as cold viruses and SARS-CoV-2 transmission will likely intensify in the season 2022/23 in the Northern hemisphere leading to a lower double-digit revenue growth. The current unpredictable geopolitical environment may continue to challenge our supply chain, although we have already taken measures to mitigate this. We are working hard on translating the successful clinical development of our Marinosolv-based lead products into commercial success and expanding our pipeline to relevant and promising indications in the Rx segment. Our R&D investments will continue to be a major cost driver and thus leading to higher expenses than earnings in the short term, but we are committed to show operating profitability in the medium term.

We express our thanks to our employees for their continued outstanding dedication. With commitment, expertise and professionalism, our teams excel at managing the challenging circumstances that we are facing. We thank all our investors who stay with us in volatile times, and all public funding bodies, our partners, and our customers for the trust they have placed in Marinomed's ideas and scientific capabilities.



Andreas Grassauer

Eva Prieschl-Grassauer

Pascal Schmidt

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

all amounts in kEUR	1-9/2022	1-9/2021	7-9/2022	7-9/2021
Profit or loss				
Revenues	7,094.9	5,714.6	2,195.3	2,500.0
Other income	624.8	1,402.6	83.0	146.7
Expenses for materials	-4,622.6	-3,897.7	-1,415.5	-1,716.7
Expenses for services	-1,227.6	-3,257.0	-427.1	-980.4
Personnel expenses	-3,538.5	-3,270.0	-1,079.2	-975.7
Depreciation and amortisation	-500.6	-435.7	-168.5	-150.9
Other expenses	-1,661.1	-1,451.1	-497.3	-372.8
Operating result (EBIT)	-3,830.5	-5,194.2	-1,309.3	-1,549.8
Financial income	32.9	0.0	0.3	0.0
Financial expenses	-1,985.5	-1,105.1	-639.0	-374.1
Financial result	-1,952.5	-1,105.1	-638.8	-374.1
Loss before taxes	-5,783.1	-6,299.3	-1,948.1	-1,923.9
Taxes on income	-5.8	-3.6	-1.0	-1.0
Loss for the period	-5,788.8	-6,302.9	-1,949.1	-1,924.9
<i>Thereof attributable to the shareholders of the Company</i>	<i>-5,788.8</i>	<i>-6,302.9</i>	<i>-1,949.1</i>	<i>-1,924.9</i>
Other comprehensive income (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-5,788.8	-6,302.9	-1,949.1	-1,924.9
<i>Thereof attributable to the shareholders of the Company</i>	<i>-5,788.8</i>	<i>-6,302.9</i>	<i>-1,949.1</i>	<i>-1,924.9</i>

Statement of financial position

all amounts in kEUR	30.09.2022	31.12.2021
ASSETS		
Non-current assets		
Intangible assets	1,875.4	2,007.3
Property, plant and equipment	6,281.8	6,431.7
Deposits and other non-current receivables	9.1	20.5
	8,166.2	8,459.6
Current assets		
Inventories	1,959.7	1,027.4
Trade and other receivables	4,102.5	6,047.9
Cash and cash equivalents	9,503.9	5,802.1
	15,566.2	12,877.5
Total assets	23,732.4	21,337.0

all amounts in kEUR	30.09.2022	31.12.2021
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	1,506.2	1,480.2
Capital reserves	44,093.3	42,068.8
Retained losses	-49,146.4	-43,357.6
	-3,546.9	191.4
Non-current liabilities		
Non-current borrowings	20,978.7	15,044.3
Other non-current liabilities	314.3	87.7
	21,293.0	15,132.0
Current liabilities		
Current borrowings	2,032.2	754.0
Trade payables	1,420.8	1,994.9
Current contract liabilities and other current liabilities	2,533.4	3,264.8
	5,986.3	6,013.7
Total equity and liabilities	23,732.4	21,337.0

Statement of cash flows

all amounts in kEUR	1-9/2022	1-9/2021
Cash flow utilised by operating activities	-3,726.3	-4,827.7
Cash flow utilised by investing activities	-159.6	-801.3
Cash flow generated from financing activities	7,587.7	877.7
Total change in cash & cash equivalents	3,701.8	-4,751.3
Cash & cash equivalents at beginning of period	5,802.1	9,206.9
Cash & cash equivalents at end of period	9,503.9	4,455.6

Statement of changes in equity

all amounts in kEUR	Nominal capital/ Share capital	Capital reserves	Retained losses	Total
December 31, 2020	1,472.7	41,351.2	-37,466.3	5,357.6
Loss for the period	-	-	-6,302.9	-6,302.9
Total comprehensive income (loss) for the period	-	-	-6,302.9	-6,302.9
ESOP 2019	3.7	362.5	-	366.1
September 30, 2021	1,476.3	41,713.7	-43,769.2	-579.2
December 31, 2021	1,480.2	42,068.8	-43,357.6	191.4
Loss for the period	-	-	-5,788.8	-5,788.8
Total comprehensive income (loss) for the period	-	-	-5,788.8	-5,788.8
ESOP 2019	0.9	81.5	-	82.4
Convertible notes	25.1	1,943.0	-	1,968.2
September 30, 2022	1,506.2	44,093.3	-49,146.4	-3,546.9

Segment reporting

Period ended September 30, 2021	Virology	Immunology	Other	Total
all amounts in kEUR				
Total revenues	5,683.8	1.8	29.0	5,714.6
<i>Of which sale of goods</i>	5,436.6	-	-	5,436.6
<i>Austria</i>	218.3	-	-	218.3
<i>Other European countries</i>	3,781.3	-	-	3,781.3
<i>Non-European countries</i>	1,437.0	-	-	1,437.0
<i>Of which other revenues</i>	247.2	1.8	29.0	278.0
<i>Austria</i>	198.8	-	4.3	203.1
<i>Other European countries</i>	36.8	0.1	-	36.9
<i>Non-European countries</i>	11.6	1.7	24.7	37.9
Cost of goods sold	-3,608.0	-	-	-3,608.0
Contract research	-1,432.4	-1,198.0	-	-2,630.4
Personnel expenses	-850.8	-827.2	-1,592.0	-3,270.0
Other miscellaneous income/expense	-324.6	162.6	-1,102.8	-1,264.8
Depreciation and amortisation	-199.5	-97.2	-139.0	-435.7
Non-recurring items	300.0	-	-	300.0
Operating result (EBIT)	-431.5	-1,957.9	-2,804.8	-5,194.2
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Period ended September 30, 2022	Virology	Immunology	Other	Total
all amounts in kEUR				
Total revenues	7,038.2	-	56.8	7,094.9
<i>Of which sale of goods</i>	6,545.3	-	-	6,545.3
<i>Austria</i>	231.0	-	-	231.0
<i>Other European countries</i>	3,657.8	-	-	3,657.8
<i>Non-European countries</i>	2,656.6	-	-	2,656.6
<i>Of which other revenues</i>	492.8	-	56.8	549.6
<i>Austria</i>	294.8	-	-	294.8
<i>Other European countries</i>	37.3	-	25.5	62.8
<i>Non-European countries</i>	160.7	-	31.3	192.0
Cost of goods sold	-4,476.4	-	-	-4,476.4
Contract research	-545.0	-177.1	-0.2	-722.4
Personnel expenses	-1,008.0	-1,130.1	-1,400.3	-3,538.5
Other miscellaneous income/expense	-454.9	-93.2	-1,139.6	-1,687.7
Depreciation and amortisation	-181.0	-183.0	-136.5	-500.6
Operating result (EBIT)	372.8	-1,583.4	-2,619.9	-3,830.5

Research and development expenses

all amounts in kEUR	1-9/2022	1-9/2021	7-9/2022	7-9/2021
Personnel expenses	-1,542.5	-1,430.3	-431.1	-386.1
Expenses for services	-851.0	-2,730.7	-305.6	-787.1
Expenses for materials	-184.2	-320.1	-50.6	-76.6
Other expenses	-313.3	-243.1	-98.1	-72.9
Depreciation and amortisation	-371.0	-295.7	-124.2	-105.0
Financial expenses	-1,687.6	-1,040.2	-612.5	-355.7
Total	-4,949.6	-6,060.1	-1,622.1	-1,783.5

Legal notice

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

These interim condensed consolidated financial statements of Marinomed Biotech AG was neither fully audited nor reviewed by the Company's statutory auditor.

This update includes forward-looking statements that have been made on the basis of information available at this point in time. As a result of various unforeseen factors, the actual development may deviate from the presented expectations. Marinomed Biotech AG will not update these forward-looking statements, neither on the basis of changed actual circumstances nor on the basis of changed assumptions or expectations. This update is not and shall not be construed as an offer, invitation, recommendation or solicitation to sell, issue, purchase or subscribe for any securities of Marinomed Biotech AG.

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