Marinomed Biotech AG

Austria / Biotechnology
Vienna Stock Exchange
Bloomberg: MARI AV
ISIN: ATMARINOMED6

Initiation of coverage

RATING	**BUY**
PRICE TARGET	**€ 50.00**
Return Potential	156.4%
Risk Rating	High

MARINOMED – UNLOCKING VALUE THROUGH SOLUBILITY INNOVATION

Marinomed Biotech AG is an Austrian biotech company which enhances established drugs by improving the solubility of their active ingredients (APIs). Its patented Marinosolv® platform boosts the bioavailability of poorly soluble compounds, especially for inflammatory and respiratory diseases. Following successful financial and operational restructuring in H2/24 and early 2025, Marinomed is now pursuing a dual business model: (1) development of proprietary, Marinosolv-enhanced versions of proven molecules for out-licensing (e.g. Budesolv for allergic rhinitis, Tacrosolv for dry eye disease), and (2) Solv4U, a fee-based service offering API solubilisation for external partners. The company's lead candidate, Budesolv, is an enhanced version of the corticosteroid budesonide nasal spray. Key advantages include faster symptom relief and a preservative-free formulation—meaningful upgrades in a mature, largely genericised market. While not revolutionary, these improvements mark real progress in a category lacking recent innovation. Following positive phase 3 results, Budesolv has already been licensed to a pharmaceutical partner in Switzerland, with dossier submission aimed for Q1/26 and regulatory approval from regulator Swissmedic expected in H1/27. We believe Marinomed's turnaround marks an inflection point. Multiple near-term catalysts – especially Budesolv licensing deals and filings – support substantial upside from current depressed valuation levels. Based on our SOTP valuation model, we initiate coverage with a Buy rating and a price target of €50 (upside: 156%).

Marinosolv and the Solv4U business model combine low clinical risk with high commercial potential While Marinomed's pipeline embeds most company value, Solv4U plays a strategic, complementary role by offering solubilisation services to external clients. This generates short-term revenue through feasibility studies and long-term value via potential royalties. Solv4U extends the reach of Marinosolv, validating the platform across a broader range of therapeutic applications. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2023A	2024A	2025E	2026E	2027E	2028E
Revenue (€m)	9.1	4.7	8.9	9.0	9.6	9.8
Y-o-y growth	n.a.	-47.6%	87.3%	0.6%	7.1%	2.5%
EBIT (€m)	-5.0	-7.6	21.2	2.6	3.0	2.9
EBIT margin	n.a.	n.a.	238.7%	29.0%	31.0%	29.4%
Net income (€m)	-6.4	-15.4	20.8	2.2	2.6	2.5
EPS (diluted) (€)	-4.18	-8.67	11.71	1.24	1.46	1.42
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-3.8	-2.5	3.0	2.6	2.1	2.9
Net gearing	40.7%	40.7%	40.7%	40.7%	40.7%	140.7%
Liquid assets (€m)	2.6	1.7	1.8	1.6	1.1	3.9

RISKS

Risks include but are not limited to: achievement of milestones, deal-making, regulatory and financing.

COMPANY PROFILE

Marinomed Biotech AG is an Austrian biopharmaceutical company founded in 2006 as a spin-off from the University of Veterinary Medicine Vienna. The company currently specialises in the development of improved versions of existing drugs based on its solubilisation technology Marinosolv, with a focus on the treatment of allergies and dry eyes (DED).

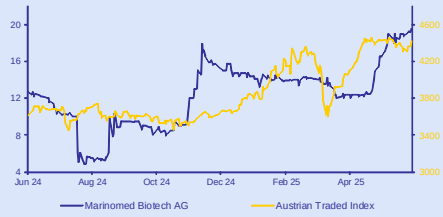
MARKET DATA

As of 27 Jun 2025

Closing Price	€ 19.50
Shares outstanding	1.78m
Market Capitalisation	€ 34.68m
52-week Range	€ 4.84 / 19.50
Avg. Volume (12 Months)	1,984

Multiples	2024A	2025E	2026E
P/E	n.a.	1.6	15.4
EV/Sales	8.5	4.6	4.5
EV/EBIT	n.a.	1.9	15.6
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2024

Liquid Assets	€ 1.71m
Current Assets	€ 3.25m
Intangible Assets	€ 0.09m
Total Assets	€ 8.18m
Current Liabilities	€ 32.76m
Shareholders' Equity	€ -25.05m

SHAREHOLDERS

Grassauer Andreas	7.4%
Prieschl-Grassauer Eva	7.4%
Unger Hermann	6.9%
Seed investors	7.9%
Free Float	70.4%

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CONTENTS **PAGE**

INVESTMENT CASE

Multiple upcoming catalysts support re-rating potential; we initiate coverage with a Buy recommendation and €50 price target Near to mid-term triggers include further Budesolv licensing agreements, new Solv4U deals and potential Tacrosolv monetisation. In our view, these represent meaningful proof points of the platform's value and could catalyse a significant re-rating from the current low valuation. We initiate coverage with a Buy rating and a price target of €50 based on our SOTP model, reflecting the long-term earnings potential and near-term revaluation opportunity.

From crisis to comeback – A de-risked, high-potential story After navigating a challenging period in late 2024, Marinomed has emerged from insolvency leaner, more focused, and with an extended cash runway. A series of decisive actions—including the restructuring of its European Investment Bank (EIB) loan with an €18.9m debt waiver, two focused capital increases in H2/24, and the sale of its non-core Carragelose business to Unither Pharmaceuticals for up to €20m (€5m upfront)—have provided the company with a solid foundation for renewed growth. The divested Carragelose portfolio, a range of antiviral and anti-allergy OTC products based on red seaweed, has enabled Marinomed to sharpen its focus on its core Marinosolv platform. These steps have significantly derisked the investment case and enabled a renewed strategic focus on unlocking the full potential of the proprietary Marinosolv platform.

Validated platform technology with dual monetisation model At the core of Marinomed’s value proposition lies its Marinosolv technology—a patented solubilisation platform designed to enhance the bioavailability of poorly water-soluble drugs. The platform enables formulation of superior versions of established drugs, offering lower doses, faster onset of action, and reduced systemic exposure. Marinomed leverages Marinosolv in a dual business model: (1) through development and out-licensing of its own improved drug candidates such as Budesolv and Tacrosolv; and (2) via the Solv4U segment which offers third parties access in return for service and milestone payments.

Low-risk, cost-efficient product strategy Unlike traditional biotech models, Marinomed does not develop new chemical entities. Instead, it creates reformulations of known, off-patent drugs using Marinosolv. This approach significantly reduces clinical and regulatory risks while also accelerating time to market. The pipeline includes two late-stage candidates (Budesolv and Tacrosolv), both with demonstrated efficacy and safety in clinical trials.

Lead product Budesolv nearing commercialisation – Additional partnerships expected Budesolv, Marinomed’s lead asset for allergic rhinitis (AR), is on track for commercial lift-off. A recent licensing deal for Switzerland confirms market interest. We expect additional agreements for key territories—including the US, EU, China and the UK—in coming months alongside Budesonide’s filing with the Swiss regulatory authorities planned for Q1/26E, and potential first approval and market entry in Switzerland expected in H1/27. The product targets a ~USD6.9bn global market growing at a 5.2% CAGR through 2034 (Transparency Market Research).

SWOT ANALYSIS

STRENGTHS

- **Validated proprietary technology** Marinosolv has demonstrated its scientific and therapeutic validity through peer-reviewed publications, successful clinical trials (e.g. Budesolv phase 3, Tacrosolv phase 2). The platform's ability to solubilise poorly water-soluble compounds delivers multiple therapeutic benefits including faster onset of action and lower systemic exposure—attractive features for partners.
- **Dual business model reduces risk and maximises monetisation potential** Marinomed's strategy of developing and out-licensing its own reformulated drugs (Budesolv, Tacrosolv) while also commercialising its Marinosolv platform via Solv4U services creates two distinct revenue streams. This model is capital-efficient and avoids the costs and risks of full-scale commercialisation.
- **Strong patent protection for lead products ensures exclusivity** Budesolv is patent-protected through 2043 in Europe, the US and China. Tacrosolv is also covered by patent filings. This level of protection ensures multi-year commercial exclusivity and increases attractiveness for potential licensees.
- **Emerging licensing traction** A recent regional out-licensing deal (Switzerland) is an indicator of commercial potential and opens the door for broader geographic coverage.
- **Restructured and leaner company with better strategic focus** Following the court-led restructuring and divestment of Carragelose, Marinomed is more focused, operationally leaner (reduced cost base, simplified structure), and free to fully concentrate on monetising its Marinosolv-based assets.

WEAKNESSES

- **Fragile investor trust following insolvency and cybercrime theft** The H2/24 insolvency and >€600k theft (not yet recovered) have eroded investor trust. Although the company has now stabilised, reputational damage could linger and influence the share price development, capital access or partnership negotiations.
- **Limited institutional interest due to modest market cap, poor liquidity and half-year reporting** A market cap of ~ €34m, very low share liquidity and only biannual reporting make Marinomed less attractive to institutional investors accustomed to quarterly updates and better transparency standards.
- **Prolonged development timelines raise investor concern** Budesolv finished phase 3 in 2020 and Tacrosolv finished phase 2 in 2021, yet neither is on the market. This delay, even if caused by underfunding, creates scepticism about execution capabilities. Investors may be concerned that management might over-promise and under-deliver.
- **Governance questions due to CEO-CSO spousal relationship** While not uncommon in smaller biotechs, having a married couple as CEO and CSO may raise eyebrows in terms of governance independence and succession planning.

OPPORTUNITIES

- **Multiple upcoming Budesolv licensing deals expected** With a deal already signed for Switzerland, negotiations for major territories (e.g. US, EU, China, UK, Japan) are likely underway. These could generate upfront/milestone payments and signal external confidence in Marinosolv.
- **Solv4U service expansion could attract recurring tech fees** The services arm gives external companies access to Marinosolv for their own compounds. Scaling this B2B model could provide non-dilutive, relatively low-risk income with substantial upside potential in the mid to long term due to royalties.
- **Pipeline expansion via Marinosolv** Further solubilised corticosteroids for allergic rhinitis, conjunctivitis or asthma offer substantial pipeline expansion potential.
- **Partnership/sale of Tacrosolv would bring validation and liquidity** Tacrosolv has positive phase 2 data in dry eye disease, a large market with unmet need. A partnership or outright asset sale would derisk development costs and reinforce Marinomed's credibility as a platform company.
- **Takeover potential due to depressed valuation and focused asset base** Post-restructuring, Marinomed has clean IP, a slim headcount (~40), and validated technology. These factors—combined with its small market cap—make it a realistic acquisition target for mid-sized pharma or CDMOs looking to add formulation capabilities.

THREATS

- **Dependent on licenses for revenue realisation** Marinomed does not commercialise its own products, relying on third-party licensees to bring them to market. If partners delay filings, underperform in sales, or fail to execute, Marinomed may miss out on revenue even if its science is sound.
- **Execution risk in rebuilding credibility post-restructuring** Marinomed must now deliver on commercial milestones (e.g. Budesolv filings and deals) to regain credibility. Any further delays or missed partnerships could reverse the goodwill generated by its successful restructuring.
- **Highly competitive OTC and Rx environment** Even with faster onset and better bioavailability, Budesolv and Tacrosolv will compete with entrenched brands and generics in allergy and eye care markets. Differentiation alone may not guarantee commercial success without strong partner execution.
- **Dilution risk if non-dilutive funding sources fall short** While earn-outs from the Carragelose sale and potential licensing deals provide a cash runway through 2026, delays or disappointments on either front may force the company to raise equity at unfavourable terms.

VALUATION

Biotechnology valuation is notoriously difficult since there is high risk in R&D pipeline development, which leads to uncertainty in projecting cash flows. We have assessed Marinomed's fair value based on a sum-of-the-parts methodology. We believe this is the most appropriate valuation method for Marinomed because it reflects the implicit risk-adjusted value of every drug candidate/programme in its R&D pipeline. Development risks, including clinical and regulatory risks, are taken into account as are market size and the expected timing of cash flows post-approval for each project.

We have used a risk-adjusted NPV model for the lead drug candidate Budesolv, in several different geographic regions. These are: (1) Switzerland (CH), (2) the rest of Europe (RoE), (3) the United States of America (USA) and (4) the rest of the world (RoW). During the forecasting process, we adjust our sales estimates and resulting cash flows for success probabilities to obtain risk-adjusted expected values. We base our probability coefficients on statistical sector studies, such as the Tufts CSDD, and on our own estimates.

Additionally, using First Berlin methodology, which takes into account company-specific risk factors, we have derived a cost of equity (COE) of 15% for Marinomed. Based on a debt ratio of 0%, we arrive at a WACC of 15%, which we have used to discount projected cash flows. Including the post-restructuring net debt of €7m, we value Marinomed at €89m, which implies a fair value of €50 per share on a fully diluted basis. Using our ten-factor risk analysis, we set a High risk rating for Marinomed. The main risk factors that we have identified are achievement of milestones, deal-making, regulatory and financing.

Table 1: "Sum-of-the-parts" valuation model

Compound	Project[1)]	Present Value	Patient Pop	Treatment Cost	Market Size	Market Share	Peak Sales	PACME Margin[2)]	Discount Factor	Patent Life[3)]	Time to Market
Budesolv (BS)	BS - Switzerland	€3M	1,794K	€24	€43M	14%	€6M	10%	15%	15	1 Year
Budesolv (BS)	BS - RoE	€35M	92,236K	€18	€1,660M	8%	€131M	9%	15%	15	2 Years
Budesolv (BS)	BS - USA	€17M	51,000K	€24	€1,224M	8%	€92M	10%	15%	15	3 Years
Budesolv (BS)	BS - RoW	€45M	353,535K	€14	€4,949M	7%	€323M	7%	15%	15	3 Years
Tacrosolv	EU + USA	€17M	42,000K	€160	€6,720M	1%	€100M	10%	15%	15	5 Years
PACME PV		€116M			€7,877M		€1,211M				
Costs PV[4)]		€46M									
NPV		€71M									
Milestones PV	Carragelose	€13M									
Milestones PV	Solv4U	€12M									
Net Debt		€7M									
Fair Value		€89M									
Share Count		1,778K									
Price Target		€50									

1) A project typically refers to a specific indication or, where necessary or relevant, a combination between indication and geographic market

2) PACME (Profit After Costs and Marketing Expenses) reflects the company's profit share on future revenues.
This share may be derived in the form of royalties (outsourced marketing/manufacturing) or operating EBITDA margin (in-house model), or some mix of both (depending on the specific parameters of partnership agreements)

3) Remaining patent life after the point of approval

4) Includes company-level R&D, G&A, Financing Costs and CapEx; COGS and S&M are factored into the PACME margin for each project

Source: First Berlin Equity Research

ESTIMATED PRICE AND SALES FOR BUDESOLV

The pricing of Budesolv The pharmacy price of Budesonide nasal sprays in Switzerland is roughly CHF25 (€26.7). Based on a 10% profit margin for the wholesaler and a ~50% profit margin for the pharmacy, we assume an ex-factory price of €12 per unit in Switzerland. A typical patient will require between one and four packages of Budesonide nasal spray per year, depending on if he/she is chronically allergic or only requires the medicine seasonally. Based on this, we assume that the average AR patient will require two units per treatment course per year. This gives us an annual treatment cost per patient, per year of €24 in Switzerland. We assume the same ex-factory cost of €12 in the United States of America, which corresponds to the same treatment cost per patient per year. As Switzerland and the USA are high price countries, we have applied an average 25% discount for the rest of Europe, giving us an ex-factory price of €9 per unit and an annual treatment cost per patient per year of €18. For the rest of the world, we assume a ~23% lower average ex-factory price of €7, which corresponds to an annual cost per patient of €14 (see table 2).

AR prevalence and patient population According to The World Allergy Organization Journal, allergic rhinitis affects between 10% and 30% of adults worldwide. Based on individual prevalence for the regions, which ranges from 6% in the MENA region to 39% in Japan, we assume average prevalence of 20% (see table 2). Using our prevalence assumptions and population data, we get: (1) a patient population of 1.8 million in Switzerland, (2) 92.2 million patients in the rest of Europe, (3) 51.0 million patients in the USA and (4) 361.5 million patients in the rest of the world, totalling 506.6 million AR patients in our estimated core regions.

Table 2: Assumptions for patient populations and peak revenue by country/region

Country/region	Population (in millions)	Prevalence	Patient pop. with AR (in m)	Ex-factory price per unit (in €)	Annual price per patient (in €)	Peak partner sales (in €m)
Switzerland	9	20%	2	12	24	6
Germany	84	20%	17	11	22	28
Austria	9	20%	2	10	20	3
UK	70	26%	18	10	20	30
Rest of Europe	278	20%	56	8	16	71
USA	340	15%	51	12	24	92
Canada	40	20%	8	11	22	13
South America (Br,Ag,Me)	390	20%	78	5	10	59
China	1,419	14%	192	6	12	144
Australia	27	19%	5	10	20	7
MENA	508	6%	30	10	20	41
Japan	124	39%	48	10	20	73

Source: First Berlin Equity Research

Licensing, time to market and peak sales We assume different times to market for the different regions. Taking the partnership with a Swiss pharmaceutical player announced in Q2/25 as our blueprint for further partnerships, we assume that the partner will fund the approval process and will bear the costs of marketing, production and distribution once approved. For Switzerland we estimate a net royalty rate (PACME margin) of 10% and conservatively assume a launch in H1/27 with peak sales (for Marinomed's pharmaceutical partner) of €6m achieved roughly three years after launch. Marinomed's royalties will roughly equate to its profits on the product. We think it is likely that Marinomed will look for strong local partners with expertise in local regulation and sufficient production and marketing capabilities to properly market Budesolv, instead of one partner for many regions. After launching in Switzerland in 2027 we assume a launch in the rest of Europe in 2028 and a launch in USA and the rest of the world in 2029. We estimate net royalty rates (PACME margin) in a range of 7% - 10% (see table 3 overleaf), and we conservatively assume that the AR market will grow at a CAGR of 2%.

Table 3: Assumptions for licensing, time to market and peak sales of Budesolv

Region	Peak partner sales (in €m)	PACME margin	Marinomed peak sales	Peak market share	Estimated launch date
Switzerland	6.0	10%	0.6	14%	2027
Rest of Europe	131.4	9%	11.8	8%	2028
USA	91.8	11%	10.1	8%	2029
Rest of World	336.0	7%	23.5	7%	2029

Source: First Berlin Equity Research

ESTIMATED MILESTONE PAYMENTS

Upfront and milestone payments for other products yield a present value of ~€42m In addition to its Budesolv lead candidate, Marinomed has three other revenue sources, which are expected to generate fees, upfront payments and potential milestone or royalty payments. These are: (1) the earn-out from the Carragelose business, along with associated fees, (2) the expected outlicensing of the Tacrosolv business and (3) revenue from Marinomed's Solv4U business, which should generate fees, milestone payments and licensing revenues. We have discounted the future cash flows of these programmes with the WACC, which yields a combined present value of these programmes of €42m (see table 1).

Potential €15m Carragelose earn-out with additional €4.8m in TSA fees Under the terms of the sale of its Carragelose business to the French contract development and manufacturing organisation (CDMO) Unither Pharmaceuticals, Marinomed can earn up to €10m in commercial milestones and €10m in regulatory milestones, capped at a maximum earn-out of €15m. The earn-out period lasts until Q2/27. We estimate that Marinomed is in a good position to achieve most of the possible earn-out revenue. With modelled milestone payments of €1m in 2025, €6m in 2026 and €6m in 2027, we conservatively estimate that the company will receive a total of €13m from the Carragelose earn-out.

Another part of the agreement between Marinomed and Unither includes transitional services, which we estimate to generate ~€300k in revenue per quarter. While this transitional service agreement (TSA) is reassessed monthly to cover any potential further services, we conservatively assume that it will remain constant over the four year period, leading to annual proceeds of €1.2m, and total proceeds of €4.8m over the course of the TSA. The discounted present value of Carragelose earn-out and TSA revenues is €13m.

Outlicensing of Tacrosolv (phase 2 candidate for DED) with double-digit royalties There are considerable costs associated with the commercialization of Marinomed's dry eye disease (DED) candidate, Tacrosolv. We therefore model an outlicensing of Tacrosolv in 2027, once the phase 2 has been successfully completed. We assume that the commercial partner will fund the phase 3 study and approval process and will bear the costs of marketing, production and distribution following approval. For this deal, we expect Marinomed to receive a low single-digit upfront payment of €3m paid in two tranches, with a larger €12m payment upon commercialization (FBe: 2030). Taking the lower end of the prevalence and population data explained in the Tacrosolv section, we derive 42 million patients per year. With an ex-factory price of €160, a net royalty rate of 10% and the aforementioned upfront/milestone payments, we estimate the present value of Marinomed's Tacrosolv programme at €17m.

Solv4U licensing revenues expected after 2029 Marinomed's Solv4U platform improves the water solubility of clients' compounds. The company generates fees from this service and will also receive royalties (FBe: 3%) should these compounds achieve commercialisation. We assume that only one in ten compounds will successfully achieve commercialisation. Based on this assumption, we model fees of €0.5m - €1m per year until 2029, after which we model licensing revenue from the commercialisation of one of the products. The discounted present value of Solv4U revenues is €12m.

MARINOMED – COMPANY OVERVIEW

LOOKING IN THE REAR-VIEW MIRROR

Company profile Marinomed Biotech AG is an Austrian biopharmaceutical company founded in 2006 as a spin-off from the University of Veterinary Medicine Vienna, supported by seed investments from aws (Austria Wirtschaftsservice Gesellschaft mbH) and Acropora Beteiligungs GmbH. Headquartered since 2020 in Korneuburg with currently ~40 employees, it has been publicly listed on the Vienna Stock Exchange since February 2019. The company currently specialises in the development of improved versions of existing drugs based on its solubilisation technology, with a focus on the treatment of allergies and dry eyes (DED).

The rise of Carragelose Marinomed's early years were defined by the rapid development of Carragelose, a virus-blocking compound derived from red seaweed. Just a year after its founding, the company launched its first Carragelose-based product in 2008. This success laid the foundation for an equity investment by Acropora and a 2010 licensing deal with Boehringer Ingelheim, covering 54 countries. By 2011, Carragelose had gained approval in 22 additional markets. That same year, Marinomed began establishing its own sales network and outsourced its production and logistics, with ARAX Capital Partners joining as an investor.

Build-up of the technology platform leads to the first product While Carragelose provided a strong foundation, Marinomed's long-term ambition lay in platform innovation. In 2016, the company unveiled Marinosolv, a proprietary technology designed to enhance the bioavailability of poorly soluble drugs. The platform sparked new investor interest and strategic focus. Over the next few years, Marinosolv progressed from concept to clinic: Budesolv, the lead nasal spray candidate for the treatment of allergic rhinitis, entered phase 3 trials in 2018 and were successfully completed the following year, validating the Marinosolv platform. That same year, Marinomed went public on the Vienna Stock Exchange's prime market, marking a pivotal moment in its corporate journey.

Expansion of assets and Intellectual Property As Marinomed transitioned into the 2020s, it continued to invest in its technology base. In 2020, the company relocated to its new headquarters in Korneuburg (see figure 1) and secured EU-wide patent protection for Marinosolv in 38 countries, broadening its global IP moat. In 2021, Marinosolv also gained patent protection in China, accompanied by a licensing deal that brought in a USD2m upfront payment. Marinomed also expanded its development pipeline with *Tacrosolv*—which reached phase 2 clinical endpoints in allergic conjunctivitis—and launched *Solv4U*, a service offering that allowed partners to access its formulation expertise. On the Carragelose side, a major milestone was reached in 2022 when US consumer goods giant Procter & Gamble acquired rights to the product for the US market. By 2023, the Carragelose business had expanded into new territories, including Mexico and Southeast Asia, supported by new distribution agreements.

Figure 1: Marinomed headquarters in Korneuburg

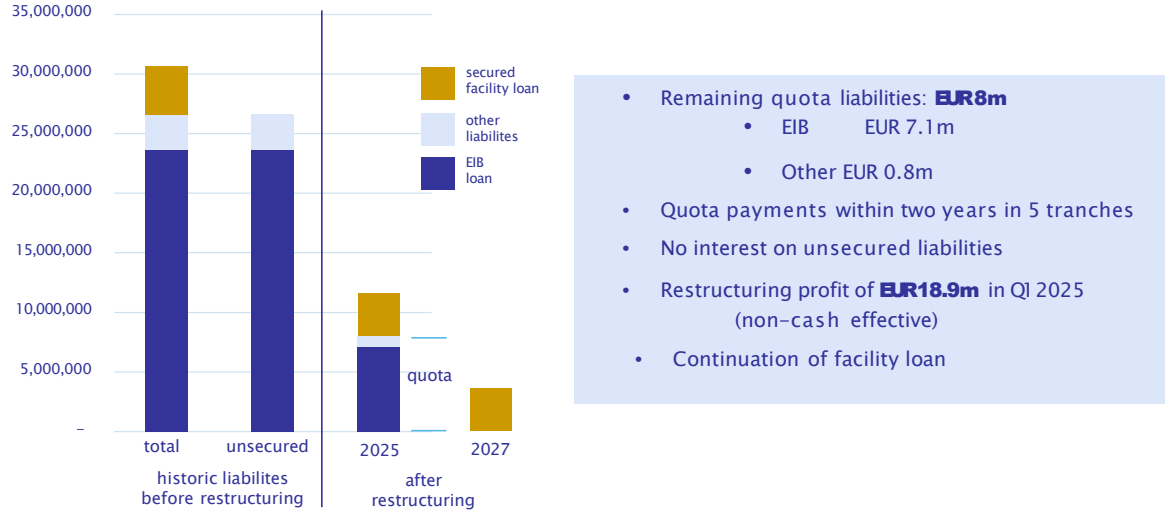
Source: Marinomed

Setbacks behind the scenes Despite these advances, Marinomed's financial performance told a more fragile story. From 2021 to 2023, revenues consistently fell short of analyst expectations—by as much as 35% in some years. Limited analyst coverage may have softened the impact, but the gap between projections and reality raised concerns. Internally, several operational timelines also slipped, highlighting the challenges of translating scientific progress into commercial success.

On the brink — crisis and court-led restructuring By early 2024, Marinomed's liquidity position had become critical. The company negotiated a temporary deferral of repayments on its EIB loan and real estate financing. Publicly, management remained optimistic—even stating in April that operating profitability was still the goal for 2024. But by August, it became clear that funding could not be secured in time. Marinomed filed for court-led restructuring without self-administration. Support from investors and creditors was not forthcoming. In September, a €770,000 capital increase brought fresh funds from eleven investors, including insiders. Then in November, the creditors' assembly approved a restructuring plan involving a 30% quota, partially funded by the sale of the Carragelose business. The plan also included a potential 7% "super quota" tied to milestone achievements from the asset sale.

Strategic divestment and capital reboot The cornerstone of the restructuring plan was put in place on 27 November 2024, when Marinomed sold its Carragelose business to Unither Pharmaceuticals for up to €20m in upfront and milestone payments. This deal included the full transfer of assets, agreements, and relationships, with a transition service agreement to support continuity. To bolster its capital structure, Marinomed issued a convertible bond to the EIB worth €423,840, followed by a second capital increase in December that raised €670,000 from new shareholders. By the end of 2024, Marinomed held €1.7m in cash—excluding incoming proceeds from the Carragelose deal, which closed in Q1 2025. The restructuring deal also provided for forgiveness of €18.9m of unsecured debt (i.e. EIB), which was booked as restructuring profit (see figure 2). Today the company is listed on the standard market of the Vienna Stock Exchange.

Figure 2: Substantial reduction of debt and non-cash gain following restructuring



Source: First Berlin Equity Research, Marinomed Biotechnology AG

Repositioned company Marinomed enters its next chapter leaner, more focused, and with a sharpened strategic lens. While the path has been marked by scientific achievement and commercial setbacks alike, the company retains a validated platform in Marinosolv, a renewed capital base, and the possibility of reinventing itself as a partner-driven biotech innovator.

THE ROAD AHEAD

Having accomplished to sell its Carragelose assets during its 2H24 insolvency proceedings, Marinomed can now concentrate on its remaining substantial asset, its Marinosolv technology platform and the two product candidates derived from it. Marinomed is monetising these remaining assets in a way we would characterise as astute.

Dual business model — Marinomed is pursuing a twin-track approach Marinomed is monetising its patent-protected Marinosolv technology platform in two ways:

- Firstly, via development of own products, which are improved versions of other companies' well-established, off-patent treatments. These are to be outlicensed for marketing and sale to big players in respective product segments in exchange for upfront, milestone and royalty payments. Currently, Marinomed has two own versions of such widely-marketed drugs under development, Budesolv nasal spray for treatment of perennial and seasonal allergic rhinitis (pAR, SAR), and Tacrosolv eye drops for treatment of Dry Eye Disease (DED).
- Secondly, via its services segment Solv4U, offering external clients access to its Marinosolv technology for use with their own pharmaceutical compounds, in exchange for a service fee and/or milestone- and/or royalty payments.

Marinosolv solubilises pharmaceutical compounds that are otherwise hard to dissolve in water Marinosolv enables the solubilisation of hydrophobic pharmaceutical compounds, or, put differently, Marinosolv makes these compounds water-soluble. This solubilisation brings about appreciable advantages to the pharmaceutical end product, comprising 1) the possibility to sterile-filtrate the liquid just before bottling, and 2) higher bioavailability of the active pharmaceutical ingredient, with the latter enabling 2a) a faster onset of action and 2b) lower doses. Lower doses in turn enable 2ba) lower (unwanted) systemic exposure to the drug as well as 2bb) less of the pharmaceutical compound landing in sewage waters, thereby reducing the burden on the environment. Further details on Marinosolv can be found in the Appendix (1).

LEG 1 : PRODUCTS - PROPRIETARY DRUGS

Leg 1 of Marinomed's business model focuses on the development and out-licensing of own, improved versions of other companies' well-established and off-patent treatments, as said above. Currently, Marinomed actively pursues two such developments, in the areas of immunology/allergy (Budesonide) and ophthalmology (Tacrosolv). Budesolv is Marinomed's most advanced product candidate and it nearest-term value generator, in our view.

BUDESOLV – A FAST ACTING ANTI-ALLERGIC DRUG

Allergic rhinitis is a widespread condition Marinomed's lead product candidate Budesolv targets allergic rhinitis (AR), which comes in a seasonal form (sAR), also known as hay fever, and in a perennial form (pAR). Allergic rhinitis is a condition characterised by sneezing, runny or blocked nose, itchy nose and/or eyes and/or a sore throat. In essence, allergic rhinitis is an overreaction of the immune system to airborne substances ("allergens") such as pollen, dust or pet dander, mould spores, cockroach droppings and saliva, which lead to inflammation and the aforementioned symptoms. Allergic rhinitis' seasonal form ("hay fever") is caused by pollen, while its perennial form is caused by other allergens mentioned above. According to The World Allergy Organization Journal allergic rhinitis affects 10-30% of adults and more than 40% of children worldwide, which equates to ~960 million affected children and ~704–2,112 million affected adults globally. Even if these figures seem very high and are probably somewhat smaller in reality, the number of people affected is clearly enormous. That said and while being harmless from a medical perspective, the huge numbers of people affected worldwide make the condition a substantial burden on the global population.

The condition can be treated by a very well-established and vast armamentarium Fortunately, several classes of drugs exist to treat this very common condition. These come in many forms, including liquids, pills, eye drops, nasal sprays and injections. Many of these long-established treatments were initially introduced as prescription-only drugs but are now often sold as Over-The-Counter (OTC-) versions and/or generics, depending on their active ingredient, their formulation and/or the jurisdiction they are sold in. These drug classes comprise:

- ***antihistamines*** Bayer's Claritin (loratidine), Kenvue's Zyrtec (citirizine), Opella's Allegra (fexofenadein) or UCB's Xyzal (levocetirizine), all of which are sold OTC. In allergic reactions, histamine is released from mast cells and basophils, triggering a cascade of events that lead to allergy symptoms. It binds to histamine receptors (H1, H2, H3, and H4), primarily H1, causing increased vascular permeability, smooth muscle contraction, and nerve stimulation, resulting in the characteristic signs of allergy such as itching, sneezing, and runny nose.
- ***decongestants*** such as Bayer's Afrin (oxymetazolon), B.F. Ascher & Company's Neo-Synephrine (phenlyephrine), or Kenvue's Sudafed (pseudoephedrine). Decongestants work by constricting the blood vessels in the nasal passages, which reduces swelling and inflammation, thereby opening up the airways and relieving congestion. This vasoconstriction is primarily achieved through the activation of alpha-adrenergic receptors in the blood vessels of the nasal mucosa.
- ***corticosteroid*** nasal sprays such as Haleon's Flonase (fluticasone propionate), Opella's Nasacort (triamcinolonacetonid) or AstraZeneca's Rhinocort (budesonide), which is currently commercialised by Kenvue. Corticosteroids primarily exert their effects by binding to glucocorticoid receptors, both in the cytoplasm and on the cell membrane, influencing gene expression and leading to both genomic and non-genomic actions. This impacts a wide range of processes, including inflammation, immune responses, and metabolism.

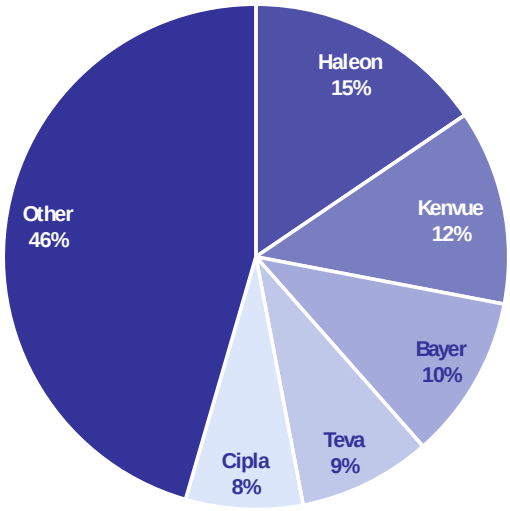
- ***leukotriene inhibitors*** such as Merck & Co.'s prescription-only Singulair (montelukast). These drugs competitively bind to leukotriene receptors, preventing patients' leukotrienes from binding and eliciting their pro-allergic effects such as bronchoconstriction, excessive mucus production and inflammation.

Having described pharmaceutical treatment options for AR, we now take a look at the markets these are sold into.

Multi USD bn AR market set to grow in coming years The global allergic rhinitis market was worth ~USD13.7bn in 2024 and is forecast to grow by 3.9% CAGR to USD19.9bn in 2034 (Global Market Insights, March 2025), driven by increasing pollution, urbanisation, and climate change, as well as by enhanced awareness and better access to healthcare services. Unsurprisingly, the US represents the single biggest market, with its ~38% share amounting to ~USD 5.2bn in sales in 2024.

Marinomed's target segment of intranasal corticosteroids (INCs) set to grow faster than overall market The INC drug class is the most important for Marinomed, as its most advanced product candidate Budesolv belongs to this class. Intranasal corticosteroids include the active ingredients fluticasone proprionate, budesonide, beclomethasone dipropionate, mometasone fluorate, triamcinolone acetonide, ciclesonide, flunisolide and tixocortol. Allergic rhinitis treatments containing these active ingredients generated ~USD6.9bn in global sales in 2024 and are forecast to grow by 5.2% CAGR to USD11.4bn in 2034 (Transparency Market Research, 2024). Thus, the segment of the allergic rhinitis market targeted by Marinomed's Budesolv is expected to grow faster than the allergic rhinitis market overall.

Figure 3: Top 5 players hold >50% of global INC market



Source: Future Market Insights, First Berlin Equity Research

Top 5 players combined hold more than 50% market share In recent years, some pharma companies have spun-off their consumer healthcare businesses. Such transactions have resulted in Haleon, a former Pfizer/GSK-JV listed on the London Stock Exchange, Kenvue, which was spun-off from Johnson&Johnson and is listed on the New York Stock Exchange, and Opella (unlisted), which was spun-off from Sanofi. Precise market share data for INC manufacturers is relatively difficult to come by, given the diversity of intranasal corticosteroids, their various formulations, their differing prescriptions statuses (OTC vs. Rx), the existence of branded and generic products and the large number of manufacturers. However, the 5 biggest manufacturers in terms of sales are Haleon (~15%), Kenvue (~12%), Bayer (~10%), Teva (~9%) and Cipla (~8%), which together accrue more than 50% of the

global INC market. Further players include Astra Zeneca, Merck & Co., Viatris, Sun Pharmaceuticals, Apotex, Dr Reddy's, Perrigo and others.

Select additional information Haleon leads the intranasal corticosteroid sector through its Flonase (fluticasone) line, widely recognised for its effectiveness in the treatment of allergic rhinitis. The brand provides multiple formulations catering to adult and paediatric use, with strong emphasis on their growth into OTC and integration with digital health. Kenvue markets Rhinocort (budesonide) as an over-the-counter (OTC) treatment for both adults and children. Rhinocort was originally developed by AstraZeneca, which introduced the nasal spray formulation (Rhinocort Aqua) as a prescription treatment for allergic rhinitis, receiving approval from the US FDA in 1999. As key patents began to expire around 2013, AstraZeneca pursued a lifecycle management strategy that led to the FDA approval of Rhinocort Allergy Spray for OTC use in 2015. As a result, AstraZeneca licensed the commercial rights to Rhinocort to JNJ/Kenvue between 2014 and 2016. Bayer markets Claritin (loratadine) nasal spray and related allergy treatments in various regions, combining anti-inflammatory and antihistamine benefits. The company is focused on expanding preservative-free and dual-mechanism therapies. Teva offers cost-effective generic corticosteroid sprays with a focus on accessibility and quality. Its products serve both public healthcare systems and private sector pharmacies across global markets. Cipla delivers budesonide- and fluticasone-based sprays for both allergy and chronic sinusitis management. Its presence in Asia, Africa, and Latin America is supported by partnerships with specialists and hospital systems. Viatris distributes generic fluticasone and mometasone sprays distributed across USA and Europe. Sun Pharmaceutical Industries produces prescription corticosteroids for sinusitis and rhinitis in Asia and Africa. Apotex manufactures branded generics focused on pharmacy retail in North America. Dr Reddy's focuses on generic nasal sprays with value-oriented distribution in emerging markets. Perrigo distributes store-brand OTC corticosteroids for major USA retail chains.

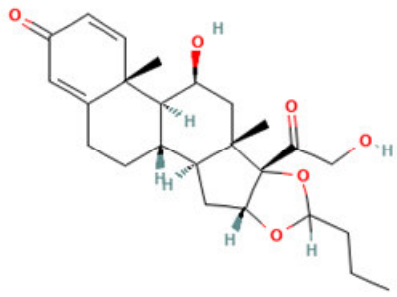
Global INC markets continue to shift towards OTC versions Many years ago, INCs were launched as prescription-only treatments for AR. Since then and based on a vast body of clinical research and real-world experiences with INCs, some regulators have loosened their stance and allowed the conversion from prescription-only status (Rx-only) to over the counter (OTC) status, while others continue to be more restrictive. In the US, for example, INCs are available OTC, whereas in Germany they are currently still mainly Rx. Importantly, global organisations like the World Health Organisation (WHO), the United Nations (UN), the Organisation for Economic Development (OECD) and the Word Bank advocate the use of OTC versions of INCs as they alleviate the financial burden on national health systems and also facilitate the management of AR in low- to middle income countries. At the same time, it should be noted that the ongoing trend towards growing self-treatment increases the risks of incorrect self-diagnosis and consequently, incorrect self-treatment, too.

Current INC sprays are good, but they could be better INCs take a long time to reach their maximum efficacy - up to a week, if not longer, depending on which clinical study we look at. That said, even a week of waiting before full efficacy is reached feels too long from the point of view of patients suffering all day long from itchy eyes and a running nose. The slow onset of action is the result of current INC formulations' low bioavailability, given that corticosteroids have a low solubility in water. Current INC formulations are not aqueous *solutions*, but *suspensions* of tiny corticosteroid crystals in water. Being suspensions rather than solutions has ramifications, like the impossibility to sterile-filtrate them prior to bottling. This means that preservatives have to be added to the end product, although markets are clearly trending towards preservative-free end products. In addition, INCs' poor solubility in water is also behind the need for relatively high doses, thereby compensating for the fact that any drug has only ~20-30 mins to reach its actual site of pharmaceutical action in the nasal mucosa before being cleared from the nose by ciliary movement and being swallowed. In summary, corticosteroids' low solubility hence is the reason why current INC sprays are

sub-optimal products. That's exactly where Marinomed's MarinoSolv solubilisation technology comes into play.

Marinosolv solubilises hydrophobic compounds by the use of saponins Put simply, saponins can be described as plant-derived, extremely mild detergents, acting similarly to liquids used every day to clean dishes. In the context of Marinosolv, they are used to make hydrophobic pharmaceutical compounds (of which there are thousands) water-soluble More specifically, Marinomed has applied its Marinosolv technique to solubilise, amongst other compounds, the corticosteroid budesonide, used in its lead product candidate Budesolv. For a more detailed description on the Marinosolv technology, please refer to the Appendix (1).

Figure 4: Budesonide structure



Source: PubChem

Marinosolv-powered budesonide = the next-generation INC spray for allergic rhinitis Increased budesonide solubility in water brings various advantages such as reduced time to onset of action/faster symptom relief as solubilised budesonide better reaches the site of pharmaceutical action in the nasal mucosa than current budesonide-based spays, which are suspensions of tiny budesonide crystals in water, as said above. In other words, Budesolv's bioavailability at the site of pharmaceutical action is much better than currently marketed budesonide-containing nasal sprays. Budesonide's better bioavailability in turn allows for Budesolv's budesonide dose to be reduced to 10-30% of currently-marketed products', which subsequently leads to lesser systemic exposure when the drug later is swallowed, metabolised and excreted. Basically, lower doses are always preferable to higher doses – assuming both exert the same effect quantitatively – given that medical treatments always strive to interfere with patients' metabolism as little as possible. In addition, solubilised budesonide allows for Budesolv to be sterile-filtrated just before bottling, which is not possible with budesonide crystals in suspension. The possibility to sterile-filtrate solubilised budesonide in turn allows the omission of preservatives, which, too, is desirable, given the general, paramount goal to reduce the quantity of compounds put into patients' bodies as far as possible. Summing up, we count faster symptom relief, lower doses and the omission of preservatives as three major advantages conferred to intranasal budesonide sprays by Marinomed's proprietary Marinosolv technique. The following table compares Budesolv with current INC sprays.

Table 4: Overview of Budesolv's advantages against peers

	Peers' Suspensions	Budesolv Clear Solution	Comment on Marinosolv-enabled USPs
Preservatives	Always	Preservative-free	Preservative-free formulations are state of the art in decongestant nasal sprays, but no such intranasal corticosteroid product exists
Local bioavailability	Low, limited by dissolution of API-particles	High, due to API being solubilised	High local bioavailability at low dose demonstrated ex-vivo, in vivo and clinically
Onset of action	5-8 days	Within hours after first dose	First-in-class, clinically proven, fast-acting nasal spray
Daily dose	100%	10-30%	Low dose protects patients from systemic side effects and the environment from steroids in wastewater. Supports switch to OTC in countries that still are Rx
Patent-protection	Off-patent	Until 2043 at least	Allows commercialisation for the long term without competition from copycat products

Source: Marinomed, First Berlin Equity Research

Budesolv filing & marketing strategy While with Budesolv, the company has a product on hand that is ~90% "market-ready", small Marinomed just can not do everything on its own. For this reason, an appropriate strategy for the market launch of Budesolv - and other product candidates - is of paramount importance. Partnerships are Marinomed's answer to this question, with partners being responsible not only for commercialisation and sales in their territory, but also for dossier submission. In return, Marinomed benefits from upfront, milestone and royalty payments on partners' product sales, as is typical for pharmaceutical licensing agreements. These licensing activities have only just begun, as described in the following section.

Budesolv's first regulatory filing is approaching — the chances of approval in Switzerland look good On 6 June 2025, Marinomed announced a license agreement with an unnamed Swiss pharmaceutical company, comprising final development steps required for approval (see below), preparation and the filing of the application for marketing authorisation with the Swiss regulator Swissmedic, and, following approval, the sale of Budesolv in Switzerland and Austria, under its own brand. Marinomed is to receive the aforementioned payments, though the amounts have not been disclosed, due to confidentiality agreements which are typical in these cases. We note that Marinomed made the strategic decision to choose Switzerland as the first European country for the approval of the drug for two main reasons: (1) after the first consultation discussions for a possible approval of the drug, Swissmedic gave positive feedback; and (2) Switzerland has one of the highest price levels in Europe, which is favourable for price negotiations in other countries.

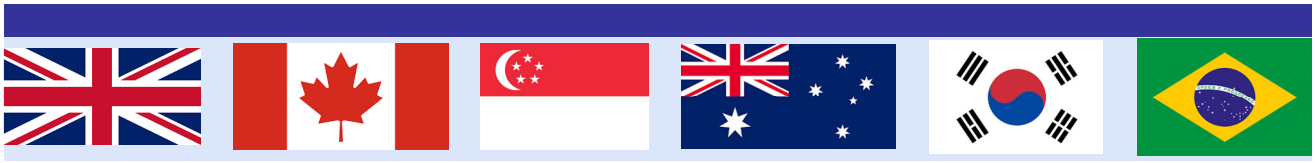
That first Budesolv filing requires only one additional, short pharmacokinetic study The company completed a successful European phase 3 trial in 2019, which met its primary and secondary endpoints and demonstrated the aforementioned superior drug properties compared to existing products (e.g. Rhinocort). Further details on the Budesolv phase 3 clinical trial can be found in the Appendix (2). The company must also conduct a short study to demonstrate that the current pharmacokinetic profile of Budesolv matches that of the Budesolv version used in its phase 3 clinical trial. More concretely, this new study's aim is to show whether the amount of Budesolv arriving in patients' blood and the time required for this are equal to what was observed in the completed phase 3 clinical trial. The need for this short and relatively inexpensive trial (FBe: €200,000-300,000) arises from product impurities

that occurred when the previous clinical trial's Budesolv version, which needed to be refrigerated, was kept at room temperature for 18 months. In that period, budesonide was oxidised, with the resulting oxidation product exceeding the 2% threshold allowed for impurities. The solution to this problem was found to be withdrawal of oxygen from the spray bottle, the addition of nitrogen during production, and putting Budesolv spray bottles in sealed plastic poaches. Unfortunately, it was technically impossible for Marinomed's then-contract manufacturer to withdraw oxygen and to add nitrogen during production, which is why Marinomed needed to resort to another contract manufacturer. Finding another more suitable contract manufacturer caused Marinomed to lose many months on the path to market launch of Budesolv.

Past problems created future upside As annoying as the instability of "old" Budesolv and the resulting delay were, they led to "new" Budesolv being a better product, as Marinomed can now claim Budesolv is stable in tropical regions for at least 2 years. This represents another advantage over competitor product Rhinocort which is not approved for use in tropical regions. All said, we expect that the aforementioned pharmacokinetic study will be conducted in Q4/25 and will show equivalence with the "old" Budesolv's pharmacokinetic profile, so that the dossier for Budesolv can be submitted to the Swiss regulatory authority Swissmedic in Q1/26. We expect Swiss approval of Budesolv in H1/27.

What next after filing Budesolv in Switzerland? Importantly, Swiss approvals serve as reference approvals for the UK, Canada, Singapore, Australia, South Korea and Brazil, allowing for accelerated approvals in these countries, as these countries' regulators in this case do *not* inspect manufacturing sites but rely on the inspection by the reference regulator. That said, we expect management to strike Budesolv filing & marketing agreements with established players in these countries in the coming months.

Figure 5: Countries using Swiss approval as reference to accelerate their approvals



Source. Wikipedia

What about EU filings? EU filings will be pursued by one or more to-be-determined filing & marketing partner(s), most likely through the mutual recognition procedure. We note that individual EU markets differ in terms of budesonide's legal status: In southern European countries, budesonide is Rx-only (Spain, Portugal, France, Italy, Greece), while it is an OTC product in in Poland and in the UK, where Boots is the dominant retailer for Rx- and OTC-products. . In Germany, in contrast, budesonide currently is Rx-only, but might be changed to OTC status in the foreseeable future. In our view, this regulatory diversity makes it likely that there will be not just one, but several Budesolv partners for submission and commercialisation on the EU markets. We believe management is already in active discussions with interested parties, with potential resulting announcements likely to support Marinomed's share price development.

And the US? In the US, where budesonide has OTC status, an additional clinical study may be required for potential approval. The reason for this is that the US FDA generally wants the different ethnicities of the US to be considered in the clinical trial populations, which of course was not the case in the clinical trial of Budesolv in Vienna. With this in mind, we believe that the US is more likely to be one of the later markets to approve Budesolv, particularly as the agency is currently in a state of political upheaval and dysfunction.

China? On 20 October 2021, the company announced a Budesolv licensing deal with China's Luoxin Pharmaceutical Group for mainland China, Hong Kong, Macao and Taiwan, according to which Marinomed was to receive double-digit USD million milestone payments and undisclosed royalties on Budesolv sales in Greater China. Unfortunately, Luoxin has cancelled that agreement and returned the rights to Budesolv because of Marinomed's insolvency proceedings in H2/24. Management consequently now has another shot on goal (China), with a respective announcement likely to support Marinomed's share price development, too. We think that the Chinese regulator will not rely on clinical phase 3 data from 75 Austrians for approval and hence will ask any licensee to do one or more clinical trials with Chinese patients.

MENA – last but not least While MENA markets are very diverse in socioeconomic terms, they all are countries with warm climates and dry air. The air is dry both outdoors and indoors, with the latter being due to continuous air conditioning. Dry air weakens the protective function of the nasal mucosa, making them more likely to react to allergens. The MENA markets are a further attractive factor in Budesolv's commercial equation.

Outlook for Marinomed's other intranasal corticosteroids – there's more to come The company selected budesonide as the active ingredient (API) for Marinomed's lead product candidate, in part because of the wealth of data available. In view of this and the fact that budesonide-based products continue to generate significant sales, we believe management took the right decision in choosing budesonide over another corticosteroid. However, we think there are further marketed corticosteroid-based products that lend themselves for improvement via Marinosolv. In particular, we believe that Marinosolv-improved corticosteroids, fluticasone, mometasone and fluoromethalon could represent additional business opportunities for Marinomed, all the more so given that the company has already reported corresponding preclinical results in Q1/20. In this context, it is important to note that a Marinosolv-improved version of the market-leading fluticasone is more stable than budesonide and also appears to be easier to handle. We thus hypothesize that going forward, Marinomed could use these Marinosolv-improved APIs to turn them into product candidates "Flutisolv", "Momesolv" and "Fluorosolv" i.e., thereby generating additional upfront-, milestone- and royalty payments from future licensing deals.

Eyeing allergic conjunctivitis Eye drops containing Marinosolv-solubilised corticosteroids for treatment of allergic conjunctivitis clearly represent an additional product opportunity closely related to nasal sprays in allergic rhinitis. In its clinical phase 3 trial, Budesolv nasal spray showed a reduction of ocular symptoms on day 8 of treatment that was similar to that of the marketed comparator spray, Johnson&Johnson's Rhinocort Aqua. That notwithstanding, we feel there's an opportunity for Marinsolv-solubilised, corticosteroid-containing eye drops in allergic conjunctivitis to be exploited, as eye drops would treat ocular symptoms more directly and faster than nasal sprays can do.

Adding asthma Budesonide, fluticasone, beclomethasone, mometasone, ciclesonide and flunisolide are inhaled corticosteroids most frequently used for treatment of asthma. We think that Marinomed's Marinosolv technology also lends itself to improvement of existing, long-commercialised asthma treatments from other companies, similarly to what the company does in allergic rhinitis. Generally speaking, getting marketing approval for an inhaled asthma treatment is different from nasal sprays in allergic rhinitis because, amongst other reasons, approvals are granted for a given *combination* of inhaler and a corticosteroid. Currently, inhalers are mostly dry powder inhalers which would not work with solutions containing corticosteroids. Any licensee would need to develop a new type of inhaler for use with a Marinosolv-solubilised corticosteroid, which we deem clearly doable, despite adding an additional level of complexity to product development and approval. The market for inhaled asthma treatments is worth several USD bn and development of the API is largely derisked, since corticosteroids have been used for asthma treatment for decades. We

therefore believe that there should be substantial interest from big pharma in development and commercialisation of next-generation asthma inhalers containing Marinosolv-solubilised corticosteroids.

TACROSOLV FOR DRY EYE DISEASE

Dry Eye Disease (DED) – a disease that can have serious consequences if left untreated We now discuss Tacrosolv, Marinomed's second product candidate generated by its Marinosolv platform for the treatment of DED (Kerotoconjunctivitis sicca). DED is a condition when tears are not able to provide adequate lubrication for eyes, because of insufficient production of tear liquid (aequous-deficient DED) and/or because of insufficient quality of the tear film produced (evaporative DED), resulting in the uncomfortable sensations of stinging or burning eyes. While that loss of quality of life might appear minor, persistent, untreated DED can have more serious consequences, including contact lens intolerance, increased sensitivity to light, increased risk of eye infections, inflammation, abrasion and even ulcers and vision loss. Hence, timely treatment of DED is also about prevention of much more severe complications, including corneal damage, increased risk of infection, vision problems, and a decreased quality of life. In severe cases, corneal scars or ulcers can even lead to permanent vision loss.

Numerous factors drive DED development Advanced age, female sex and East Asian ethnicity have been identified as key non-modifiable demographic features predisposing individuals to DED. Systemic conditions that increase DED risk include migraine, Sjögren syndrome, connective tissue disorders, mental health disorders, diabetes mellitus and androgen deficiency. Medications that may contribute to this risk include antidepressants, antihistamines, and hormone replacement therapy. Ocular and iatrogenic DED risk factors include blepharitis, Demodex infestation, ocular surgery, blink completeness, contact lens wear, and topical ophthalmic medications. Modifiable lifestyle factors that can increase DED risk include low humidity environments, digital screen use, quality of sleep, diet, and eye cosmetic wear (Britten-Jones et al, 2024).

At least 42-84m DED sufferers in the EU and the US alone 56% of the EU-27 population of ~448m individuals are over 40 years old (Destatis, 2025), amounting to ~251m individuals. Assuming that 10-20% of these are affected by DED, based on estimates characterised as conservative by Britten-Jones et al. (2024), results in an estimated ~25-50m DED patients in the EU's 27 countries. Applying the same prevalence range to the US' current population of ~340m people and assuming that 50% of US citizens are at least 40 years of age, yields 17-34m DED patients in the US. Of note, market research firm Market Scope estimates the number of DED sufferers in the US to be 38m (2023). However, taking aforementioned, more-conservative academic estimates together, the incidence of DED patients in the EU and the US amounts to 42-84m individuals, representing a substantial patient pool amenable to the treatment of what is mostly a chronic, life-long condition.

Existing DED drugs leave substantial unmet medical need Currently, DED is treated via the following medications:

- ***Corticosteroids***, which can be used only temporarily, given the risk that these increase intraocular pressure, potentially leading to glaucoma. Corticosteroids primarily exert their effects by binding to glucocorticoid receptors, both in the cytoplasm and on the cell membrane, influencing gene expression and leading to both genomic and non-genomic actions. This impacts a wide range of processes, including inflammation, immune responses, and metabolism.

- ***Cyclosporine A*-formulations** (Restasis by Allergan, Cequa by Sun Ophthalmics, Vevye by Novalique), which can take 3 to 6 months to start working and may cause temporary burning and discomfort, temporary blurred vision or eye redness after putting in the drops. Cyclosporine A works by inhibition of T-cell-activation and -function, thereby reducing the inflammatory response in the eye and thus DED symptoms, too.

- ***Lifitegrast (Xiidra)*** by Novartis, which can take up to 3 months to relieve symptoms, with some patients experiencing irritation and unusual taste sensation. Xiidra works by blocking the interaction between lymphocyte function-associated antigen-1 (LFA-1) and intercellular adhesion molecule-1 (ICAM-1). This interaction is crucial for the activation and migration of T-cells, which play a key role in the inflammatory process in DED. Lifitegrasd-mediated inhibition of aforementioned LFA-1/ICAM-1-interaction reduces the inflammatory response in the eye, thereby alleviating the symptoms and signs of DED.

- **Tryptyr the new kid on the DED block** On 28 May 2025, Alcon announced FDA approval of Tryptyr (alcoltremon) for symptomatic treatment of DED, based on positive results from 930 patients participating in the COMET-2 and COMET-3 clinical phase 3 trials. Tryptyr is a first-in-class TRPM8 receptor agonist that stimulates transient receptor potential melastatin 8 (TRPM 8-) thermoreceptors on the cornea. Their stimulation has been shown to activate trigeminal nerve signalling leading to increased basal tear production. Alcon expects to launch Tryptyr in the US in Q3/25 in single dose vials.

Thus, while currently, there's "not nothing" on the market for treating DED, there is still is substantial room for improvement: Only 13% of surveyed DED patients felt their DED was well managed (Morse et al, 2021). Other companies, too, are aware of that unmet need, as exemplified by recent product developments, including tavilermide by Mimetogen, AZR-MD-001 by Azura Ophthalmics, vezocolmitide by Stuart Therapeutics, tivanisiran by PharmaMar, Reproxalap by Aldeyra Therapeutics or Tyrptyr by Alcon.

Good luck, Reproxalap In contrast to Alcon's Tyrptyr, the development of Aldeyra's Reproxalap was much less straightforward, since the FDA first did not approve the drug candidate in November 2023. In April 2025, the FDA again did not approve the Reproxalap application, re-filed in October 2024, citing lack of efficacy and methodological issues that may have affected the interpretation of trial results as reasons for the second negative verdict. Despite these two setbacks, Aldeyra has not given up on Reproxalap and filed the dossier a third time, on 17 June 2025, including new data from a field trial and a chamber trial. While the chamber trial has reached its primary endpoint, as communicated by Aldeyra on 5 May 2025, the field trial has not. Nevertheless, the company additionally filed data from its failed field trial as supportive information, together with the data from the successful chamber trial. As regards its mechanism of action, Reproxalap is a new anti-inflammatory compound that binds to reactive aldehyde species (RASPs, like malondialdehyde or 4-hydroxa-2-nonenal), a class of pro-inflammatory molecules contributing to ocular inflammation. Reproxalap was designed to avoid the side effects of corticosteroids, which it actually does, as demonstrated by its very benign side effect-profile in clinical trials. While we do not venture an opinion on whether or not Reproxalap will ever reach the market, we point to its unique mode of action, showing that there are many potential ways to tackle DED.

Tivanisiran – one step forward, one step back Tivanisiran (SYL1001), under dvelopment at Pharmamar's Sylentis subsidiary, is a small interfering RNA (siRNA) that is administered in solution as eye drops. This siRNA inhibits the synthesis of transient receptor potential vanilloid-1 (TRPV1). TRPV1 is directly involved in the pathophysiology of dry eye

disease as it has a dual function on the ocular surface. It acts in the detection, transmission, and regulation of the sensation of pain in the eye, as well as in the mediation of innate inflammatory response, mechanisms whose regulation is key for the treatment and prevention of DED. While December 2023-reported results showed the clinical phase 3 FYDES study met its primary endpoint, results reported in February 2024showed another clinical phase 3 (SYL1001_V) study did not. To our knowledge, the company has given up tivanisiran development followng this setback.

Where is vezocolmitide phase 3 trial data? Little-known, privately-held Stuart Therapeutics, and ORA Inc., a contract research organisation exclusively focused on ophthalmology, planned to release topline data of their clinical phase 3 vezocolmitide trial, completed in January 2025, in February 2025 and a more detailed set of data in Q1/25. None of this has happened as per the date of this report, with the reasons for this delay being unknown to us. The primary endpoint of their 175 DED patients trial (clinicaltrials.gov ID: NCT06178679) is the proportion of responders in Schirmer's test with improvement of 10mm or more from baseline at day 29, with 9 secondary endpoints plus 10 other outcome measures being evaluated too. Vezocolmitide's mechanism of action involves repairing damaged collagen in the corneal tissue and restoring normal cell signalling, including reducing inflammation. It achieves this by mimicking collagen structures and binding to receptors, thus repairing the extracellular matrix and promoting healing. This targeted approach differs from broad immunosuppressants such as cyclosporine A or tacrolimus (see below) by specifically modulating cytokines and chemokines, inhibiting pro-inflammatory signals while promoting anti-inflammatory ones. While we are unaware of the reasons for the delayed data publication, as stated above, we feel that that delay bodes poorly for positive trial results.

A further way to tackle DED – AZR-MD-001 Azura's AZR-MD-001 (selenium sulfate, SeS_2O_8) is an ointment that prevents protein build up in meibomian gland ducts, which otherwise would block much-needed oil secretion, leading to eye dryness. Selenium sulfate is thought to break down the bonds between abnormal keratin proteins to soften glandular blockage, slows down the production of keratin to prevent future blockages, and increases the quality and quantity of meibum produced by the meibomian glands. Patients who tested the medication in a phase 2 trial ("A Multicenter Study Evaluating AZR-MD-001 in Patients With Meibomian Gland Dysfunction and Evaporative Dry Eye Disease (DED)"; clinicaltrials.gov ID: NCT03652051) produced healthier amounts of oil and had reduced dry eye symptoms.

AZR-MD-001 just started clinical phase 3 trials Against the background of these positive clinical phase 2 results, on 4 June 2025 Azura announced the enrolment of the first patient in its clinical phase 3 ASTRO trial ("Assessment of Secretions and Treatment for Restoring Ocular surface health in patients with Meibomian Gland Dysfunction"). That trial's primary endpoint is the change from baseline to month 3 in the total Ocular Surface Disease Index score (0 to 100). The trial is a multicenter, double-blind, vehicle-controlled, randomized trial to evaluate the efficacy, safety, and tolerability of AZR-MD-001 sterile ophthalmic ointment 0.5% compared to vehicle in patients with abnormal meibomian gland function and associated symptoms of DED. Approximately 500 patients will undergo 1:1 randomisation and will be dosed twice weekly at bedtime for up to 12 months. Study follow-up visits will be conducted on day 14, month 1.5, month 3, month 4.5, month 6, month 9, and month 12. Patients will exit the study ~13 months after the baseline visit. Trial results are expected for H1/27.

Mimetogen's tavilermide down and out Mimetogen's tavilermide is a cyclic peptidomimetic drug that mimics nerve growth factor (NGF) and acts as a partial TrkA receptor agonist, enhancing NGF's effects crucial for ocular surface health. Unlike other DED drugs/drug candidates, it addresses multiple mechanisms of dry eye disease by

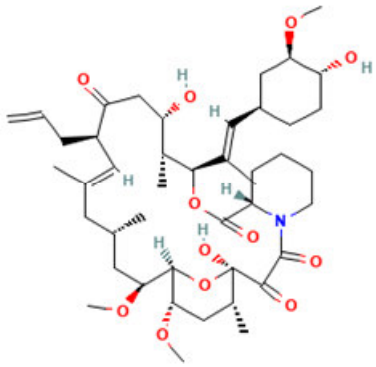
promoting protein secretion from conjunctival glands, thereby maintaining ocular lubrication. According to clinicaltrials.gov, tavilermide has been in 5 clinical phase 3 trials from 2013 through 2024. The most recent trial ("Efficacy and Safety Evaluation of Tavilermide Ophthalmic Solution for the Treatment of Dry Eye"; clinicaltrials.gov ID: NCT05848128) with 642 DED patients concluded in May 2024. While the Natrional Library of Medicine's quality review of tavilermide clinical data submitted on clinicaltrials.gov was still ongoing as of 17 June 2025, it appears to us that the trial met only one of its two primary endpoints, with no information given on whether or not that endpoint was met with statistical significance. To our knowledge, Mimetogen has not issued a press release on the trial's results, which we think is odd. Given the latest press release on Mimetogen's website dates back to September 2021, we speculate that the company is no longer in business. Against that background, we eliminate tavilermide from the competitive environment in DED.

Having discussed the most advanced product developments in the evolving competitive landscape, we now focus on Marinomed's approach for DED treatment.

Tacrolimus is Marinomed's shot on the DED goal First approved for use in humans in 1994 by the US FDA, highly-hydrophobic tacrolimus belongs to the pharmaceutical class of macrolide calcineurin inhibitors, inhibiting the immune system's mast cells and T-cells. Being ~100 times more effective than cyclosporine, a cornerstone immunosuppressant belonging to the same mechanistic class of calcineurin inhibitors, tacrolimus, too, is an off-patent compound used to supress transplant rejection. It is also indicated for treatment of moderate to severe atopic eczema in adults. Interestingly, tacrolimus' use for treatment of vernal conjunctivitis is the only one approved in ophthalmology and only in Japan, where 1-2% of the population suffer from vernal conjunctivitis, and South Korea. Importantly, there, tacrolimus is dissolved in an alcohol-containing solution (Talymus by Senju Pharmaceutical), which is why patients experience an uncomfortable, burning sensation when using these eye drops. Beyond treating vernal conjunctivitis, tacrolimus could be used for treatment of a multitude of ophthalmic inflammatory diseases, including dry eye disease, as it reduces the immune system's attack on the tear glands and alleviates overall inflammation.

Solubilised tacrolimus already proved its worth in phase 2 clinical trials Tacrolimus' solubility in water is very poor, typically ranging from 4 to 12µg/mL only. Marinomed's Marinosolv technology increases that poor solubility by more than 200-fold, to more than 1mg/mL, yielding Marinomed's 2nd product candidate, Tacrosolv. Tacrosolv was already in phase 2 clinical trials in Austria in 2020 and 2021, though in a different indication area, allergic rhinoconjunctivitis ("Therapeutic effect of Tacrosolv in patients with allergic rhinitis"). Topline results reported on 1 July 2021 showed that statistically significant reductions in eye symptoms started 3.5h post-provocation and lasted through day 8 under continuous treatment, while no reductions were observed in the placebo group. These results are all the more impressive as the tacrolimus dose used in the trial corresponded to only 5% of the dose commonly used in Japan to treat vernal conjunctivitis. Results from that clinical phase 2 study with Tacrosolv were published in October 2024 in Clinical Opthalmology, an international, peer-reviewed journal, speaking to the quality of Marinomed's clinical trial. For more details on Tacrosolv's clinical phase 2 trial, please refer to Appendix (3). Hence, similarly to Marinomed's lead product candidate Budesolv, which works based on 10-30% of the budesonide dose used in other widely-marketed sprays, Tacrosolv also works based on a much lower dose. These dose reductions, while maintaining required efficacy, are testament to the validity and functionality of the Marinosolv technology.

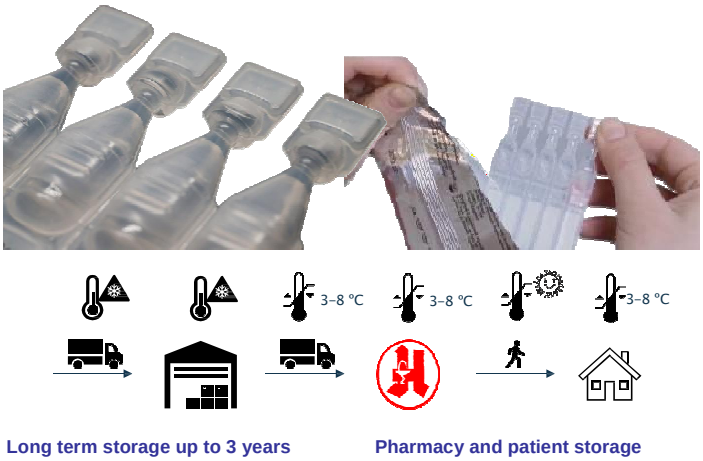
Figure 6: Tacrolimus structure



Source: PubChem

What has happened since Tacrosolv's clinical phase 2 data in DED in 2021? Marinomed has used that time to come up with a primary packaging that could be used for eventual commercial sale (single dose blow-fill-seal vials in aluminium poach) and to optimise Tacrosolv's formulation for stability. The resulting, new Tacrosolv formulation can be kept for up to 36 months at -20°C, for 9 months at 5°C (+/- 3°C) and for 10 days at 25°C at 60% relative humidity. These temperature requirements of the new Tacrosolv formulation make an eventual wholesale- and retail distribution manageable, as well as storage and use by patients. Tacrosolv's required cooling chain thus can be maintained, as wholesalers typically are prepared to store products at -20°C, while specialised logistics companies, which are used anyway in pharmaceuticals'' distribution, could easily transport Tacrosolv at 3-8°C, at which pharmacies are equipped to keep certain medications. At home, patients will be able to keep Tacrosolv in their fridge. When needed, they take a single dose vial from the fridge and apply Tacrosolv exe drops.

Figure 7: Tacrolimus primary packaging and cooling chain



Source: Marinomed Biotech

Tacrosolv to mainly compete with DED treatments containing cyclosporine A While there are various mechanisms of action being exploited for DED treatment, as detailed above, we would foresee Marinomed's Tacrosolv competing successfully against cyclosporine A-containing treatments (Restasis, Cequa, Vevye), given they share the same mechanism of action (calcineurin-inhbition).

Nevertheless, against the background of the dynamically evolving competitive environment in DED, as exemplified by aforementioned, late-stage product developments showcased above, it might be worthwhile considering whether or not Tacrosolv could be used in other indication areas.

Tacrosolv's potential use in other indication areas In that respect, Tacrosolv might be useful in corneal transplantation, where transplanted corneas need to be protected from rejection by the host's immune system. We note that a clear-cut path for clinical development in corneal transplantation already exists in the US, where the FDA likely would grant Tacrosolv orphan disease status, given that there are less than 200,000 cases per year in the US, providing the applicant special assistance regarding the planning of clinical trials, tax credits, fee waivers, a shortened filing review period of only 6 months and potentially 7 years of market exclusivity, independent of the API's patent status. In addition to corneal transplantation, diabetic stromal keratitis, anterior uveitis, posterior uveitis and macular edema are further indication area that Tacrosolv might be helpful treating.

Tacrosolv licensee to take significant strategic decisions A Tacrosolv licensee will thus have to carefully consider the indication areas that Tacroslov might be developed for:

1) For DED, which is on its way to becoming the most common eye disease globally, representing a mass market with intense competition and commensurate prices, or for
2) one or more (orphan) disease indications with fewer patients, less competition and higher prices, or for
3) a quasi-parallel development and - at a later point in time - marketing of Tacroslov for 1) and 2), which certainly would represent the most challenging avenue to pursue financially and medically, as well as pricing- and marketing-wise, but potentially also the most lucrative one, if done properly.

Tacrosolv earmarked for partnering or an outright sale Although we have absolutely no way of predicting when a Tacrosolv deal will materialise, we believe it is highly likely that a deal will happen at some point, given the compelling quality of the phase 2 clinical data and the relatively low cost of what we believe is low-risk product development on the one hand and attractive global commercial potential on the other. We feel that Tacrosolv might be sold at its current development stage rather than being partnered, given lessons learned from the past, when company resources were overstretched. We further think Tacrosolv will be most interesting to a Japanese pharma company with global reach, given that tacrolimus-containing eye drops are predominantly used in Japan, for treatment of vernal conjunctivitis. Such a Japanese pharma player could additionally develop Tacrosolv eye drops for treatment of conjunctivitis outside Japan, where eye drops of this type are not yet very widespread, and could add further indication areas, like DED i.e.

LEG 2 : SERVICES - SOLV4U BUSINESS

Solv4U is the second leg of Marinomed's dual business model Launched in November 2021 and having solubilised compounds from 10 classes already in the first 12 months after inception, Solv4U offers clients access to Marinomed's Marinosolv technology in two forms, a) research services and b) client-sponsored, common projects. Solv4U thus leverages Marinomed's proprietary Marinosolv technology beyond and above the in-house development of its own product candidates (currently Budesolv and Tacrosolv) and additionally benefits from product ideas of its clients, thereby creating its dual business model. Research services, whose results are not patent-protected generate fee-for-service revenue for Marinomed. In contrast to that fee-for-service work, client-sponsored, common projects look more attractive commercially, as that 'cost plus"-type of collaboration could also generate milestone- and royalty payments to Marinomed in case of client success in terms of product development and commercialisation. The following table provides an overview of client-sponsored Solv4U-projects on which – unsurprisingly, due to typically-agreed confidentiality - only very limited information is publicly available.

Table 5: Overview of the ongoing Solv4U-projects

Project name	Partner	Client country	Comment	Royalty-bearing
MAM-1007	SPH Sine	China	Orally inhaled and nasal API; joint patent on formulated product to be filed	Yes
MAM-1008	n.a.	Austria	New NSAID formulation	n.a.
MAM-1009	n.a.	Germany	Antiseptic	n.a.
MAM-1010	n.a.	Austria	Blood pressure drug; not a pill, but an alternative formulation	n.a.
MAM-1011	n.a.	Cech Rep.	CNS drug	n.a.
MAM-1012	n.a.	US	Anticonvulsant	n.a.
MAM-1015	n.a.	Cech Rep.	n.a.	n.a.
MAM-1019	Aché Laboratórios	Brazil	n.a.	Yes
MAM-1020	Unither Pharma	France	n.a.	Yes

Source: First Berlin Equity Research, Marinomed Biotech AG

Progress of Solv4U's programmes may become more visible in the next few years Clients' Marinosolv-based product developments may become publicly visible at the latest when they enter clinical trials. At that point in time, Marinomed will likely be in a position to communicate publicly that these product candidates were developed with the help of its Marinosolv technology, thereby providing further proof of Marinosolv's worth. We believe that we may see the first of such announcements in 2026.

FINANCIAL HISTORY AND OUTLOOK

Marinomed published its audited 2024 annual report in accordance with the Unternehmensgesetzbuch (UGB), which lays down Austrian generally accepted auditing practices (GAAP). The company reports on a half-yearly basis, in alignment with the requirements of Wiener Börse, the Viennese stock exchange. Marinomed also publishes an ad-hoc with select financial figures for Q1 and Q3. The company did not include a detailed cash flow statement in its most recent annual report.
Marinomed's previous annual reports (before insolvency proceedings) were published in accordance with International Financial Reporting Standards (IFRS). For the sake of uniformity, we only compare the 2023 and 2024 results, published in Marinomed's most recent annual report.

BACKGROUND INFORMATION 2024 FINANCIAL REPORT

Marinomed initiates insolvency proceedings On 13 August 2024, after realizing that it would not be able to raise the funds required to secure the company's liquidity, Marinomed applied for the initiation of court restructuring proceedings without self-administration. The company announced its intention to use proceeds from the potential sale of its Carragelose business to restore financial stability.

Restructuring plan with capital increase On 2 September 2024, roughly three weeks after the Regional Court of Korneuburg opened restructuring proceedings, Marinomed announced its intention to issue shares to finance restructuring costs, cover costs of ongoing operations and help with the restructuring plan. The capital increase was finalized on 18 September, with the issuance of 154,053 shares at a price of €5 per share, for gross proceeds of €770k.

Sale of Carragelose business On 27 November, approximately two weeks after Marinomed's creditors unanimously approved its restructuring plan, the company announced that it had reached an agreement for the sale of its Carragelose business. Unither Pharmaceuticals, a French contract development and manufacturing organization (CDMO), agreed to buy the Carragelose business for up to €20m. The deal was split into an upfront payment of €5m, and success-based milestones of up to €15m. The upfront payment of €5m was made in Q1/25.

Convertible bond followed by second capital increase After the successful sale of the Carragelose business, Marinomed issued a €424k convertible bond to the EIB, at a €5 conversion price and completed a second capital increase. The second capital increase consisted of 83,750 new shares at a price of €8 per share, for gross proceeds of €670k. Combined, the capital increases increased Marinomed's share count by 237,803 shares to 1,778,333, or roughly 15%.

FINANCIAL HISTORY

Decline in Carragelose revenues outpaces OpEx reductions Marinomed's past revenue was primarily composed of Carragelose sales. Starting at the end of 2023, the company noticed a negative sales trend, as Marinomed's distribution partners' inventories remained high and demand for Carragelose products declined. This led to a near halving (-48% y/y) of Marinomed's revenue to €4.8m in 2024 (2023: €9.1m). This is despite 2024 revenue including a €0.5m milestone payment from an expansion of business with an existing customer. Without this milestone payment, the gross margin would have been in line with the 36% margin in 2023.

While the company was able to reduce research & development expenses by roughly half y/y to €1.1m, personnel expenses only fell by 4% to €4.8m. Marinomed's legal and consulting fees also went up as a result of the restructuring and the sale of its Carragelose business, which led other operating expenses to increase to €2.8m. Overall, operating expenses fell by 6%. This OpEx decline was not enough to offset falling Carragelose revenue, which led the company's EBITDA loss to widen to €6.6m.

Table 6: Comparison revenue and OpEx 2024 and 2023

All figures in € '000	2024	2023	Δ
Revenue	**4,747**	**9,058**	**-48%**
Cost of goods sold	2,640	5,796	-54%
Gross profit	2,107	3,263	-35%
margin	*44%*	*36%*	-
Research & development	1,144	2,263	-49%
Personnel costs	4,835	5,049	-4%
Other operating items, net	-2,682	-476	-
Operating Expenses	**8,761**	**9,281**	**-6%**
EBITDA	**-6,554**	**-4,524**	**-**

Source: First Berlin Equity Research, Marinomed Biotech AG

One-off restructuring costs increase losses As part of the restructuring, the book value of Marinomed's headquarters was reassessed. The value was written down by €670k, leading to a more than doubling of D&A expenses. Other elements of D&A remained stable. The company also had to pay a one-off so-called "Royalty-Fee Mandatory Prepayment" of €6.7m to the European Investment Bank (EIB) in 2024. This led Marinomed's financial expenses to balloon to €7.9m in 2024. As a result of the aforementioned exceptional items Marinomed's 2024 net loss came at €15.4m.

Table 7: Select line items income statements 2024 and 2023

All figures in € '000	2024	2023	Δ
EBITDA	**-6,554**	**-4,524**	**-**
Depreciation & amortization	1,064	453	135%
EBIT	**-7,618**	**-4,977**	**-**
Net financial result	-7,915	-1,365	-
Net income (loss)	**-15,416**	**-6,365**	**-**

Source: First Berlin Equity Research, Marinomed Biotech AG

Net debt rises significantly as part of restructuring Despite the previously mentioned insolvency in August 2024, year-end cash and cash equivalents only decreased by 33% y/y to €1.7m, owing to the placement of two capital increases and one convertible bond. Short-term debt rose more than threefold to €28.3m as a consequence of restructuring proceedings. Early termination of EIB's loan meant that its claim on Marinomed increased from €15m to €24.1m. Additionally, the entirety of Marinomed's debt was reclassified as short-term pending the completion of the sale of the Carragelose business. The total value of Marinomed's balance sheet fell by 34% to €8.2m, as a large part of the company's working capital was disposed of in the restructuring. The loss incurred in 2024 caused the company's negative equity position to increase to €-25m.

Table 8: Balance sheet comparison 2024 and 2023

All figures in € '000	2024	2023	Δ
Cash & cash equivalents	1,706	2,564	-33%
Accounts receivable	907	2,763	-67%
Inventories	538	889	-40%
Other current assets	103	0	-
Current assets, total	**3,254**	**6,216**	**-48%**
Property, Plant & Equipment	4,788	5,809	-18%
Other non-current assets	142	334	-58%
Total assets	**8,183**	**12,359**	**-34%**
Short-term debt	28,231	7,585	272%
Accounts payable	1,687	1,531	10%
Other current liabilities	2,840	771	269%
Current liabilities, total	**32,758**	**9,887**	**231%**
Long-term debt	0	12,808	100%
Other long-term liabilities	474	1,178	-60%
Total liabilities	**33,232**	**23,874**	**39%**
Equity	**-25,049**	**-11,515**	**-**

Source: First Berlin Equity Research, Marinomed Biotech AG

2024 cash flow dominated by working capital changes and non-cash items While Marinomed did not provide an extensive cash flow statement, it gave insight into the main positions. The company reported lower operating cash outflows of €2.4m in 2024 compared to the €3.7m operating cash outflows in 2023, despite the net loss more than doubling to €15.4m. This was in part due to the €4.3m change in working capital (2023: €0.7m), but also due to several large non-cash expenses reported as part of the insolvency. The two capital increases and the convertible bond resulted in financing cash flow of €1.6m, which reduced net cash outflows to €0.9m.

Table 9: Select cash flow line items

All figures in CAD '000	2024	2023	Δ
Net income (loss)	-15,416	-6,365	-
Amortization	1,064	453	135%
Changes in w orking capital	4,330	727	496%
Cash flow, operations	**-2,428**	**-3,747**	-
Cash flow, financing	**1,600**	**-1,730**	**-**
Net cash flows	**-858**	**-5,557**	-

Source: First Berlin Equity Research, Marinomed Biotech AG

FINANCIAL OUTLOOK

Revenue 2025E – 2027E Marinomed received an upfront payment of €5m for the sale of its Carragelose business in Q1/25. The remaining €3.9m of our forecast 2025E revenue is composed of: (1) €1m in Carragelose earn-out payments, (2) €1.2m in TSA related revenue, (3) €0.7m of remaining Carragelose sales, (4) €0.5m in revenue from Solv4U fees and (5) €0.5m from upfront payments for Budesolv deals (see table 10 overleaf). We estimate that the majority of 2026E revenue will stem from earn-out and TSA payments, with a growing contribution of Solv4U and Budesolv upfront payments. For 2027E we model €9.6m composed of final earn-out payments (€6m) for Carragelose, Budesolv revenues from upfront payments (€1.3m) and first Budesolv licensing revenue in Switzerland (€0.1m). From 2028E onwards we expect an increase in Budesolv licensing revenues, as sales rise in Switzerland and first other European countries receive approval. We also expect further

upfront payments for final licensing deals and an upfront payment for the Tacrosolv licensing deal (€4m).

Table 10: Projected revenue broken down by source 2025E – 2028E

All figures in € '000	2025E	2026E	2027E	2028E
Carragelose (Milestones)	1,000	6,000	6,000	-
Carragelose (Upfront)	5,000	-	-	-
Carragelose (TSA)	1,200	1,200	1,200	1,200
Carragelose (remaining rev)	693	-	-	-
Solv4U	500	750	900	1,000
Tacrosolv upfront	-	-	-	4,000
Budesolv revenue (incl. upfront)	500	1,000	1,487	3,628
Total Revenue	**8,893**	**8,950**	**9,587**	**9,828**

Source: First Berlin Equity Research, Marinomed Biotech AG

Operating expenses 2025E – 2028E In recent months Marinomed has reduced costs, starting with decreasing externally funded R&D efforts. Additionally, the company has reined in other operating expenses and reduced personnel costs by cutting headcount and reducing management compensation. We estimate that overall operating expenses for 2025E and 2026E should roughly equate to €6.0m, after which we model an increase to €6.2m in 2027E and €6.6m in 2028E respectively. Overall OpEx will be primarily composed of personnel expenses.

The 2025E P&L includes a large a one-time restructuring profit, which reflects the difference between the debt which the company previously owed and its post-restructuring debt balance. In Q1 2025, Marinomed's creditors were willing to take a ~70% haircut (€18.9m) on their investment, which was booked as other operating income.

Table 11: Income statement projections 2025E – 2028E

All figures in € '000	2023A	2024A	2025E	2026E	2027E	2028E
Revenue	**9,058**	**4,747**	**8,893**	**8,950**	**9,587**	**9,828**
Research & development	2,263	1,144	973	924	970	1,019
Personnel costs	5,049	4,835	4,013	4,093	4,257	4,469
Other operating items, net	-476	-2,682	17,926	-925	-1,017	-1,079
Operating Expenses	**9,281**	**8,761**	**5,959**	**5,942**	**6,244**	**6,567**
EBITDA	**-4,524**	**-6,554**	**21,642**	**3,008**	**3,343**	**3,261**
Depreciation & amortization	453	1,064	412	412	372	370
EBIT	**-4,977**	**-7,618**	**21,230**	**2,596**	**2,971**	**2,891**
Net financial result	-1,365	-7,915	-408	-395	-382	-368
Net income (loss)	**-6,365**	**-15,416**	**20,822**	**2,201**	**2,589**	**2,523**

Source: First Berlin Equity Research, Marinomed Biotech AG

Balance sheet development 2025E – 2028E Marinomed's short-term debt rose sharply in 2024. This was due to an increased claim from the EIB and all of Marinomed's debt being classified as short-term as a result of the insolvency. When, as explained in the previous paragraph, Marinomed's creditors agreed to take a haircut on their debt, ~70% of it was forgiven. Additionally, all but €3.4m of Marinomed's remaining debt is interest free. A repayment schedule was put in place, which sees the last tranche of the €8m in loans repayed by May 2027. The remaining €3.4m in debt is a secured loan which bears a roughly 12% interest rate and is due in 2033 and 2034.

We expect the company to be sufficiently financed from operations alone, even with the planned debt repayments. We forecast cash & cash equivalents of €1.8m in 2025E (net debt: €6.6m), with a net cash position of €1.0m in 2028E (cash & cash equivalents: €3.9m). As a result of the restructuring gains, and a plan to remain profitable, we estimate that Marinomed's equity will be positive again from 2028E onwards.

Table 12: Balance sheet projections 2025E – 2028E

All figures in € '000	2023A	2024A	2025E	2026E	2027E	2028E
Cash & cash equivalents	2,564	1,706	1,820	1,555	1,139	3,921
Accounts receivable	2,763	907	400	400	0	0
Other current assets	889	641	103	103	103	103
Current assets, total	**6,216**	**3,254**	**2,323**	**2,058**	**1,241**	**4,024**
Property, Plant & Equipment	5,809	4,788	4,418	4,048	3,678	3,308
Other non-current assets	334	142	99	57	55	55
Total assets	**12,359**	**8,183**	**6,840**	**6,163**	**4,975**	**7,387**
Short-term debt	7,585	28,231	2,878	2,478	110	110
Accounts payable	1,531	1,687	1,300	1,300	0	0
Other current liabilities	771	2,840	2,840	2,840	2,840	2,840
Current liabilities, total	**9,887**	**32,758**	**7,018**	**6,618**	**2,950**	**2,950**
Long-term debt	12,808	0	5,548	3,070	2,960	2,850
Other long-term liabilities	1,178	474	474	474	474	474
Total liabilities	**23,874**	**33,232**	**13,040**	**10,162**	**6,384**	**6,274**
Equity	**-11,515**	**-25,049**	**-6,200**	**-3,999**	**-1,410**	**1,113**

Source: First Berlin Equity Research, Marinomed Biotech AG

Cash flow estimates 2025E – 2028E We estimate that Marinomed's cost savings paired with an increase in revenue will keep operating cash flow positive from 2025E onwards. Marinomed owes €7.2m to the EIB, and another €0.8m to other creditors. The EIB loan repayment schedule sees Marinomed paying 1/3rd of the the total value (€2.4m) per year over five instalments between 2025 and 2027. The repayment for the other creditors is scheduled similarly, with five instalments, which are between 2025 and 2026. Combined with Marinomed repaying roughly €0.1m of the principal on its secured loan per year, projected financing cash flows for 2025E and 2026E amount to €-2.9m. With the last tranche of the EIB repaid in 2027E, projected financing cash flow for 2028E drops to €-0.1m. Adjusted for the €18.9m non-cash restructuring gain, forecast 2025E net cash flows amount to €0.1m, as operating cash flows edge out financing cash outflows.

Table 13: Cash flow projections 2025E – 2028E

All figures in € '000	2023A	2024A	2025E	2026E	2027E	2028E
Net income (loss)	-6,365	-15,416	20,822	2,201	2,589	2,523
Amortization	453	1,064	412	412	372	370
Other non-cash adjustments	-51	-221	-18,900	0	0	0
Cash flow, operations	**-3,747**	**-2,427**	**2,992**	**2,613**	**2,061**	**2,893**
Cash flow, financing	**-1,730**	**1,600**	**-2,878**	**-2,878**	**-2,478**	**-110**
Cash, BoP	8,121	2,564	1,706	1,820	1,555	1,139
Net cash flows	-5,557	-857	114	-265	-417	2,783
Cash, EoP	**2,564**	**1,707**	**1,820**	**1,555**	**1,139**	**3,921**

Source: First Berlin Equity Research, Marinomed Biotech AG

NEWSFLOW

In our view, Marinomed's stock price will be driven by news about operational progress as well as by an orderly development of its financial situation, given its insolvency proceedings in H2/24. Overall, we expect the company's newsflow to contribute to the development of its share price. These communications include:

Financial results, AGM

Marinomed publishes half-yearly and yearly financial results and business updates

16 Apr 2025	Annual Report
01 Jun 2025	Record Day AGM
11 Jun 2025	Annual General Meeting
17 Sep 2025	1H25 report

Business milestones

H2/2026	Completion of Budesolv's pharmacokinetic trial
Q1/2026	Budesolv filing with Swiss regulator
2025 & 2026	Additional Solv4U partnerships
2026	Commercial & filing partnerships for Budesolv in UK, Canada, Australia
2026	Partnering of Budesolv in EU, US, China
2026	First Solv4U client's product candidate enters clinical testing
H1/2027	Budesolv approval in Switzerland
2027	Sale or partnering of Tacrosolv project

Conference presentations

2-3 Apr 2025	Munich Capital Markets Conference
12-15 May 2025	Frankfurt Spring Conference, Frankfurt

MANAGEMENT

Andreas Grassauer – CEO, Chairman of the Executive Board
Dr. Andreas Grassauer is a co-founder and the Chief Executive Officer of Marinomed. Since the company's formation in 2006, he has served as Chairman of the Executive Board and CEO. With a strong entrepreneurial background, Dr. Grassauer has built up several companies and successfully raised over €30 million from both private and public sources. Over the past 15 years, he has executed numerous deals for Marinomed. Dr. Grassauer holds a PhD in virology from the Institute of Applied Microbiology at the University of Natural Resources and Life Sciences in Vienna, Austria.

Eva Prieschl-Grassauer – CSO
Dr. Eva Prieschl-Grassauer is a co-founder and the Chief Scientific Officer of Marinomed. She has been the CSO since 2007, and brings over 30 years of pharmaceutical drug development experience. Before founding Marinomed, she led the allergy program at Novartis in Vienna, where she discovered the mechanism of action of FTY720 (fingolimod), a key immunomodulatory drug for treating multiple sclerosis. Dr. Prieschl-Grassauer holds a PhD in immunology from the University of Vienna and has published over 50 articles in prestigious peer-reviewed journals in the fields of immunology, medicinal chemistry and molecular biology. She was awarded the Golden Decoration of Merit of the Republic of Austria in 2022 for her scientific work and its translation into commercial success.

Gabriele Ram – CFO
Gabriele Ram serves as the Chief Financial Officer of Marinomed. She brings over a decade's worth of financial leadership experience, having held several executive-level roles in both Germany and Austria. Before joining Marinomed, she was the CFO of Wienerberger Piping Solutions, a former business unit of the publicly listed Wienerberger AG.

SUPERVISORY BOARD

Simon Nebel – Chairman of the Supervisory Board
Dr. Simon Nebel is the Chairman of the Supervisory Board of Marinomed. He is the founder and Managing Partner of Vipsas Venture Consulting GmbH and a venture partner at Aravis, a private equity firm focused on life sciences. Dr. Nebel currently serves on the supervisory boards of Quadia SA, Kivu BioScience B.V., RhyVet AG, Hanaku AG, and Bio-sensing Solutions SL. Dr. Nebel holds a PhD in biophysics from the Biocentre of the University of Basel and an MBA with distinction from the London Business School. He has been the Chairman of Marinomed's Supervisory Board since 2018 and was previously the Chairman of its Advisory Board from 2008 onwards.

Elisabeth Lackner – Member of the Supervisory Board
Dr. Elisabeth Lackner is a member of the Supervisory Board of Marinomed. She is the CEO of CRS Clinical Research Services an experienced pharmaceutical and biotechnology executive with over 20 years of experience. Her expertise includes growth, marketing, business development, international expansion, as well as business strategy and innovation. Dr. Lackner holds a PhD in pharmaceutical sciences from the University of Vienna and has been a member of the Supervisory Board since 2022.

Karl Mahler – Member of the Supervisory Board
Dr. Karl Mahler is a member of the Supervisory Board of Marinomed. He holds a doctorate in economics, and brings extensive experience in strategic and investment planning. He has held various management positions in pharmaceutical and life science companies, including serving as Head of Investor Relations at Hoffmann-La Roche for 20 years. During his tenure, he was involved in major transactions, M&A activities, and financing activities. Since retiring from Roche, Dr. Mahler has worked as a senior advisor for McKinsey.

SHAREHOLDERS & STOCK INFORMATION

Stock Information	
ISIN	ATMARINOMED6
WKN	A2N9MM
Bloomberg ticker	MARI AV
No. of issued shares	1.78m
Transparency Standard	Standard Market
Country	Austria
Sector	Healthcare
Subsector	Biotechnology

Source: Börse Frankfurt, First Berlin Equity Research

Shareholder Structure	
Grassauer Andreas	7.4%
Prieschl-Grassauer Eva	7.4%
Unger Hermann	6.9%
Seed investors	7.9%
Free Float	70.4%

Source: Marinomed Biotech AG

INCOME STATEMENT

All figures in EUR '000	2023A	2024A	2025E	2026E	2027E	2028E
Revenue	**9,058**	**4,747**	**8,893**	**8,950**	**9,587**	**9,828**
Personnel	5,049	4,835	4,013	4,093	4,257	4,469
R&D	2,263	1,144	973	924	970	1,019
Other Operating items, net	-476	-2,682	17,926	-925	-1,017	-1,079
Operating income (EBIT)	**-4,996**	**-7,601**	**21,230**	**2,596**	**2,971**	**2,891**
Net financial result	-1,365	-7,915	-408	-395	-382	-368
Pre-tax income (EBT)	**-6,362**	**-15,515**	**20,822**	**2,201**	**2,589**	**2,523**
Income taxes	4	-99	0	0	0	0
Net income / loss	**-6,365**	**-15,416**	**20,822**	**2,201**	**2,589**	**2,523**
Diluted EPS	**-4.2**	**-8.7**	**11.7**	**1.2**	**1.5**	**1.4**
EBITDA	**-4,543**	**-6,537**	**21,642**	**3,008**	**3,343**	**3,261**
Ratios						
EBIT-Margin on PACME	-55.2%	-160.1%	238.7%	29.0%	31.0%	29.4%
EBITDA margin on PACME	-50.2%	-137.7%	243.4%	33.6%	34.9%	33.2%
Net Margin on PACME	-70.3%	-324.8%	234.1%	24.6%	27.0%	25.7%
Expenses as % of Revenues						
Personnel	55.7%	101.8%	45.1%	45.7%	44.4%	45.5%
R&D	25.0%	24.1%	10.9%	10.3%	10.1%	10.4%
Y-Y Growth						
Revenues	n.a.	-47.6%	87.3%	0.6%	7.1%	2.5%
Operating income	n.a.	n.m.	n.m.	-87.8%	14.5%	-2.7%
Net income/ loss	n.a.	n.m.	n.m.	-89.4%	17.6%	-2.6%

BALANCE SHEET

All figures in EUR '000	2023A	2024A	2025E	2026E	2027E	2028E
Assets						
Current Assets, Total	**6,216**	**3,254**	**2,323**	**2,058**	**1,241**	**4,024**
Cash and Cash Equivalents	2,564	1,706	1,820	1,555	1,139	3,921
Receivables	2,763	907	400	400	0	0
Inventories	889	538	0	0	0	0
Other Current Assets	0	103	103	103	103	103
Non-Current Assets, Total	**6,143**	**4,930**	**4,518**	**4,105**	**3,733**	**3,363**
Property, Plant & Equipment	5,809	4,788	4,418	4,048	3,678	3,308
Goodwill & Other Intangibles	129	87	44	2	0	0
Other Assets	205	55	55	55	55	55
Total Assets	**12,359**	**8,183**	**6,840**	**6,163**	**4,975**	**7,387**
Shareholders' Equity & Debt						
Current Liabilities, Total	**9,887**	**32,758**	**7,018**	**6,618**	**2,950**	**2,950**
Short-Term Debt	7,585	28,231	2,878	2,478	110	110
Accounts Payable	1,531	1,687	1,300	1,300	0	0
Other current liabilities	771	2,840	2,840	2,840	2,840	2,840
Longterm Liabilities, Total	**13,987**	**474**	**6,022**	**3,544**	**3,434**	**3,324**
Long Term Debt	12,808	0	5,548	3,070	2,960	2,850
Other Liabilities	1,178	474	474	474	474	474
Investment grants	**266**	**243**	**243**	**243**	**243**	**243**
Accruals	**822**	**867**	**867**	**867**	**867**	**867**
Minority interests	**0**	**0**	**0**	**0**	**0**	**0**
Shareholders Equity	**-11,515**	**-25,049**	**-6,200**	**-3,999**	**-1,410**	**1,113**
Total Consolidated Equity and Debt	**12,359**	**8,183**	**6,840**	**6,163**	**4,975**	**7,387**
Ratios						
Current ratio	0.63	0.10	0.33	0.31	0.42	1.36
Quick ratio	0.54	0.08	0.33	0.31	0.42	1.36
Financial Leverage	-1.07	-0.33	-1.10	-1.54	-3.53	6.64
Book Value per Share	n.m.	n.m.	n.m.	n.m.	n.m.	0.63
Net cash	-17,829	-26,525	-6,606	-3,993	-1,931	961
Return on Equity (ROE)	n.m.	n.m.	n.m.	n.m.	n.m.	226.7%

CASH FLOW STATEMENT

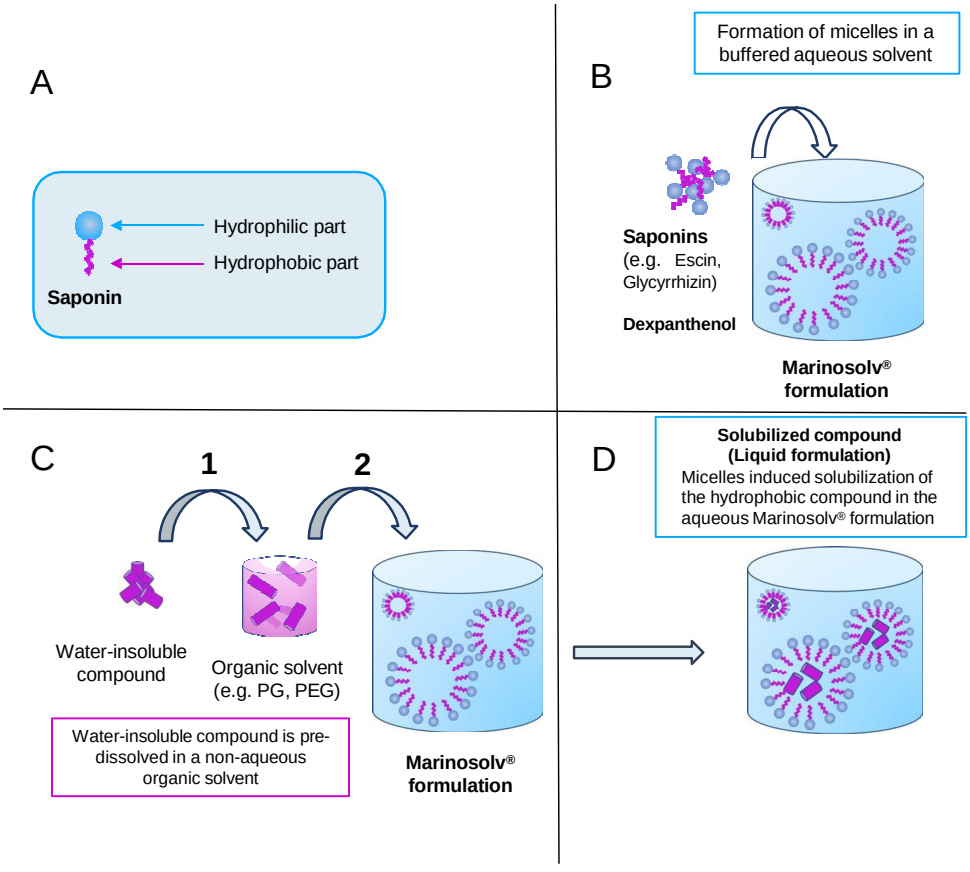
All figures in EUR '000	2023A	2024A	2025E	2026E	2027E	2028E
EBIT	**-4,996**	**-7,601**	**21,230**	**2,596**	**2,971**	**2,891**
Depreciation and amortization	453	1,064	412	412	372	370
EBITDA	**-4,543**	**-6,537**	**21,642**	**3,008**	**3,343**	**3,261**
Changes in Working Capital	727	4,330	658	0	-900	0
Other Adjustments	70	-221	-19,308	-395	-382	-368
Operating Cashflow	**-3,747**	**-2,427**	**2,992**	**2,613**	**2,061**	**2,893**
CAPEX	-80	-30	0	0	0	0
Free cashflow	**-3,827**	**-2,457**	**2,992**	**2,613**	**2,061**	**2,893**
Debt Financing, net	**-1,730**	**1,600**	**-2,878**	**-2,878**	**-2,478**	**-110**
Other Changes in Cash	**0**	**0**	**0**	**0**	**0**	**0**
Net Cash Flows	**-5,557**	**-857**	**114**	**-265**	**-417**	**2,783**
Cash, start of the year	8,121	2,564	1,706	1,820	1,555	1,139
Cash, end of the year	**2,564**	**1,707**	**1,820**	**1,555**	**1,139**	**3,921**
EBITDA/share	**-2.98**	**-3.68**	**12.17**	**1.69**	**1.88**	**1.83**
Y-Y Growth						
Operating Cashflow	n.a.	n.m.	n.m.	-12.6%	-21.1%	40.3%
Free cashflow	n.a.	n.m.	n.m.	-12.6%	-21.1%	40.3%
EBITDA/share	n.a.	n.m.	n.m.	-86.1%	11.1%	-2.5%

APPENDIX

(1) MARINOSOLV IN MORE DETAIL, INCLUDING ITS IP

In order for drugs to effective, they need to reach their target cells in the target tissue For drugs applied to the skin, into the nose, to the eyes, into lungs (topically applied drugs) , bioavailability depends on the rate and on the extent of drug absorption into the target tissue, with that drug absorption being dependent on drugs' solution, their permeability and the applied concentration (Phar. Res. 1995, 12 413-420). Acc. to literature, c.40% of approved drugs and c.90% of drugs under development are highly tissue-permeable, but poorly water-soluble molecules (Acta Pharm. Sin. B 2015, 5, 442-453). Existing methods to improve poorly water-soluble molecules' bioavailability encompass reduction of particle size (micronisation), crystal engineering, pH adjustment, salt formation, solid dispersion, co-solvency and the use of complexation or surfactants (Sci. World J. 2012, 2012,718792; ISRN Pharm. 2012, 2012).

Figure 8: Schematic representation of Marinosolv's surfactants-based solubilisation



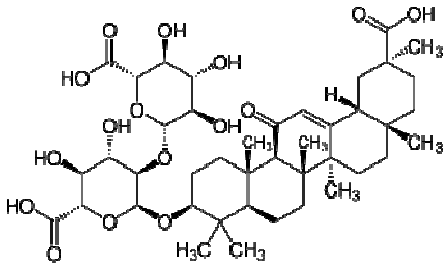
Source: Marinomed Biotech AG

Marinomed's Marinosolv method uses surfactants for solubilisation This is one of the oldest and simplest of the aforementioned methods. Surfactants are amphiphilic molecules, hence they contain both, hydrophilic and hydrophobic moieties (see "A" in above chart). Surfactants form micelles when a formulation-specific, critical micelle concentration (CMC) is reached. Micelles can be thought of as (soap) bubbles, with the surfactants' hydrophilic end pointing to the outside (the aqueous environment/solution), whereas surfactants' hydrophobic end point to the inside, where they create and enclose the bubbles' hydrophobic lumen ("B"). On addition of hydrophobic pharmaceutical substances ("C") to the Marinosolv formulation, micelles start to enclose them in their hydrophobic lumen, whereas the bubbles' hydrophilic outer surface keeps the bubbles and their hydrophobic payload in

solution (“D”). Reality of course is more complex than this simplistic representation and requires detailed optimisation of many parameters such as duration and speed of stirring, temperature, pH, concentration of salts as well as the use of co-solvents (propylene glycol) and dexpanthenol, with the latter improving the longevity of micelles.

Numerous surfactants exist, but plant-derived surfactants (saponins) have advantages Saponins have the advantage of being very mild, allowing them to be used with highly-sensitive tissues such as lung tissue, the nasal mucosa or the cornea of the eye. Saponins used by Marinosolv mainly encompass Glycyrrhizin, extracted from licorice root (Glycyrrhiza glabra), and aescin, extracted from buckeye (Aesculus hippocastanum), with aescin being a mixture of 30 related, but different molecular species.

Figure 9: Structure formula glycyrrhizin (left), licorice plant (right)

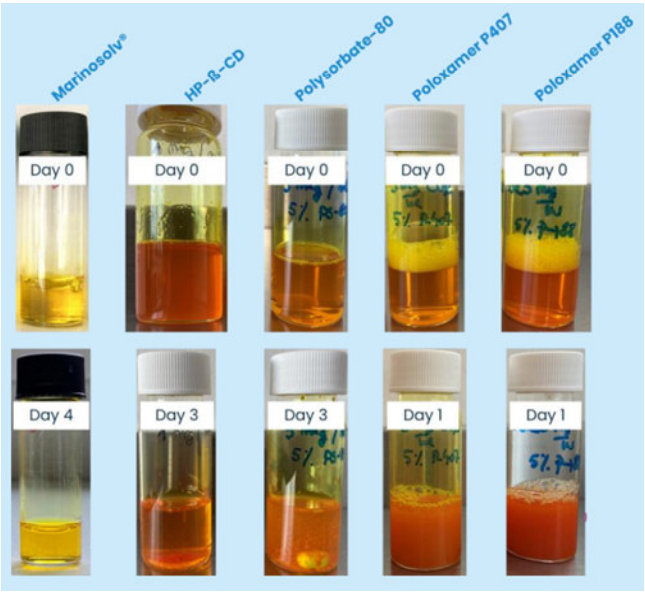


Source: Wikpedia

Source: Pharaoh Han

Curcumin, famously insoluble in water, shows Marinosolv’s solubilisation power As figure 10 below shows, Marinosolv yields a clear curcumin solution that is stable over time. The same cannot be said on the other solvents shown, which might bring curcumin in solution on day 0, if at all (see HP-ß-CD), but which are unable to keep curcumin in solution for even a few days. That said, Marinosolv-based solubilisation is clearly superior to those based on these other solvents.

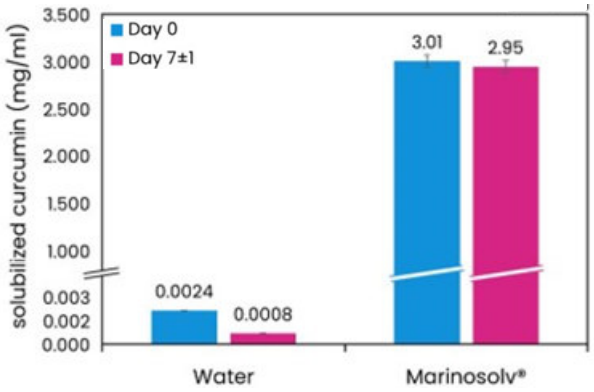
Figure 10: Marinosolv solubilises curcumin much better than other solvents



Source: Marinomed Biotech AG

The following graphic translates Marinosolv's solubilisation power shown above into figures. Marinosolv increases curcumin's solubility in water 1254-fold on day 0, with that increase getting even bigger over time, to 3688-fold after 7-8 days.

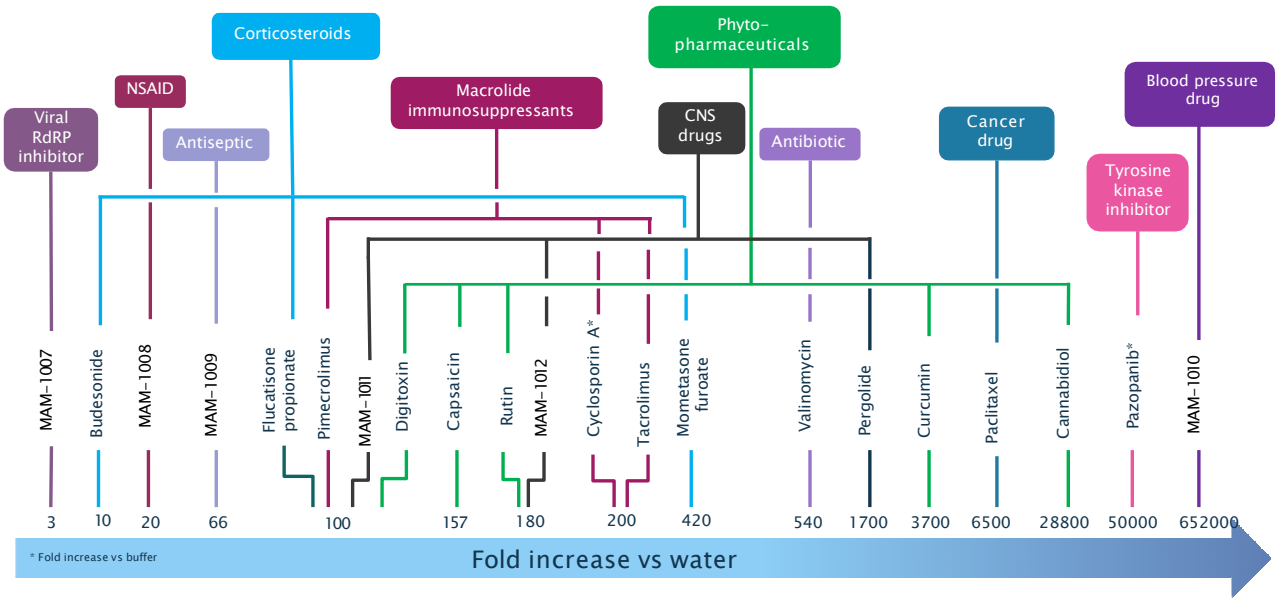
Figure 11: Marinosolv increases curcumin solubility 1254-fold



Source: Marinomed Biotech AG

Marinosolv can solubilise not only curcumin, but many more compounds Figure 12 below impressively visualises not only the various uses of compounds solubilised (cancer drugs, blood pressure drugs, i.e.), but also the wide variety of chemical classes these compounds belong to (macrolides, corticosteroids, i.e.). Furthermore, the graphic illustrates the range of solubility increase, from only 3-fold (viral RdRP inhibitor, also known as RNA-dependent RNA Polymerase inhibitor) to 65,200-fold in case of an unnamed blood pressure drug. We remind readers of the big advantages that the c.10-fold increase of budesonide brings to budesonide nasal sprays, as elaborated upon in much detail above. Independently from that, we speculate that the unnamed blood pressure drug, whose water-solubility Marinosolv could increase 65,200-fold, is the one that Marinomed is working on in its Solv4U services segment.

Figure 12: Marinosolv-based increases in solubility



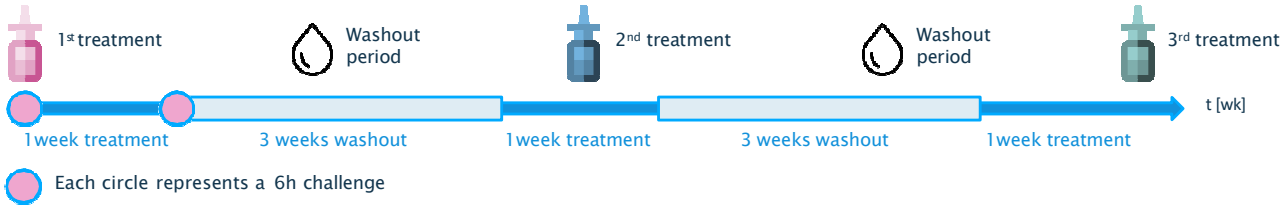
Source: Marinomed Biotech AG

Granted patents protect Marinomed's intellectual property for the long term On 16 December 2020, Marinomed announced the grant of EU patent no. 3324933 covering the Marinosolv platform in as many as 38 countries. On 15 July 2021, Marinomed announced the grant of a Chinese patent protecting Marinosolv "as a method for generating aqueous solutions of therapeutically or cosmetically relevant organic compounds that are insoluble or only slightly soluble in water" by the Chinese State Intellectual Property Office (SIPO). The grant of this Chinese patent was followed by US patent no. US11510859 by the US Patent and Trademark Office (USPTO), published by Marinomed on 27 December 2022. Very positively, Marinosolv thus enjoys patent protection in the world's three commercially most important regions, the EU, the US and China, through 2036. Importantly, patent protection for Marinosolv-based products can be applied for and be granted independently from aforementioned technology patents. Budesolv's patents run even longer, through 2043.

(2) BUDESOLV PHASE 3 CLINICAL TRIAL

Phase 3 pivotal clinical trial in 75 patients investigating the switch between 1-week treatment with Budesolv, Rhinocort and placebo Marinomed's lead product candidate Budesolv was evaluated in clinical phase 3 in 2019 in a three-way cross-over double-blind randomised trial in Austria vs. Johnson&Johnson's Rhinocort Aqua 64 (Rhinocort) and placebo in grass pollen allergic rhinoconjunctivitis in 75 volunteers ("Demonstration of Equivalence and Early Onset of a Novel Anti-allergic Nasal Spray Compared to Marketed Nasal Spray", clinicaltrials.gov ID: NCT03755557). On day 1, trial participants entered the Vienna Challenge Chamber (VCC), an environmental exposure chamber, for 6 hours, where they were exposed to grass pollen. Their first treatment took place 1h45 after entry. Subsequently, participants treated themselves for a further 6 days; on day 8, the last treatment was applied just before re-entering the VCC, where their subjective symptom scores, nasal airflow and nasal secretion were measured during renewed exposure to grass pollen, used to compile the Total Nasal Symptom Score (TNSS). All 75 patients treated themselves with placebo, Budesolv and Rhinocort in a randomised order and as described above, separated by two washout periods of three weeks each. The trial's primary endpoint was Budesonide no-inferiority vs. Rhinocort, while its secondary endpoint was faster onset of action.

Figure 13: Design of Budesolv's clinical phase 3 trial



Source: Marinomed Biotech AG

Budesolv met both the trial's primary and secondary endpoint Budesolv's TNSS on day 8 was 4.98, thus clinically equivalent/non-inferior to Rhinocort's 5.05. This is an impressive achievement since Budesolv's budesonide dose of 10µg amounts to only c.16% of Rhinocort's 64µg, thereby fulfilling Marinosolv's promise of lowering doses while maintaining efficacy.

Figure 14: Budesolv non-inferior to Rhinocort

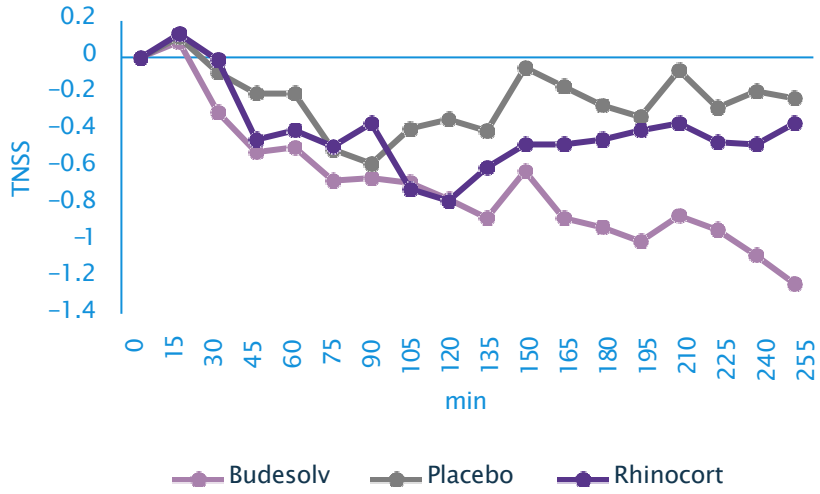
Treatment	Mean	SD	Median	N
Budesolv 10	4.98	2.57	4.47	75
Rhinocort Aqua 64	5.05	2.75	4.82	75
Placebo	7.48	2.80	7.47	75

Source: Marinomed Biotech AG; SD=standard deviation

Budesolv's turbo-charged onset of action Looking at the trial's second endpoint - faster onset of action -, Budesolv performed even more impressively. However, 255 minutes after pollen exposure, Rhinocort's TNSS reduction was similar to that of placebo, Budesolv reduced TNSS by c.1.2 points, with a 1 point reduction of TNSS being considered clinically relevant. Actually, Budesolv achieved a 1 point reduction in TNSS and thus meaningful symptom relief even earlier, after only 3 hours (please see chart), something which Rhinocort was far from achieving even after more than 4 hours. Actually, Rhinocort and

other, similar corticosteroid-based nasal sprays need around a week for their full efficacy to unfold, which is too long from the point of view of someone suffering from symptoms. Budesolv's faster symptom relief thus speaks to the benefits of using solubilised budesonide rather than budesonide in suspension in budesonide-containing nasal sprays.

Figure 15: Budesolv's faster onset of action



Source: Marinomed Biotech AG

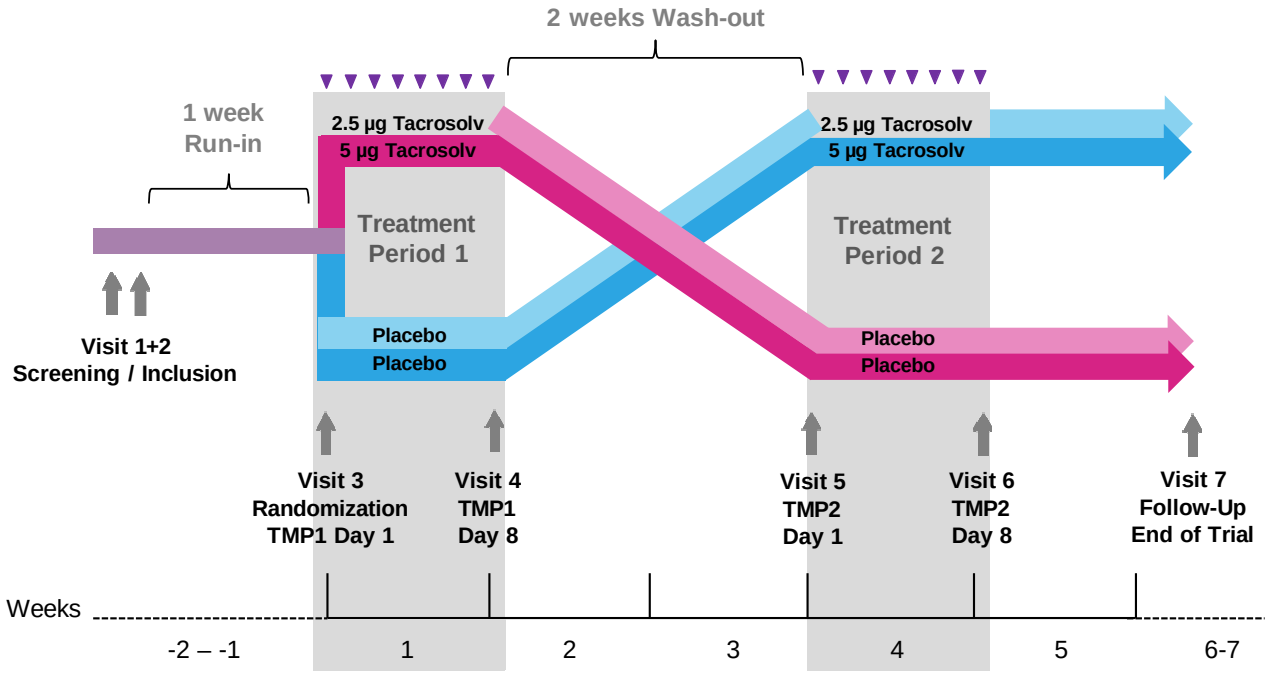
What about Budesolv eye drops? Budesolv's phase clinical 3 trial also looked at the nasal sprays' effect on ocular symptoms, measured via the Total Ocular Symptom Score (TOSS). In contrast to nasal symptoms, Budesolv provided only a little meaningfully faster symptom relief to the eyes than Rhinocort, while at day 8, both spays improved TOSS by roughly the same extent, similarly to what was observed with TNSS. Budesonide's lack of faster symptom relief in the eyes can be explained by the fact that Budesolv was sprayed into the nose, rather than being dripped into the eyes. We speculate that Budesolv eye drops would show faster improvement of TOSS, too, if trialled with respective eye drops, and think that at some point we might see Budesolv eye drops in addition to nasal sprays, thereby representing another product opportunity.

(3) TACROSOLV PHASE 2 CLINICAL TRIAL

Marinomed's second most advanced product candidate, Tacrosolv, was evaluated in a 64 patient, clinical phase 2 trial from August 2020 through May 2021 in Vienna ("Therapeutic Effect of Tacrosolv in Patients With Allergic Rhinoconjunctivitis"; clinicaltrials.gov ID: NCT04532710). The trial was a randomised, placebo controlled, crossover, double-blind, single site trial in adult subjects (18-65 years of age) who have demonstrated grass-specific Immunoglobulin E reactivity and have a history of grass pollen-induced rhinoconjunctivitis with or without controlled asthma. The crossover design will ensure that individual subjects will receive either one drop Tacrosolv (2.5µg) compared to two drops placebo or 2 drops Tacrosolv (5.0µg) compared to 1 drop placebo.

The primary endpoint of the trial was safety and efficacy of two doses of Tacrosolv on day 8 of treatment. To assure full blinding, two study populations are treated in a crossover design against placebo. The evaluation was based on the total ocular symptom score (TOSS) during grass pollen challenge performed in the Vienna Challenge Chamber. The trial's secondary objective was onset of action of either dose of Tacrosolv on day 1 of treatment as well as efficacy differences between low dose and high dose treatment on day 8.

Figure 16: Tacrosolv clinical phase 2 trial design

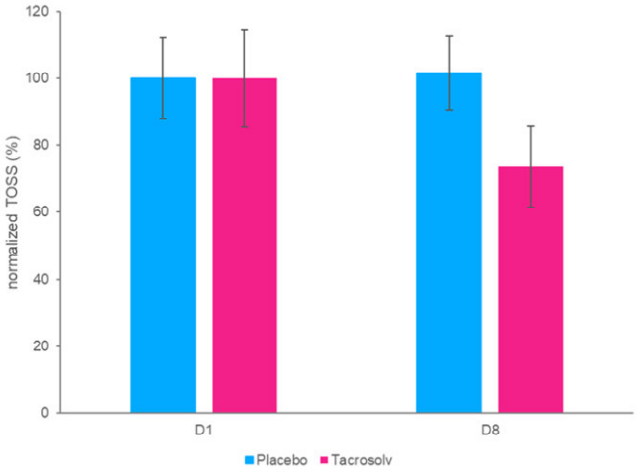


TMP, Treatment Period. ▼, Administration of indicated dose of Tacrosolv or placebo per eye per day.

Source: Sladek et al. 2024

High-dose Tacrosolv met the trial's primary endpoint It achieved a reduction of TOSS in a clinically relevant and statistically significant way, as shown in the following graphic, while the low dose did not (1 drop/2.5µg). More concretely, high-dose Tacrosolv reduced baseline-adjusted TOSS by 26% from day 1 to day 8, whereas placebo-treated patients showed no reduction. High dose Tacrosolv's 26% TOSS reduction is clinically relevant, boding well for further development.

Figure 17: Tacrosolv reduces TOSS to a clinical relevant extent



Source: Marinomed Biotech AG

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy[1]	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

[1] The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	Today	€19.50	Buy	€50.00

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