

**2020**

**Marinomed Biotech AG**

Half-Year Financial Report 2020



# Table of contents

3	Letter to shareholders
5	Investor relations
6	Half-year management report
<b>Interim condensed consolidated financial statements</b>	
16	Statement of other comprehensive income (loss)
17	Statement of financial position
19	Statement of cash flows
21	Statement of changes in equity
22	Notes to the interim condensed consolidated financial statements
35	Report on the auditor's review
37	Statement by the management board
38	Legal notice and contact details

# Dear shareholders,

albeit the consequences of the current COVID-19 crisis confront us with unexpected health, social and economic challenges, viral pandemics are not a "once in a lifetime event". On the contrary, as the past has taught us, we have to be prepared to be confronted with it again and again. The human OC43 coronavirus ("hCoV-OC43") is an example of how the current pandemic could develop. Research at the University of Leuven in Belgium suggests that around 1890 hCoV-OC43 was transmitted from cows, which were infected by mice, to humans. Scientists suspect that hCoV-OC43 was responsible for a pandemic that killed more than a million people worldwide between 1889 and 1890. This outbreak was previously attributed to influenza. Today, 130 years later, hCoV-OC43 is still widespread and causes as a so-called cold virus repeatedly symptoms such as coughing, common cold and hoarseness. In clinical and laboratory studies, Marinomed was able to show that the active ingredient Carragelose® is very effective against this endemic hCoV-OC43.

## **Groundbreaking innovation Carragelose® effective against SARS-CoV-2**

Marinomed scientists were now able to show in cell culture assays that Carragelose® is also effective against the new SARS-CoV-2 virus, as well as the already known hCoV-OC43. Similar to antibodies, Carragelose® can neutralize the virus and thus protect the cells from virus infections. Supported by the Austrian Research Promotion

Agency (FFG), we are driving forward the development of a Carragelose® inhalation solution in addition to the products that are already available. The product would have the great advantage that it could not only be used against the new coronavirus in viral pneumonia, but also against pneumonia caused by other viruses. With their excellent safety profile, Carragelose® nasal sprays and throat products are already an immediately available therapy option for the upcoming cold season.

## **Impact on the Carragelose® business**

In March, Marinomed saw a dramatic increase in demand for Carragelose® products after the spread of the virus in Europe. This increase, which remains unchanged, will be reflected in sales in the second half year in particular. In the first half year, revenues increased by around 38% to EUR 2.3 million compared to the prior-year period. Similar to the manufacturers of masks or disinfectants, the rapidly increasing demand could not be fully covered. With record order volumes, securing the supply chains and especially the lead times for production capacities and packaging, represents an enormous challenge particularly in times of global lockdowns. We reacted rapidly and work intensively with our partners to be able to meet leaps in demand as quickly as possible. The positive data against SARS-CoV-2 have also led to increased interest in sales partnerships by international companies.

### Broadening of the Marinosolv® platform

Research and development on the Marinosolv® technology platform was advanced in parallel. The results are consistently positive and have expanded the pipeline. The approvals for the Tacrosolv study in the indication allergic conjunctivitis are in place and the study has already been formally initiated. The start time of the study now depends on the circumstances in connection with the COVID-19 crisis and will be determined by the trial physician in agreement with the clinical center. As the health of the study participants and keeping the risk of abandonment as low as possible have the highest priority, a postponement of the start of the study to a time after the cold season cannot be excluded.

With the antiallergic drug Budesolv, the first lead product of the Marinosolv® technology platform, the submission for marketing approval and the establishment of corresponding sales partnerships are the next milestones. Although the COVID-19 crisis is having a delaying effect, we are more confident than ever that we can successfully launch the product. The new projects will also open up new markets. Furthermore, the Marinosolv® platform has received confirmation from paying customers. In the first feasibility studies, we could demonstrate to several custom-

ers that their active ingredients can be brought into solution. We see a high long-term potential in this business area.

### Outlook 2020

The order situation for the remaining financial year 2020 is very favorable, so that another strong sales development is foreseeable. This is supported by the sustained strong demand for Carragelose® products. Since we are continuing to invest heavily in research and development in order to fully exploit the potential of our two platforms, operating losses can also be expected for this and the following years. The board thanks the Marinomed team for their commitment over the past few months, which lets us look to the future with great confidence despite the COVID-19 crisis.

Andreas Grassauer

Eva Prieschl-Grassauer

Pascal Schmidt

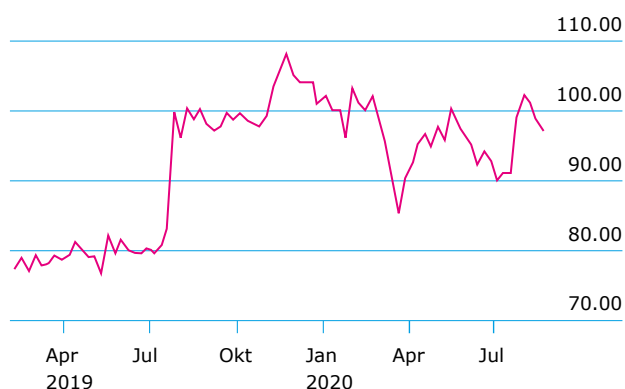
# Investor relations

## The stock

Shares in Marinomed Biotech AG have been trading on the Vienna Stock Exchange since February 1, 2019. They are listed in the prime market segment and form part of the ATX Prime index.

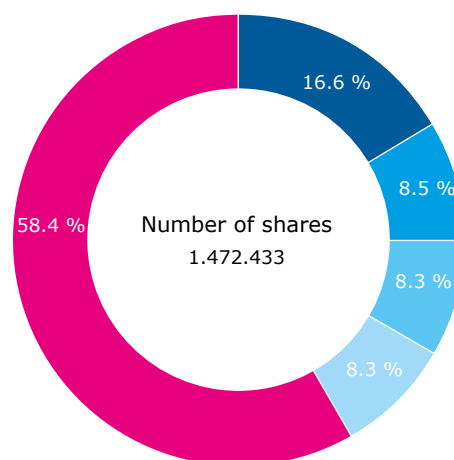
ISIN	ATMARINOMED6
Share class	No-par value bearer shares
Share capital (as at August 21, 2020)	EUR 1,472,433 (1,472,433 shares)
Ticker	Symbol MARI
Issue price (IPO) on 1.2.2019	EUR 75.00
Current price (as at August 21, 2020)	EUR 97.00
Market capitalisation (as at August 21, 2020)	EUR 142.8 million

## Share price performance Marinomed Biotech AG (ATMarinomed6, EUR) 01.02.2019 – 21.08.2020



## Shareholder structure

As at August 21, 2020 the founders and management team of Marinomed are the core shareholders with 27% (thereof 2% free float) of total shares. Long-term investor Acropora holds some 17% of shares, while approximately 58% are in free float.



- Acropora Beteiligungs GmbH
  - Hermann Unger
  - Andreas Grassauer (CEO)
  - Eva Prieschl-Grassauer (CSO)
  - Free Float
- Note: rounding differences possible

## Financial calendar

07.09.2020	"AGM" cut-off date
17.09.2020	Annual General Meeting
26.11.2020	Publication of Q3 Report 2020

# Half-year management report

# Market environment

As a biopharmaceutical company, Marinomed is firmly established in the global pharmaceutical and biotechnology market environment.

## Pharmaceutical market

The global pharmaceutical market is a growth market. It has been estimated to around USD 1.3 trillion in 2019 (source: IQVIA) with expected future growth rates of 3-6% per year. The COVID-19 pandemic affects the pharmaceutical industry on many levels. SARS-CoV-2 vaccines are being developed, global supply chains have come under pressure, and at the same time it has been politically recognized that the procurement of essential drugs can be a challenge in these uncertain times. The pharmaceutical industry is less affected by the global economic crisis than other parts of the economy. Still, long-term trends remain. This includes price pressure, but also the increasing standard of living in Asia and other growth regions, which overall lead to positive growth prospects for the sectors.

## Target market for Carragelose®

The recently published data on the effectiveness of Carragelose® against SARS-COV-2 in cell culture assays open up great opportunities for Marinomed. This will help to raise awareness of the Carragelose® brand and products in the countries where they are sold, thereby further driving sales. In the short term, a strong increase can already be observed in 2020 and the trend could gain momentum in autumn. The Carragelose® OTC products give consumers the opportunity to easily purchase a virus-blocking product. Marinomed believes that the pandemic will change public awareness of the dangers of viral respiratory infections.

The OTC market environment is characterised by intense competition, strict regulations and fragmented distribution networks. Above and beyond product development and brands, it is therefore essential to be able to bring innovations to the market. With an innovative, patented and antivirally focused product portfolio, Marinomed enables its highly specialised distribution partners to be ideally prepared for this challenge in their various markets.

### Target market for Marinosolv®

Budesolv, the first product based on the Marinosolv® platform, targets the market for allergic rhinitis, which is expected to generate sales of around USD 13 billion in 2019 (Visiongain Allergic Rhinitis Report 2018). The market in nasal steroids is experiencing stronger growth than the allergic rhinitis market as a whole. Accounting for 38% of the overall market, this area has been the most important segment since 2018. These increases are partly due to the trend towards non-prescription, OTC products.

Based on the universal applicability of the Marinosolv® platform, Marinomed has initiated further product developments. Tacrosolv is the most advanced, with the anticipated start of the Phase II study. This product is targeting the ophthalmology market, with a focus on the sub-segments of allergic conjunctivitis and dry eye syndrome. Both markets are currently under-supplied, which means that new and innovative drugs have the chance to reach a large group of patients.

Furthermore, Marinomed established a new business unit focused on external customers. This marks the next step in making the Marinosolv® technology available to a broader customer base. The recent IPOs of Nanoform from Finland and Hyloris from Belgium clearly demonstrate that new technologies in the areas of improving drug availability and optimising effectiveness are in high demand.



# Business performance

In line with the two technology platforms, Marinomed reports separately for the Marinosolv<sup>®</sup> and Carragelose<sup>®</sup> operating segments. Business performance is characterised by different factors in the two segments. It is essential that these are taken into account in any analysis of the earnings situation.

## Marinosolv<sup>®</sup> segment

The years of investment in the Marinosolv<sup>®</sup> technology platform have proven to be sensible. The successful completion of the pivotal phase III study demonstrated that Budesolv achieved the same effect as the market product with 85% less dose after one week of treatment. Even more crucial was to prove that - in contrast to the market product - a significant effect was already achieved within three hours of first use. Marinomed is now working with contract manufacturers to establish large-scale production and to obtain marketing authorisation for the product. However, in the current environment characterized by the pandemic, delays had to be accepted. Marinomed therefore assumes that the filing for marketing authorisation can be achieved in the first half of 2021. Nevertheless, the search for a partner for the later marketing of Budesolv is underway.

The platform was also technologically validated through the study and international researchers from pharma and universities have recognized the potential of solubilising active ingredients with Marinosolv<sup>®</sup>. The first feasibility studies were commissioned by such customers and sales were generated. These studies could be successfully concluded. On this basis, Marinomed can build

long-term partnerships and participate in the success of future products from such partners. Marinomed plans to firmly establish this area for external customers and to advance the business model.

No distribution licensing rights or other intellectual property rights have been licensed to third parties for products of the Marinosolv<sup>®</sup> technology platform to date. As a result, the exceptionally positive trend at the research and development level has not yet been reflected in revenues or income. This operating segment is characterised by high spending on research and development, which will only generate significant revenues in subsequent years.

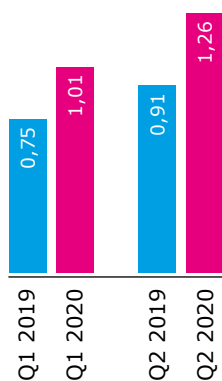
## Carragelose<sup>®</sup> segment

On July 16, 2020 Marinomed could announce that Carragelose<sup>®</sup> is effective against SARS-CoV-2. Already before that the Carragelose<sup>®</sup> platform for treating cold-related illnesses showed a more dynamic performance than in the prior-year period. The Carragelose<sup>®</sup> segment encompasses sales and distribution of the existing Carragelose<sup>®</sup> products alongside ongoing research and development. Revenues in this segment climbed to EUR 2.24 million (H1/2019: EUR 1.66 million), due to increased demand as a result of the COVID-19 crisis.

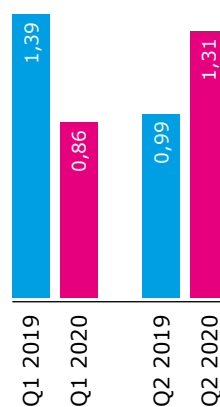
In any case, a record turnover is expected for 2020. The very good order situation now extends into the coming financial year and Marinomed is working with its suppliers to meet a possibly even stronger demand. The pandemic has shown that a

**Revenues**

in EUR million

**R&D Expenses**

in EUR million



greater degree of flexibility in the production and supply chain is necessary to be able to respond as quickly as possible to strong fluctuations in demand. The most important bottleneck in production has already been significantly reduced through investments and thus better integration of packaging procurement. In the Carragelose® segment, the first partnerships for the new Carravin product (combination of Carragelose® and xylometazoline) were reported. In addition, clinical trials to expand the areas of indication and upcoming product launches should have a positive effect on the further development.

In April Marinomed announced that the Research Promotion Agency (FFG) is funding the development of a SARS-CoV-2 therapy based on

Carragelose® with 45%, whereby the funding share can increase to 60% under certain conditions. The project has the potential to not only show the effectiveness against SARS-CoV-2 in humans, but also to enable a therapy for viral pneumonia caused by other viruses.

Due to the pandemic, the conduct of clinical studies in both segments is currently subject to great uncertainty and delays may occur. Larger studies in particular, such as the planned Tacrosolv study, may have to be postponed to 2021. As a result, investments in research and development are currently lower than planned. Nevertheless operating losses are still expected for 2020 and the following years.

## Revenues and earnings

In the first half 2020, Marinomed succeeded in significantly increasing its revenues — which were generated almost exclusively in the Carragelose® segment — by 38% to EUR 2.28 million (H1/2019: EUR 1.66 million). Other income in the first half 2020 largely comprised the research premium and rose to EUR 0.47 million (H1/2019: EUR 0.29 million).

Due to a significant increase in sales of goods, expenses for materials increased from EUR 1.11 million to EUR 1.56 million in the first half 2020. Expenses for services declined to EUR 0.97 million in the first half 2020 (H1/2019: EUR 1.64 million). This was mainly due to forced delays of clinical studies as a result of the COVID-19 crisis. The decrease in other expenses from EUR 1.09 million in the first half 2019 to EUR 0.89 million was largely attributable to reduced consulting expenses. At EUR 2.02 million personnel costs remained stable compared to the prior-year figure (H1/2019: EUR 2.01 million). Despite the lockdown in March and April research and development expenses remained almost stable at EUR 2.17 million in the first half 2020 (H1/2019: EUR 2.37 million). Accordingly, the operating result (EBIT) of EUR -2.89 million was up on the prior-period figure of EUR -4.06 million. In the first half 2019, the financial result was adversely impacted by a one-off, non-cash valuation result of EUR -0.34 million relating to the convertible bond issued in 2017. This item therefore improved to EUR -0.33 million in the first half 2020 (H1/2019: EUR -0.85 million). The loss for the first half 2020 therefore came in at EUR -3.23

million, from EUR -4.90 million in the prior-year period.

## Assets and financial situation

The assets and financial situation largely reflects the negative trend in earnings, which is to be expected for a biopharmaceutical firm during the development stage. The funding measures in the 2015 to 2020 financial years should ensure long-term investment in research and development.

Total assets decreased from EUR 19.50 million as at December 31, 2019 to EUR 17.86 million as at June 30, 2020. Non-current assets increased to EUR 5.83 million compared to EUR 4.16 million on the cut-off date in the prior year, while current assets declined from EUR 15.34 million to EUR 12.03 million.

As at June 30, 2020, equity capital stood at EUR 7.95 million compared to EUR 10.87 million as at end-December 2019.

Non-current liabilities remained largely stable at EUR 4.78 million compared to EUR 4.61 million as at the 2019 reporting date. Current liabilities slightly increased from EUR 4.03 million as at December 31, 2019 to EUR 5.14 million.

Cash and cash equivalents decreased from EUR 12.02 million as at end 2019 to EUR 7.82 million on June 30, 2020. The cash flow is largely characterised by investments into research and development and into the new headquarter in Korneuburg.

# Risk report

Marinomed is a research and development company that supplies its products to pharmaceutical firms and distribution partners on all continents. As such, Marinomed is exposed to various risks. The risks described below are continuously monitored so that action can be taken quickly and countermeasures adopted if necessary.

## Global economic risks relating to the SARS-CoV-2 pandemic

As an internationally active company, Marinomed is embedded into the world economy. Although it is not possible to predict the long-term effects the pandemic will have on the global economy, there is an increased risk that the global economic climate will deteriorate and that the downturn will continue across all continents. While the life sciences sector is less sensitive to changes of this nature, it may become more difficult to maintain a continuous supply chain and the slowdown in economic growth may lead to lower customer demand.

## Risks relating to funding and funding instruments

The main financial risks include default, liquidity and interest rate risks. There are also exchange-rate risks as some sales are generated in GBP. As receivables in GBP do not generally exceed EUR 250,000, the effect on the income statement of a fluctuation of +/- 10% would be less than EUR 25,000. As a research and development company, Marinomed continues to report a negative operating result (EBIT), which means that it has no access to conventional credit instruments. Accordingly, there is a risk that the capital requirement will not be met in future, or

only on unfavourable conditions. This is a typical risk for a biotech firm.

Further, Marinomed is to a usual extent exposed to interest risks based on the development of international interest levels. Specific interest rate risks result from the AWS Seed loan (2% plus 3M-EURIBOR) and from the revenue-related royalties to be paid in connection with the EIB loan.

The company does not possess any derivative financial instruments.

## Strategic risks

The risk for Marinomed is that long-term potential will not be utilised or will be misjudged. The partnerships it has entered into or may establish in future for both technology platforms could prove disadvantageous. The current assessment of the products' potential on the global markets may be overly optimistic. Accordingly, there is a risk that the revenue targets will not be met. A further risk is that competitors may develop better or cheaper products, which would erode the profitability of Marinomed's portfolio.

Government authorities are endeavouring to rein in health care costs by encouraging greater competition among providers and permanently reducing the reimbursement limits for drugs in nearly all regional markets. The rapidly growing OTC market is less vulnerable to these influences, but competition is fierce and there are larger providers that have far more financial and business options available to them than Marinomed or its partners in the respective countries.

## Operational risks

Marinomed is dependent on partners on both the supplier and marketing sides. Despite equitable contracts, there is a risk that one or more partners may be unable to resolve financial or technical problems through no fault of Marinomed, resulting in losses for the company. Partners may fail to achieve their own revenue targets, while other issues may relate to supply delays, payment difficulties or other risks typical of the sector.

With more than 90% of sales billed in euros, the company considers its currency risk to be low. However, in non-eurozone countries (excluding the United Kingdom), appreciation of the euro against local currencies could make the company's products more expensive for distributors and end consumers, resulting in reduced sales of the company's products.

## Liquidity risk

The management board expects the company's research and development spending and operating losses to remain substantial over the coming years at least. Management forecasts that existing cash reserves as well as the financing raised via the IPO and from the EIB will be sufficient to fund the company's operating costs and investments over the coming years. This estimate is based on assumptions that could prove to be wrong, and the company could exhaust its capital resources more quickly than it currently expects.

Marinomed always strives to maintain financial flexibility, for example via raising additional capital in more favourable market conditions or based on

strategic considerations. The company currently believes that it has sufficient funds for its current or future operating plans.

Marinomed believes that the company could forego certain expenditures to reduce its cash requirements. If Marinomed becomes unable to raise capital when needed, this may result in delays, cutbacks or termination of research and development programmes as well as future commercialisation efforts.

## Risk relating to patents

The Carragelose® technology is protected by several patents worldwide. The patents of the Marinosolv® technology are currently in the nationalisation phase. Nonetheless, it is possible that patents will be contested or current unique selling points will be undermined by new technologies or products.

## Research and development risk

Marinomed's success largely depends upon the degree to which its research and development initiatives achieve the expected results. The research activities of Marinomed are designed to increase knowledge for the benefit of humanity while protecting the environment at the same time. Its internal and external researchers act in accordance with statutory rules and ethical principles. A responsible approach to research primarily involves the following measures in the event of research that is at risk of abuse: identifying and minimising research risks, carefully managing publications, documenting risks and, implementing educational and training measures.

Nonetheless, it is possible that the results of the research and clinical trials will not reach the expected primary or secondary endpoints or will not be significantly better than existing or new rival products. This could materially erode the value of Marinomed's research projects. In extreme cases, individual projects could become worthless and the envisaged income impossible to realise.

### **Personnel risk**

Due to the small number of personnel, there is a risk that any deficit of key staff members will lead to a loss of essential expertise, with their replacement causing delays in meeting targets.

### **Risk management and internal control system**

Marinomed carries out research and development activities for drugs and medical devices. Utilising opportunities and avoiding risks is therefore important for the company's success. Consequently, Marinomed pursues a systematic approach to the early recognition of opportunities and risks. The areas outlined in the "Risk report" are repeatedly scrutinised through company-wide planning and control processes. Overall responsibility for Marinomed's internal control and risk management lies with the management board.

# Interim condensed consolidated financial statements

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

all amounts in kEUR	Note	1-6/2020	1-6/2019	4-6/2020	4-6/2019
<b>Profit or Loss</b>					
Revenues		2,282.6	1,658.1	1,268.7	906.9
Other income		474.6	293.6	387.3	133.5
Other gains (losses), net		-10.9	1.8	-5.3	-1.8
Expenses for materials		-1,557.2	-1,107.2	-883.4	-610.9
Expenses for services		-973.3	-1,639.1	-681.6	-552.3
Personnel expenses	3	-2,017.1	-2,006.0	-1,003.5	-851.3
Depreciation and amortisation		-202.0	-164.0	-110.0	-84.4
Other expenses	4	-890.2	-1,093.7	-459.1	-364.6
<b>Operating result (EBIT)</b>		<b>-2,893.5</b>	<b>-4,056.5</b>	<b>-1,486.9</b>	<b>-1,424.9</b>
Financial income	5	0.1	0.2	-0.0	0.2
Financial expenses	5	-334.4	-845.5	-166.8	-239.2
<b>Financial result</b>		<b>-334.3</b>	<b>-845.4</b>	<b>-166.8</b>	<b>-239.1</b>
<b>Loss before taxes</b>		<b>-3,227.8</b>	<b>-4,901.9</b>	<b>-1,653.7</b>	<b>-1,663.9</b>
Taxes on income		-1.8	-2.6	-0.9	-0.9
<b>Loss for the period</b>		<b>-3,229.5</b>	<b>-4,904.5</b>	<b>-1,654.5</b>	<b>-1,664.8</b>
Other comprehensive income (loss) for the period		0.0	0.0	0.0	0.0
<b>Total comprehensive loss for the period</b>		<b>-3,229.5</b>	<b>-4,904.5</b>	<b>-1,654.5</b>	<b>-1,664.8</b>

All results are attributable to shareholders of the Company.



# Statement of financial position

all amounts in kEUR	Note	30.06.2020	31.12.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		1,683.5	1,625.4
Property, plant and equipment	8	4,131.3	2,491.0
Shares in affiliated companies		-	35.0
Deposits and other non-current receivables		11.4	12.5
		<u>5,826.1</u>	<u>4,163.9</u>
<b>Current assets</b>			
Inventories	9	556.3	97.5
Trade and other receivables		3,662.4	3,220.4
Current tax receivables		0.0	0.0
Cash and cash equivalents		7,816.0	12,019.6
		<u>12,034.7</u>	<u>15,337.5</u>
<b>Total assets</b>		<b>17,860.8</b>	<b>19,501.5</b>

all amounts in kEUR	Note	30.06.2020	31.12.2019
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	11	1,472.0	1,469.8
Capital reserves	11	41,160.8	40,848.1
Retained losses		-34,685.6	-31,451.9
		7,947.3	10,866.0
<b>Non-current liabilities</b>			
Borrowings		4,698.0	4,505.4
Other non-current liabilities		79.2	104.1
		4,777.1	4,609.5
<b>Current liabilities</b>			
Borrowings		110.1	135.2
Trade payables		1,653.4	1,002.4
Current contract liabilities and other current liabilities		2,099.9	1,615.4
Provisions		1,273.0	1,273.0
		5,136.4	4,026.0
<b>Total equity and liabilities</b>		<b>17,860.8</b>	<b>19,501.5</b>

# Statement of cash flows

all amounts in kEUR	1-6/2020	1-6/2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the period	-3,229.5	-4,904.5
<b>Adjustments for:</b>		
Taxes on income recognised in profit or loss	1.8	2.6
Financial income recognised in profit or loss	-0.1	-0.2
Financial expense recognised in profit or loss	334.4	845.5
Depreciation and amortisation expense	202.0	164.0
Net book value of disposals of assets	-	0.0
(Gain)/Loss on disposal of assets	-	-0.0
Other non-cash income/expense	132.7	98.7
Changes in deposits and other non-current receivables	1.2	0.3
Changes in inventories	-458.8	103.1
Changes in trade and other receivables	-442.0	523.8
Other changes in trade liabilities, contract liabilities and other liabilities	590.2	-2,022.8
Interest paid	-11.6	-361.3
Interest received	0.1	0.2
Taxes paid	-0.9	-2.6
<b>Cash flow utilised by operating activities</b>	<b>-2,880.7</b>	<b>-5,553.1</b>
Purchase of plant and equipment and intangible assets	-1,335.2	-44.9
<b>Cash flow utilised by investing activities</b>	<b>-1,335.2</b>	<b>-44.9</b>

Proceeds from shareholders	-	22,425.0
Convertible bond repayments	-	-24.8
Repayments of shareholders' loans	-	-2,262.7
Proceeds from equity-settled options	169.7	-
Repayments of long-term borrowings	-100.0	-1,891.1
Lease payments	-54.4	-46.5
Equity transaction costs	-3.0	-1,741.1
<b>Cash flow generated from financing activities</b>	<b>12.2</b>	<b>16,458.8</b>
<b>Net cash flow</b>	<b>-4,203.7</b>	<b>10,860.9</b>
Cash & cash equivalents at beginning of period	12,019.6	1,715.5
Cash & cash equivalents at end of period	7,816.0	12,576.3
<i>Of which effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies</i>	-5.3	1.3
<i>Of which effect of initial consolidation of Marino Immo GmbH</i>	30.2	-

# Statement of changes in equity

all amounts in kEUR	Nominal capital/ Share capital	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	-	-	-4,904.5	-4,904.5
Total comprehensive income (loss) for the period	-	-	-4,904.5	-4,904.5
ESOP 2019	-	141.8	-	141.8
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>June 30, 2019</b>	<b>1,469.8</b>	<b>40,563.4</b>	<b>-29,139.9</b>	<b>12,893.2</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	-	-	-3,229.5	-3,229.5
Total comprehensive income (loss) for the period	-	-	-3,229.5	-3,229.5
ESOP 2019	2.3	312.7	-	315.0
Initial consolidation Marino Immo GmbH	-	-	-4.1	-4.1
<b>June 30, 2020</b>	<b>1,472.0</b>	<b>41,160.8</b>	<b>-34,685.6</b>	<b>7,947.3</b>

# Notes to the interim condensed consolidated financial statements

## 1. General information

Marinomed Biotech AG (“Marinomed” or the “Company”) is a biopharmaceutical company focusing on the development of innovative products in the field of antiviral and immunological diseases based on its intellectual property (IP) protected technology platforms. The Company develops therapies against respiratory diseases using its innovative antiviral respiratory technology platform, Carragelose®. In addition, Marinomed invented a technology that allows the solubilisation of otherwise hardly soluble compounds resulting in their faster and higher efficacy. This technology platform is named Marinosolv®. The Company was incorporated in March 2006 as a spinoff from the Veterinary University of Vienna. The Company’s headquarters are located at Veterinärplatz 1, 1210 Vienna, Austria.

The management board approved the interim condensed consolidated financial statements for issuance on August 26, 2020.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those of the previous periods except for the adoption of new and amended standards as described in note 2.2.. These policies have been consistently applied to all the periods presented, unless otherwise noted. The tables in this report may contain rounding differences.

### 2.1. Basis of preparation

The interim condensed consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and the Interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union (EU). These interim condensed consolidated financial statements for the quarter ended June 30, 2020 were prepared in accordance with IAS 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements as of June 30, 2020 include Marinomed Biotech AG and one subsidiary, Marino Immo GmbH (see Note 12).

These interim condensed consolidated financial statements have been prepared on a going concern basis that assumes that the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

### Critical accounting estimates and assumptions

The preparation of these interim condensed consolidated financial statements requires management to make estimates and other judgements that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenses during the interim reporting period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last published annual financial statements.

## 2.2. Application of new and revised International Financial Reporting Standards (IFRSs)

### New and revised standards and interpretations that are effective for the current year

The following amendments and interpretations that are mandatorily effective for an accounting period that begins on or after January 1, 2020, do not have a material impact on the interim condensed consolidated financial statements of the Company:

Amendment	Date of Publication	Date of Endorsement	Effective Date (EU)
Amendments to IAS 1 and IAS 8: Definition of Material	31.10.2018	29.11.2019	01.01.2020
Amendments to Reference to the Conceptual Framework in IFRS Standards	29.03.2018	29.11.2019	01.01.2020
IBOR-Reform: Amendments to IFRS 9, IAS 39 and IFRS 7	26.09.2019	15.01.2020	01.01.2020
Amendment to IFRS 3 Business Combinations: Definition of a Business Operation	22.10.2018	21.04.2020	01.01.2020

### New and amended standards that will be effective in future periods

Standard / Amendment (Pending Adoption into EU Law)	Date of Publication	Effective Date (IASB)
Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions	28.05.2020	01.06.2020
IFRS 17 Insurance Contracts	18.05.2017	25.06.2020
Amendment to IFRS 4 Insurance Contracts: Postponement of IFRS 9	25.06.2020	01.01.2021
Amendment to IAS 1: Classification of Liabilities as Current or Non-current	23.01.2020	01.01.2022
Amendments to: IFRS 3 Business Combinations IAS 16 Property, Plant and Equipment IAS 37 Provisions, Contingent Liabilities and Contingent Assets	14.05.2020	01.01.2022
Annual Improvements 2018–2020		

### 2.3. Segment reporting

In 2020, the Company reports the two operating segments, Carragelose and Marinosolv, based on the Company's platforms. Carragelose combines activities from products which are already distributed, as well as Research & Development of new products based on the active ingredient Carragelose®. At the moment Marinosolv generates only minor revenues, but is expected to make further contributions in the future. Residual operating activities which cannot be attributed to Carragelose or Marinosolv are reported as "Corporate".

The reporting format was derived from the Company's internal reporting. IFRS segment information is provided to the management.

The following is an analysis of the Company's revenues and operating result (EBIT) by reportable segment.



<b>Period ended June 30, 2019</b>	<b>Carragelose</b>	<b>Marinosolv</b>	<b>Corporate</b>	<b>Total</b>
all amounts in kEUR				
Total revenues	1,658.1	-	-	<b>1,658.1</b>
<i>Of which sale of goods</i>	<i>1,455.5</i>	-	-	<b>1,455.5</b>
<i>Austria</i>	-	-	-	-
<i>Other European countries</i>	<i>1,009.8</i>	-	-	<b>1,009.8</b>
<i>Non-European countries</i>	<i>445.7</i>	-	-	<b>445.7</b>
<i>Of which other revenues</i>	<i>202.6</i>	-	-	<b>202.6</b>
<i>Austria</i>	<i>42.9</i>	-	-	<b>42.9</b>
<i>Other European countries</i>	<i>28.3</i>	-	-	<b>28.3</b>
<i>Non-European countries</i>	<i>131.4</i>	-	-	<b>131.4</b>
Cost of goods sold	-1,037.5	-	-	<b>-1,037.5</b>
Contract research	-109.4	-1,186.3	-	<b>-1,295.7</b>
Personnel expenses	-403.9	-590.7	-1,011.4	<b>-2,006.0</b>
Other miscellaneous income/expense	-332.6	57.8	-509.5	<b>-784.3</b>
Depreciation and amortisation	-80.4	-37.8	-45.9	<b>-164.1</b>
Non-recurring items	-	-	-427.2	<b>-427.2</b>
<b>Operating result (EBIT)</b>	<b>-305.7</b>	<b>-1,757.0</b>	<b>-1,993.9</b>	<b>-4,056.5</b>
<b>Period ended June 30, 2020</b>				
all amounts in kEUR				
Total revenues	2,244.0	38.6	-	<b>2,282.6</b>
<i>Of which sale of goods</i>	<i>2,041.8</i>	-	-	<b>2,041.8</b>
<i>Austria</i>	-	-	-	-
<i>Other European countries</i>	<i>938.5</i>	-	-	<b>938.5</b>
<i>Non-European countries</i>	<i>1,103.4</i>	-	-	<b>1,103.4</b>
<i>Of which other revenues</i>	<i>202.1</i>	<i>38.6</i>	-	<b>240.7</b>
<i>Austria</i>	<i>144.5</i>	-	-	<b>144.5</b>
<i>Other European countries</i>	<i>30.1</i>	<i>38.6</i>	-	<b>68.7</b>
<i>Non-European countries</i>	<i>27.5</i>	-	-	<b>27.5</b>
Cost of goods sold	-1,503.7	-	-	<b>-1,503.7</b>
Contract research	-441.2	-221.9	-	<b>-663.1</b>
Personnel expenses	-412.1	-603.7	-1,001.3	<b>-2,017.1</b>
Other miscellaneous income/expense	-203.9	154.5	-740.8	<b>-790.2</b>
Depreciation and amortisation	-98.6	-46.2	-57.2	<b>-202.0</b>
Non-recurring items	-	-	-	-
<b>Operating result (EBIT)</b>	<b>-415.6</b>	<b>-678.6</b>	<b>-1,799.3</b>	<b>-2,893.5</b>

Revenues in the Carragelose segment are subject to strong seasonality and significantly higher in the second half-year due to the "Cough & Cold" season.

In both reporting periods "Cost of goods sold" include expenses for merchandise and regular batch release charges (excluding exceptional charges) related to "Sales of goods" and form part of, but do not equal the sum of the P&L items "Expenses for materials" and "Expenses for services".

In the prior-year period "Non-recurring items" include IPO-related expenses (especially for legal and other consultancy services) that were not directly deducted from equity.

### 3. Personnel expenses

#### Employee Stock Option Plan (ESOP)

On February 1, 2019, Marinomed established ESOP 2019 for the members of the management board as well as all other employees of the Company. The total number of options that may be granted under ESOP 2019 is 43,694 and each option entitles the option holder to subscribe for one voting share.

At the end of April 2019 21,847 stock options were issued to the 3 board members as well as 19,660 stock options to 28 employees from all hierarchy levels. In case of exercise, the Company can settle via shares (equity-settled) or in cash (cash-settled). This decision is taken at the sole discretion of the Company. Management plans to settle via shares. Granted options cannot be exercised immediately, but after vesting, i.e. 25% after 12 months starting with the first trading day (February 1, 2019), then another 6.25% every three months. The exercise price equals the IPO issue price (= EUR 75.00). The exercise period is limited to 10 trading days starting with the 6th trading day after the release of financial statements (annual reports, quarterly financial statements). Furthermore, a hurdle rate of 2.5% per quarter starting with the first trading day applies (without compound interest). The options expire without further compensation on January 31, 2025 or after termination of employment. The development of stock options in the reporting period was as follows:

Number of issued stock options	As of January 1, 2020	Additions	Exercised options	Expired options	As of June 30, 2020	Thereof vested
Management board	21,847	-	-	-	21,847	6,827
Employees	19,660	-	2,854	300	16,506	3,181
<b>Total</b>	<b>41,507</b>	<b>-</b>	<b>2,854</b>	<b>300</b>	<b>38,353</b>	<b>10,008</b>

#### 4. Other expenses

Other expenses include the following items (nature of expenses):

<b>Period ended June 30</b>	<b>2020</b>	<b>2019</b>
all amounts in kEUR		
Fees	-16.3	-59.1
Maintenance expenses	-60.5	-35.1
Operating costs	-38.7	-21.0
Insurance	-11.8	-13.6
Freight	-10.0	-2.6
Travel expenses	-9.5	-22.0
Car expenses	-3.8	-3.3
Telecommunication expenses	-10.3	-6.2
Relocation expenses	-24.7	-
Education expenses	-5.9	-9.4
Office and administrative expenses	-16.9	-8.7
Marketing/PR expenses	-84.0	-101.1
Consulting expenses	-596.4	-804.5
Other expenses	-1.5	-7.2
<b>Total</b>	<b>-890.2</b>	<b>-1,093.7</b>

## 5. Financial income and expenses

<b>Period ended June 30</b>	<b>2020</b>	<b>2019</b>
all amounts in kEUR		
<b>Interest income</b>		
Bank deposits	0.1	0.2
<b>Total</b>	<b>0.1</b>	<b>0.2</b>
<b>Interest and similar expenses</b>		
Subsidised loans	-33.7	-63.2
Shareholders' loans	-	-307.6
Convertible bond	-	-130.2
Leasing	-2.1	-7.9
Bank deposits	-0.9	-
EIB loan	-288.2	-
Other interest expenses	-9.5	-0.0
<b>Total</b>	<b>-334.4</b>	<b>-508.9</b>
<b>Other financial income/(expenses)</b>		
Valuation equity conversion right	-	-336.6
<b>Total</b>	<b>-</b>	<b>-336.6</b>
<b>Total financial result</b>	<b>-334.3</b>	<b>-845.4</b>
<i>Of which financial income</i>	<i>0.1</i>	<i>0.2</i>
<i>Of which financial expenses</i>	<i>-334.4</i>	<i>-845.5</i>

## 6. Research and development expenses

The Company has incurred research and development expenses which are included in the following positions in the statement of profit or loss and other comprehensive income (loss):

all amounts in kEUR	1-6/2020	1-6/2019	4-6/2020	4-6/2019
Personnel expenses	-870.0	-572.7	-447.7	-294.9
Expenses for services	-691.1	-1,317.8	-525.2	-393.7
Expenses for materials	-72.5	-84.6	-52.1	-66.6
Other expenses	-74.6	-61.0	-44.5	-33.3
Depreciation and amortisation	-141.1	-114.6	-73.9	-57.2
Financial expenses	-323.2	-222.3	-165.7	-139.8
<b>Total</b>	<b>-2,172.5</b>	<b>-2,373.1</b>	<b>-1,309.1</b>	<b>-985.5</b>

## 7. Earnings (loss) per share

Period ended June 30	2020	2019
Earnings (loss) for the period (in kEUR)	-3,229.5	-4,904.5
Weighted average number of shares outstanding	1,470,022	1,364,991
<b>Basic earnings (loss) per share (in EUR)</b>	<b>-2.20</b>	<b>-3.59</b>

Basic earnings/losses per share is calculated by dividing the net earnings/loss attributable to shareholders by the weighted average number of shares outstanding during the period. As due to negative earnings no dilutive potential ordinary shares exist, basic earnings per share correspond to diluted earnings per share.

## 8. Property, plant and equipment

The movement of property, plant and equipment was as follows:

all amounts in kEUR	IT equip- ment	Laboratory equipment	Other plant and office equipment	Right-of- use asset	Land and buildings	Prepay- ments and buildings under con- struction	Total
<b>As of January 1, 2019</b>							
Cost	97.5	448.9	110.1	118.6	-	-	775.1
Accumulated depreciation	-48.7	-361.0	-51.4	-	-	-	-461.1
<b>Carrying amount</b>	<b>48.8</b>	<b>87.9</b>	<b>58.7</b>	<b>118.6</b>	<b>-</b>	<b>-</b>	<b>314.0</b>
<b>Period ended June 30, 2019</b>							
Beginning carrying amount	48.8	87.9	58.7	118.6	-	-	314.0
Additions	7.8	10.7	-	4.8	-	-	23.3
Disposals	-	-0.0	-	-	-	-	-0.0
Depreciation	-9.5	-15.2	-6.3	-40.2	-	-	-71.2
<b>Carrying amount</b>	<b>47.2</b>	<b>83.3</b>	<b>52.4</b>	<b>83.1</b>	<b>-</b>	<b>-</b>	<b>266.1</b>
<b>As of January 1, 2020</b>							
Cost	109.1	544.7	110.9	123.4	358.9	1,825.5	3,072.5
Accumulated depreciation	-67.4	-368.2	-64.1	-81.8	-	-	-581.5
<b>Carrying amount</b>	<b>41.7</b>	<b>176.5</b>	<b>46.8</b>	<b>41.6</b>	<b>358.9</b>	<b>1,825.5</b>	<b>2,491.0</b>
<b>Period ended June 30, 2020</b>							
Beginning carrying amount	41.7	176.5	46.8	41.6	358.9	1,825.5	2,491.0
Additions	97.2	5.3	102.7	-	-	1,524.4	1,729.7
Disposals	-0.0	-	-	-	-	-	-0.0
Transfers	-	-	-	-	2,288.0	-2,288.0	-
Depreciation	-13.5	-18.7	-9.3	-41.6	-6.4	-	-89.4
<b>Carrying amount</b>	<b>125.4</b>	<b>163.2</b>	<b>140.2</b>	<b>-</b>	<b>2,640.5</b>	<b>1,061.9</b>	<b>4,131.3</b>
<b>As of June 30, 2020</b>							
Cost	205.8	550.0	213.6	123.4	2,646.9	1,061.9	4,801.6
Accumulated depreciation	-80.4	-386.9	-73.4	-123.4	-6.4	-	-670.4
<b>Carrying amount</b>	<b>125.4</b>	<b>163.2</b>	<b>140.2</b>	<b>-</b>	<b>2,640.5</b>	<b>1,061.9</b>	<b>4,131.3</b>

## 9. Inventories

Inventories include the following items:

all amounts in kEUR	As of June 30, 2020	As of December 31, 2019
Goods for sale	340.2	97.5
Raw materials and supplies in production	95.1	-
Raw materials and supplies	121.0	-
<b>Total</b>	<b>556.3</b>	<b>97.5</b>

The positions „raw materials and supplies in production“ and „raw materials and supplies“ mainly relate to bottles and pumps. These are directly sourced by Marinomed, to decrease lead time and gain more flexibility in responding to fluctuating customer demands.

## 10. Financial instruments

As of December 31, 2019 all amounts in kEUR	Financial assets at amortized cost	Total
<b>Assets as per statement of financial position</b>		
Non-current receivables	3.2	3.2
Trade receivables	1,484.7	1,484.7
Cash and cash equivalents	12,019.6	12,019.6
<b>Total</b>	<b>13,507.5</b>	<b>13,507.5</b>

all amounts in kEUR	Financial liabilities at amortized cost	Total
<b>Liabilities as per statement of financial position</b>		
Borrowings	4,770.4	4,770.4
Other financial liabilities	91.9	91.9
Current contract liabilities	1,843.5	1,843.5
Trade payables	779.7	779.7
<b>Total</b>	<b>7,485.5</b>	<b>7,485.5</b>

<b>As of June 30, 2020</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
all amounts in kEUR		
<b>Assets as per statement of financial position</b>		
Non-current receivables	3.0	3.0
Trade receivables	1,266.1	1,266.1
Cash and cash equivalents	7,816.0	7,816.0
<b>Total</b>	<b>9,085.1</b>	<b>9,085.1</b>

all amounts in kEUR	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
<b>Liabilities as per statement of financial position</b>		
Borrowings	4,808.0	4,808.0
Other non-current liabilities	79.2	79.2
Current contract liabilities and other current liabilities	2,099.9	2,099.9
Trade payables	1,653.4	1,653.4
<b>Total</b>	<b>8,640.5</b>	<b>8,640.5</b>

The Company did not hold any financial assets classified as at FVTPL or at FVTOCI as of June 30, 2020 and as of December 31, 2019.

The fair values of financial liabilities are similar to December 31, 2019 not materially different to their carrying amounts, since the interest payable on financial liabilities is either close to current market rates or the financial liabilities are of a short-term nature. The carrying amounts for current receivables and trade payables are assumed to approximate their fair value due to their relatively short maturity.

## 11. Capital and reserves

As of June 30, 2020 the number of shares outstanding amounts to 1,472,034 (December 31, 2019: 1,469,772), the authorised capital to 500,000 shares (thereof 39,000 already issued in February 2019 in the course of the full execution of the greenshoe option) and the conditional capital to 97,738 shares (December 31, 2019: 100,000), thereof 41,432 (December 31, 2019: 43,694) to serve ESOP 2019. Thus, 2,262 new shares were issued. The difference to the 2,854 exercised share options (see Note 3) results from cash-settled options and from options exercised in June which were equity-settled in July. All shares have a nominal value of EUR 1 and are fully paid-in. Capital reserves are primarily used to finance research and development.



In the reporting period expenses from ESOP 2019 amounting to kEUR 159 (H1/2019: kEUR 142) were accounted for in capital reserves in accordance with IFRS 2.7.

## 12. Initial consolidation of Marino Immo GmbH

Marino Immo GmbH, a wholly owned subsidiary of Marinomed Biotech AG based in Vienna, which was previously carried at amortised cost, was initially consolidated on June 30, 2020. The initial consolidation of this subsidiary did not have any significant effect on the presentation of net assets, financial position and results.

## 13. Off-Balance sheet commitments

The Company has entered into a number of agreements which also entail off-balance sheet financial commitments for the future and mainly relate to commitments associated with the construction of the new headquarters in Korneuburg, to ordered primary packaging, to services provided by third parties in connection with the conduct of clinical trials and other research and development activities. The remaining payments to be made under these agreements, if all milestones and other conditions are met, are estimated as follows:

all amounts in kEUR	As of June 30, 2020	As of December 31, 2019
No later than 1 year	6,546.0	6,152.8
Later than 1 year and no later than 5 years	98.0	71.5
Later than 5 years	-	-
<b>Total</b>	<b>6,644.0</b>	<b>6,224.3</b>

## 14. Related party transactions

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 reporting period expenses related to this contract amounted to kEUR 15 (H1 2019: kEUR 20).

All transactions with related parties are carried out at arms-length principle.

## 15. Events after the reporting period

On July 16, 2020 the Company announced via ad hoc notification that pre-clinical data show that Carragelose® has the potential to reduce the risk of an infection with SARS-CoV-2 and may also treat COVID-19. Data from Marinomed's cell-culture study confirm that Carragelose® works in a dose-dependent manner to strongly reduce the infection of cells from the SARS-CoV-2 virus.

Carragelose® coats the mucosal tissues of the respiratory tract susceptible to attack from SARS-CoV-2, forming a physical barrier that helps to protect against viral infection and viral spread. This in turn may suppress the viral load and the body's own natural defences may fight the virus more efficiently. Typically, people can become ill with COVID-19 after the SARS-CoV-2 virus has entered the body through the nose or throat.

These studies results enable Marinomed to build on the data that have been already collected from clinical trials with other viruses, and these results can be extrapolated that SARS-CoV-2 virus may be neutralised as well. The effectiveness of Carragelose® has been proven in clinical trials with more than 600 patients suffering from early symptoms of the common cold. A particular advantage of Carragelose® is the broad activity of the polymer against different virus strains, such as Rhinovirus and already known Coronaviruses. In addition, the safety profile of Carragelose® is very good. These pre-clinical data underscore the protection Carragelose® can provide against SARS-CoV-2 and a multitude of different respiratory viruses. This will be particularly important as Marinomed continues to deal with COVID-19 and moves into this year's cold and flu season.

As a next step, Marinomed is now planning clinical tests using the same technology for an inhalation solution that could also work in the lungs. The trials will include patients with a risk of virally induced pneumonia, a main complication of COVID-19 and other viruses, such as Influenza A. The first efficacy results are expected within the next 12 months. If the clinical data are positive, an inhalation product with Carragelose® could be available in 2021.

These interim condensed consolidated financial statements were reviewed by the auditor.



Vienna, 26.08.2020  
Andreas Grassauer



Vienna, 26.08.2020  
Eva Prieschl-Grassauer



Vienna, 26.08.2020  
Pascal Schmidt

# Report on the review of the interim condensed consolidated financial statements

## Introduction

We have reviewed the accompanying interim condensed consolidated financial statements as of June 30, 2020 of Marinomed Biotech AG, Vienna, (Referred to as "Company" or "Marinomed") comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and selected notes to the interim condensed consolidated financial statements for the period from January 1, 2020 to June 30, 2020.

The Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU.

Our responsibility is to issue a report on these Interim condensed consolidated financial statements based on our review.

Responsible for the proper performance of the engagement is Mr. Klemens Eiter Austrian Certified Public Accountant.

With reference to § 275 Abs. 2 Austrian Commercial Code (Regulation of Liability during the Auditing for Small and Medium-Sized Enterprises) our responsibility and liability is limited to EUR 2 million. The limitation of our liability agreed with the client and published here also applies to third parties who undertake or refrain from activities on the basis of trust in our report.

## Scope of review

We conducted our review in accordance with laws and regulations applicable in Austria, especially in accordance with KFS/PG 11 "Standard on Review Engagements" and the "International Standard on Review Engagements 2410, review of interim financial information performed by the independent auditor of the entity".

A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with the International Financial Reporting Standards applicable to interim financial reporting, as adopted by the EU.

**Reporting on the half-year management report and the declaration of the representatives in accordance with § 125 of the Austrian Stock Exchange Act (BörseG)**

We have read the half-year management report and assessed whether it has any obvious contradictions to the interim condensed consolidated financial statements. In our opinion, the half-year management report does not contain any obvious contradictions to the Interim condensed consolidated financial Statements.

The half-year financial report includes the declaration by the legal representatives as required by section 125 paragraph 1 item 3 of the Austrian Stock Exchange Act (BörseG).

Vienna, August 26, 2020

BDO Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Klemens Eiter	Georg Steinkellner
Auditor	Auditor

We draw attention to the fact that the English translation of the report on the review of the interim condensed consolidated financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

# Statement by the management board

## Pursuant to section 125 (1) 3. of the Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim condensed consolidated financial statements of Marinomed Biotech AG for the reporting period ended June 30, 2020 voluntarily prepared in accordance with the International Financial Reporting Standards (IFRS) give a true and fair view of the assets, liabilities, financial position, and profit or loss of Marinomed Biotech AG and that the half-year management report for the reporting period ended June 30, 2020 give a true and fair view of the development and performance of the business and the position of Marinomed Biotech AG, together with a description of the principal risks and uncertainties Marinomed Biotech AG faces.



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Vienna, 26.08.2020  
Andreas Grassauer, CEO



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Vienna, 26.08.2020  
Eva Prieschl-Grassauer, CSO



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Vienna, 26.08.2020  
Pascal Schmidt, CFO

# Legal notice

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

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