Marinomed

Annual Financial Report 2024

Table of contents

Management report

Business performance, business results and situation of the Company

1.1 General

Organizational and legal structure of the Company
Marinomed Biotech AG was founded in March 2006 as Marinomed Biotechnologie GmbH as a spin-off of the University of Veterinary Medicine Vienna.

With effect from the end of December 31, 2016, Marinomed Biotechnologie GmbH was converted into a stock corporation.

In 2018, the share capital was increased to EUR 1,000,000.00 and the conversion of the registered shares into bearer shares was approved.

In the course of the IPO of Marinomed on February 1, 2019, a total of 299,000 new bearer shares were placed with investors at a price of EUR 75.00 per share. A further 170,772 shares were issued for the conversion of convertible bonds into shares.

On February 1, 2019, Marinomed established an employee share option program for the Management Board and employees of the Company. The options can be exercised four times a year (each time after publication of the Company's results) and are serviced from the Conditional Capital 2019 (43,694 bearer shares). During several exercise periods, the number of shares was increased by a total of 8,134.

In the 2021 financial year, a flexible convertible bond program (Convertible Notes Funding Program, CNFP) was concluded with the Swiss investment company Nice & Green S.A. A total of 13 tranches were converted in the years 2021-2024, increasing the share capital by 62,624 shares. For further details on the convertible bond program, please refer to the information in the notes.

On August 14, 2024, the Company filed for restructuring proceedings without self-administration. The reason for the application was that the funds needed to secure the Company's liquidity could not be raised in the short term, and thus insolvency was imminent. In addition, the revenue expectations for the 2024 financial year could not be realized as expected. On November 14, 2024, the creditors' assembly unanimously approved the restructuring plan and on January 14, 2025, the court declared the proceedings closed. The court declaration was published on January 16, 2025.

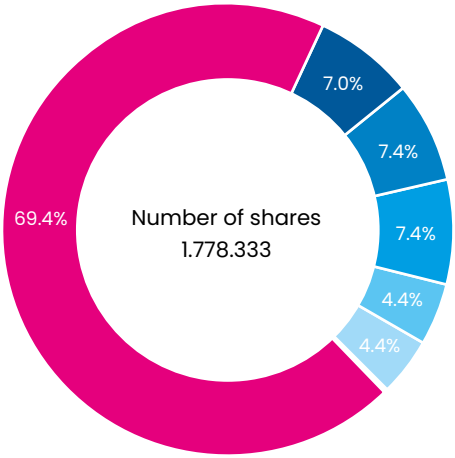
In 2024, two cash capital increases were carried out. In September 2024, the Company's Supervisory Board approved an increase of the Company's share capital by EUR 154,053 by issuing 154,053 new bearer shares against cash contributions. The new shares were issued from authorized capital and were subject to the immediate exclusion of the statutory subscription rights of existing shareholders. In December, the Company's share capital was increased again by EUR 83,750 through

the issue of 83,750 new bearer shares against cash contributions. The new shares were privately placed and issued from authorized capital, excluding the statutory subscription rights of existing shareholders.

In total, the share capital as of December 31, 2024, amounts to EUR 1,778,333.00, divided into 1,778,333 voting shares. Since no further shares were issued or converted after the reporting date, the Company's stated share capital as of the reporting date is also EUR 1,778,333.00, with 1,778,333 voting shares.

Owners

As of the reporting date, Marinomed's shareholder structure is as follows: Marinomed's founders and management team are the core shareholders with around 25% of the total shares (of which 2% are in free float). The shares of former long-term investor Acropora were taken over in equal parts by its two shareholders. Around 70% of the shares are in free float.



- Hermann Unger
- Andreas Grassauer (CEO)
- Eva Prieschl-Grassauer (CSO)
- Abdulmohsen Al Sheikh
- Mohammed Al Sheikh
- Free Float

Note: Rounding differences possible

1.2 Business performance and general conditions

Marinomed Biotech AG is a biopharmaceutical company focused on the invention, development and licensing of drugs. Marinomed has already achieved significant milestones in the development of innovative products based on proprietary platforms in the field of respiratory, infectious, immune and ophthalmic diseases and will continue to pursue this path consistently to create value for the Company and its stakeholders. The business model is based on doing what the Company does best: identifying, developing drugs in the early and mid-stage phases, developing medical devices and partnerships. At the same time, Marinomed works with other pharmaceutical companies to leverage what they do best (later-stage clinical development, regulatory management and marketing) in order to ultimately generate sustainable revenues. These revenues can be generated by the sale of products, patents, data, through licensing or similar transactions.

As described above, the Company went through restructuring proceedings without self-administration from August 2024 to January 2025. In the course of the restructuring, an agreement was reached with the creditors on the repayment of the outstanding claims, thus enabling the Company to continue successfully. However, the tense liquidity situation and the restructuring procedure had a significant negative impact on processes for developing and marketing product candidates.

Revenues from the sale of Carragelose products continued to decline in fiscal year 2024. This is mainly due to high inventories at Marinomed's distribution partners and thus to lower orders. A milestone payment of EUR 0.5 million was received from the expansion of a partnership for the Carragelose products. In November 2024, the Carragelose business, including all related agreements and business relationships, was sold to the French company Unither Pharmaceuticals. The transaction was completed at the end of February 2025. The contract provides for upfront and milestone payments totaling up to EUR 20 million.

Due to the restructuring proceedings, no significant milestone payments were received from the commercialization of the Marinosolv product developments in 2024. In 2024, the Solv4U service offering was also expanded to include services in the area of pharmaceutical assays.

1.2.1 Business model and processes

By the end of 2024, Marinomed generated the majority of its sales with a portfolio of non-prescription Carragelose products for the treatment of viral respiratory diseases, allergies and dry eyes. The Company has been developing the products (nasal sprays, throat products and eye drops) based on the polymer Carragelose since 2008. Marinomed coordinated all steps in this area, from development to approval and production. In partnerships with licensees, the products were then marketed worldwide. Revenues consisted of license payments and the sale of merchandise. At the end of 2024, the Carragelose business unit and all associated products and business relationships were sold to the French company Unither Pharmaceuticals. This contract resulted in upfront and

milestone payments of up to EUR 20 million. In addition, a service contract and further possible development projects will generate additional revenues.

Since the sale of the Carragelose business, Marinomed has been focusing on the other areas of its business model: on the one hand, the Company is developing its own drugs in the field of immunology. On the other hand, the Company offers pharmaceutical services such as formulation development for external customers.

Research and Development
In the area of its own product development of (prescription) drugs, Marinomed focuses on preclinical and early clinical research and development with the aim of generating intellectual property. The late-stage clinical development, approval and marketing are to be carried out in partnerships with larger partners from the pharmaceutical industry. In these highly regulated and particularly specific markets, it is of the utmost importance to have a financially sound, competent partner that can support the regulatory processes and clinical development with indication-specific expertise and the appropriate financial resources. These agreements include upfront, milestone and license payments, with the partner taking on the entire value chain of commercialization from manufacturing to distribution. This allows Marinomed to focus on its core competencies – research and development – i.e. on those elements of the value chain that make the greatest value contribution.

Services
Based on its Marinosolv technology, which increases the solubility of poorly soluble active ingredients, Marinomed has been offering formulation development for external customers under its "Solv4U" business unit since 2021. Marinomed supports its customers from the initial feasibility studies through to production. Revenues are comprised of fee-for-service, milestone payments and license fees.

In 2024, the range of services was expanded to include pharmaceutical services, such as virological or immunological assays. A fee-for-service model is also used here.

1.2.2 Market environment

Pharmaceutical market
The pharmaceutical industry is responsible for the research, development, manufacturing, and distribution of medications and has seen significant growth over the past two decades. The global pharmaceutical market is estimated to be worth USD 1.7 trillion in 2024 and is expected to grow at a compound annual growth rate of around 7% to USD 2.2 trillion by 2028 (IQVIA, 2025). The largest therapeutic areas in the pharmaceutical market are oncology, immunology and antidiabetics, each with 15%, 12% and 10% growth respectively over 2023 (IQVIA, 2025).

North America continues to dominate the pharmaceutical market, as do other highly developed markets such as Western Europe, which are associated with a more established healthcare system and better access to medical care. (IQVIA, 2024).

In the biotech industry, there has been a decline in the total number of licensing agreements since 2020. In 2024, the number of licensing deals stabilized compared to 2023. There was a trend towards fewer but larger investments combined with high upfront payments. The focus remained on projects in late clinical phases (J.P. Morgan, 2025).

In Austria, the pharmaceutical market reached a volume of EUR 6.9 billion in 2024, which corresponds to a growth of 9.9% compared to the previous year. The positive development can be observed in all segments and is in line with global market trends, with oncology drugs accounting for the largest share (IQVIA, 2025).

Over-the-counter (OTC) market

The OTC market includes non-prescription medical devices, treatments and health products that are available directly to consumers without a prescription from a licensed healthcare professional or at a pharmacy. These products are an integral part of healthcare and the treatment of many diseases.

Although OTC products are preferably purchased in-store, online platforms are becoming increasingly important. In addition, there is a trend towards diversification of the products offered, including natural preparations and dietary supplements. The global market for over-the-counter products is expected to reach USD 387 billion in 2025, with the largest share coming from the cough and cold segment, which is expected to reach USD 34 billion in 2025. Demand for over-the-counter medical products is steadily increasing due to greater awareness and easier access. Worldwide, China is expected to see the highest sales in the OTC sector in 2025, at almost USD 80 billion (Statista, 2025).

The Austrian consumer health market grew by 3.5% in 2024 compared to 2023 and reached a volume of EUR 1.5 billion. The cough and cold medication segment represents the largest indication group with a 24.3% share of the total market, while ophthalmic products recorded the third-strongest growth at 5.7% (IQVIA, 2025).

Marinomed supplies partners in the biotechnology and pharmaceutical industry with innovative products based on the Marinosolv and Carragelose technology platforms.

The Carragelose portfolio includes marketed OTC products for the prevention and treatment of viral respiratory infections. The Carragelose products were recently expanded in the field of immunology to include a nasal spray for the prophylaxis of mild allergic rhinitis and lubricant eye drops. At the end of 2024, the entire Carragelose portfolio and thus all existing partnerships and business relationships were sold to the French company Unither Pharmaceuticals.

On the basis of the Marinosolv technology, the Company is developing its own product candidates that are in the late clinical phases, while also offering technology partnerships to external customers. In 2024, the range of services was also expanded to include pharmaceutical assays.

Virology
The Carragelose product segment for cough and cold is aimed at the prophylaxis and treatment of viral respiratory infections. In the global market for over-the-counter health products, the cough and cold segment is expected to grow to EUR 41.4 billion in 2025 (Statista, 2025).

Immunology
Immunology, the second largest therapeutic area worldwide after oncology, had a market size of USD 193 billion in 2024 (IQVIA, 2025) and is divided into preparations for the treatment of autoimmune and inflammatory diseases. The autoimmune disease market amounted to USD 214.5 billion in 2024 and is expected to grow by around 7% annually through 2030. Therapeutics for the treatment of inflammatory diseases reached a market size of USD 38.7 billion in 2024, which is expected to grow by around 6% annually until 2028 (Research and Markets, 2025).

With a share of 16.4 % (USD 6.4 billion), the allergy segment represents an important part of the global CHC market for cough, cold and allergy (Nicholas Hall, 2024). According to the Asthma and Allergy Foundation of America (AAFA), around 100 million people in the U.S. alone suffer from allergic diseases, with 26% of them suffering from allergic rhinitis. The global pharmaceutical market for allergies is estimated at USD 22.8 billion in 2025 and is expected to grow to USD 33.6 billion by 2030 (Mordor Intelligence, 2025).

The ophthalmology segment is expected to grow to USD 182.5 billion by 2032 (Expert Market Research, 2023). With a share of ~30% (USD 6.1 billion), ophthalmology is the largest category in the global lifestyle CHC market and experienced strong growth in 2023 (Japan +12%, USA +8%, China +8%) due to increasing awareness of screen-related dry eye (Nicholas Hall, 2024).

The development of this market is particularly important for our product for the treatment of the severe form of dry eye syndrome. The U.S. Food and Drug Administration (FDA) approved VEVYE™ (cyclosporine ophthalmic solution) on May 30, 2023, as the first cyclosporine-containing therapy for the treatment of the signs and symptoms of dry eye disease (DED). The product is currently under regulatory review for potential approval in Europe and China. The outcome and reimbursement status will be closely monitored by competitors and is likely to impact Marinomed's developments in this area.

Solv4U
Solv4U is a division of Marinomed that offers the Marinosolv solubilization technology to customers in the biopharmaceutical industry. Poor water solubility remains one of the biggest challenges in the development of pharmaceutical products and affects approximately 40% of approved drugs and almost 90% of drugs in development (Kalepu & Nekkanti, 2015). Such drugs need to be modified in the pre-clinical and clinical phases of their development to improve their solubility and permeability and thus increase their efficacy. Marinosolv is a formulation technology for liquid and semi-solid dosage forms based on solubility and stability-promoting compounds.

Given the growing number of BCS (biopharmaceutical classification system) categories II and IV molecules currently in development (characterized by either low solubility and high permeability (BCS II) or low solubility and low permeability (BCS IV)), the bioavailability enhancement area is expected to grow at a CAGR of about 5.6% to USD 5.3 billion by 2030. In 2024, the market size was USD 3.8 billion (Research and Markets, 2025). Technologies such as micellar solubilization, microemulsions, particle size reduction technologies, co-crystallization and solid dispersion methods are available to improve bioavailability. Marinomed's Solv4U technology platform offers the potential to participate in this rapidly growing and highly demanded area.

In 2024, Marinomed has also expanded its range of services to include toxicological, immunological or antiviral assays. The global market for biotech and pharmaceutical services amounted to USD 46.1 billion in 2023 and is expected to grow at a CAGR of around 5.7% from 2024 to 2030 (Grand View Research, 2025).

1.2.3 Business development

The business unit with products of the Carragelose platform for the treatment of cold-related illnesses is showing a decline in product sales due to the continued high inventory levels of our distribution partners and a decline in demand for Carragelose products, which was partially offset by a milestone payment of EUR 0.5 million from the expansion of an existing partnership with a major player in the consumer healthcare sector. Overall, revenues in the virology segment amounted to EUR 4.6 million, compared to EUR 9.0 million in the previous year, a decrease of 48%. In the development-focused immunology segment, initial license revenues were generated on a small scale in financial year 2024 following the market launch of Callergin (2023: EUR 0 million). As in the previous year, the Solv4U business unit (Other segment) contributed EUR 0.1 million to fiscal year revenue. Total revenues amounted to EUR 4.7 million, compared to EUR 9.1 million in the previous year. The gross margin from revenues from the sale of merchandise, less cost of goods (cost of merchandise and regular delivery-related costs, excluding special charges), amounted to approx. 29% in the financial year, compared to 28% in the previous year. Other operating income of EUR 0.1 million (2023: 1.5 million) shows a decline of EUR 1.4 million compared to the previous year, which is mainly due to lower research funding. On the expenses side, material costs fell by EUR 3.2 million to EUR 2.6 million, with the decline mainly affecting the use of goods and raw materials, which fell in line with the sale of goods. The cost of materials includes expenses for the devaluation of inventories in the amount of EUR 0.2 million (2023: EUR 0.2 million). Expenses for other purchased services halved by EUR 1.1 million to EUR 1.1 million, which is mainly due to savings in purchased third-party research services. In addition, the work in connection with the MDR conversion of our products has been largely completed, and the associated expenses for regulatory services have decreased accordingly. Personnel expenses decreased slightly from EUR 5.0 million to EUR 4.8 million in the financial year 2024, in particular due to a decline in the workforce from 47 to 42 FTEs on an annual average and to reduced variable Management Board compensa-

tion. Other operating expenses increased from EUR 2.0 million in the previous year to EUR 2.8 million in the current financial year, which is mainly due to higher legal and other consulting fees for the restructuring proceedings, the capital measures and the preparation of the sale of the Carragelose business. Depreciation and amortization expenses increased to EUR 1.1 million (2023: 0.5 million) due to extraordinary write-off of the commercial building in the amount of EUR 0.7 million. As a result of the developments described above, the operating result amounted to EUR -7.6 million, compared to EUR -5.0 million in the previous year.

The business activities are divided into the segments Virology, Immunology and Others. Virology combines the activities from marketed products and the research and development of new products based on the active ingredient Carragelose. After the reporting date, the entire Carragelose business unit was sold to Unither Pharmaceuticals. The Immunology segment mainly comprises product developments based on Marinosolv technology. Other activities that cannot be assigned to Virology or Immunology are reported under "Other". This segment also includes income and expenses related to the Solv4U business unit, which provides external customers with access to the Marinosolv technology.

Virology segment – sale of the Carragelose business

The majority of Carragelose products developed are targeted at viral respiratory diseases. In conjunction with successful internal and external studies, Marinomed and its customers were able to significantly increase sales in the pandemic years. Following the end of the pandemic in 2023, pharmacy sales for the entire product category declined. The falling demand coincided with well-stocked warehouses at Marinomed's customers. As a result, incoming orders for goods fell to pre-pandemic levels in the first two quarters of 2024. Despite this challenge, on November 27, 2024, Marinomed announced the sale of its Carragelose business to Unither Pharmaceuticals, a leading contract development and manufacturing organization (CDMO) for medical devices and pharmaceutical products. The agreement provides for upfront and milestone payments totaling up to EUR 20 million, including an upfront payment of up to EUR 5 million. Further payments are dependent on the achievement of defined commercial and operational targets over the next two years. The agreement with Unither includes the transfer of the entire Carragelose portfolio, including all related agreements and business relationships. As part of the agreement, Marinomed and Unither have also entered into a transition service agreement upon closing of the transaction. The proceeds from the sale of the Carragelose business are intended to finance both the operating business with an increased focus on the Marinosolv platform and the restructuring plan agreed with the Company's creditors on November 14, 2024. After fulfillment of all necessary conditions, including the approval of Marinomed's shareholders and investment control, which has already been obtained, the transaction closed on February 28, 2025, triggering a first payment of EUR 5 million.

In 2024, Marinomed was able to advance several initiatives in support of the above transaction. An existing Carragelose partnership with a leading

consumer healthcare company was expanded to include selected countries in Europe and beyond. In this context, Marinomed was able to record an initial milestone of EUR 0.5 million in the reporting period. Furthermore, a clinical study was conducted that demonstrated the efficacy of Carragelose eye drops in treating the symptoms of dry eye syndrome. In addition, the anti-allergy nasal spray "Coldamaris Allergie" was launched in Austria in the first quarter of 2024. In the second quarter, this product had already become the number two in Austria after Coldamaris plus, which underscores the demand for products to treat hay fever.

Immunology segment
The immunology segment includes proprietary product candidates based on the Marinosolv technology. The rights for the lead product Budesolv, the anti-allergy product candidate, were granted to Luoxin Pharmaceuticals for the Chinese market in 2021. After certain delays, also caused by the pandemic, Luoxin eventually terminated the contract during Marinomed's insolvency. The termination does not incur any additional costs on either side and Marinomed is now free to grant rights for the Chinese market to other parties.

The commercialization of Budesolv proved to be more complex and time-consuming than originally assumed. This is mainly due to the different regulatory classifications in the various countries and regions. Furthermore, room temperature product stability was not sufficient for potential partners. Stability studies of sensitive active ingredients such as budesonide are carried out in real time. This problem was only identified at a late stage. Marinomed's scientists managed to improve stability. A new patent was filed that protects the product-related intellectual property until 2043. However, any product change has regulatory consequences. Therefore, the regulatory strategy for the main markets Europe and the U.S. was redefined at relatively short notice. The Company's insolvency in August 2024 had a negative impact on the partnering processes for Budesolv. Marinomed is therefore working to restore potential partners' confidence in the Company's stability. Our strategy now is to collect all remaining data required for filing for marketing authorization and submission in a first country. The first country/region will depend on the outcome of ongoing discussions with interested companies.

The product candidate Tacrosolv is based on a solubilized version of tacrolimus, a highly active macrolide immunosuppressant. This product candidate also experienced stability issues that hindered the partnering processes. A combination of formulation optimization and modified packaging should now meet the expectations of potential partners. Such partners are also closely monitoring the development of potential competing products such as CyclASol® from Novaliq, particularly the outcome of its registration in Europe. In light of this, the Company has significantly increased its business development activities.

Other segment
Revenues in the Other segment are attributable to the Solv4U business unit, which was established in 2021. This unit typically conducts feasibility studies for customers. The aim of these studies is to demonstrate that selected active pharmaceutical

ingredients can be better dissolved in an aqueous solution using the Marinosolv technology, potentially increasing their bioavailability and efficacy. Follow-up projects will then offer the optimization of the formulation and, later, a license agreement. The first long-term contract was signed in the 2023 fiscal year. In the first half of 2024, two further follow-up projects were successfully completed, with the collaborations continuing to this day. Accordingly, Marinomed expects that the further commercial exploitation of these developments will in all likelihood lead to further revenue growth.

Restructuring proceedings without self-administration

On August 14, 2024, Marinomed filed for restructuring proceedings without self-administration. The reason for the application was that the funds needed to secure the Company's liquidity could not be raised in the short term, and thus insolvency was imminent. Furthermore, the revenue expectations for the 2024 financial year could not be realized as expected. On November 14, 2024, the creditors' assembly unanimously approved the restructuring plan and on January 14, 2025, the court declared the proceedings closed. The court declaration was published on January 16, 2025.

The Company received a loan of EUR 15 million from the European Investment Bank (EIB), which was covered by a guarantee from the European Fund for Strategic Investments (EFSI). The repayment was originally scheduled for the years 2023-2027. At the end of March 2024, Marinomed agreed with the EIB to defer the repayment to the years 2025 to 2028. Part of the deferral was an agreement that granted the EIB a pledge of the Company's receivables. Due to the early termination of the loan as part of the restructuring proceedings, the EIB's claim increased by EUR 7.1 million to EUR 24.1 million. The EIB supported the proceedings by converting the pledged claims in the amount of EUR 0.4 million into a convertible bond against contribution of a right of separate satisfaction. The convertible bond was issued in January 2025 and initially evidences a conversion right for up to 84,768 shares of the Company at a conversion price of EUR 5 per share. In the event of conversion of the convertible bond, it is intended to issue the shares available from the Company's conditional capital or other available sources of financing in accordance with applicable law. The remaining claim, reduced by the percentage of the quota, is now part of the restructuring plan and represents the largest claim of all creditors. The EIB also agreed to a standstill declaration on cash quota payments until April 2025, which allows the proceeds from the sale of the Carragelose business to be used to cover these payments.

In addition, Marinomed secured a total of EUR 5.0 million in financing for the construction of its new headquarters in Korneuburg, of which EUR 3.8 million was provided by a consortium of Erste Bank der österreichischen Sparkassen AG and austria wirtschaftsservice (AWS), secured by ERP funds. This tranche was secured by a mortgage on the Company's headquarters. NÖ Bürgschaften und Beteiligungen GmbH (NÖBEG) provided a further EUR 1.2 million. The funds were drawn down between 2021 and 2022. These loans each had a term of 12 and 13 years, respectively, and an interest rate of around 2.5% p.a. In March 2024, the lenders of the real estate financing agreed to

suspend their principal repayments together with the EIB. For the secured loans of EUR 4.0 million, Marinomed agreed with the lenders after the insolvency to continue the semi-annual repayments at the previous level including interest. As part of the agreement, Marinomed will seek to refinance the property by mid-2027.

So far, claims totaling EUR 31.1 million have been recognized in the context of the restructuring proceedings. After deduction of the rights to separate satisfaction, insolvency claims remain in the amount of EUR 26.6 million. The restructuring plan provides for total quota payments of 30% in the amount of EUR 8.0 million, to be paid in the period up to May 2027. In the event that the proceeds from the sale of the Carragelose business exceed the planned earn-out, the quota payments will increase to 37%, which corresponds to an additional quota payment of EUR 1.9 million.

At the end of 2023, Marinomed began the strategic evaluation of its Carragelose business and engaged a corporate financing advisor to carry out the process. As part of this evaluation, a high double-digit number of companies were contacted and several interested parties submitted offers. Due diligence reviews were carried out and an agreement was reached with the French CDMO Unither Pharmaceuticals in November 2024. The closing took place on February 28, 2025. Under the terms of the agreement, Marinomed is entitled to an initial payment of up to EUR 5.0 million, which has already been received, and total proceeds based on additional earn-out payments of up to EUR 15 million over the next two years.

1.3 Branches

The Company has no branches. As of the reporting date of December 31, 2023, Marinomed held 100% of the shares in Marino Immo GmbH and prepared consolidated financial statements in accordance with internationally accepted accounting principles as defined in section 245a of the Austrian Commercial Code (UGB).

The shares in Marino Immo GmbH were sold by notarial deed dated December 19, 2024, subject to the condition precedent that the restructuring proceedings opened on August 14, 2024, against Marinomed Biotech AG are terminated by a legally confirmed restructuring plan. The decision of the Korneuburg Regional Court on the legally binding confirmation of the restructuring plan and the termination of the restructuring proceedings was made on January 14, 2025.

Since Marinomed had no control over the management of Marino Immo GmbH due to contractual provisions as of the reporting date, no further consolidated financial statements were prepared as of December 31, 2024.

1.4 Financial performance indicators

To understand the Company's financial performance indicators, it is essential to present the specifics of the different segments.

The product portfolio in the area of viral diseases consists of two development projects, seven Carragelose products already on the market, four nasal sprays, two throat products and a combined

nasal/throat spray. In the fiscal year 2024, a further decline in sales of goods was recorded; please refer to the explanations in section 1.2.3. The business unit was sold to the French company Unither Pharmaceuticals with a closing date of February 28, 2025.

There is not yet a market product in the segment of immunological products based on the Marinosolv technology. As part of the restructuring, Marinomed regained the distribution license rights for the Chinese market. The granting of the license rights in 2021 was associated with an initial payment of USD 2 million. Further milestone and product license payments are expected after the conclusion of further license agreements. This segment continues to be characterized by high research and development expenses, which may only generate revenues in subsequent years. In this area, Marinomed is focusing its efforts on the further necessary preparations for market approval and on discussions with potential marketing partners in other geographical regions and for other products, in particular Tacrosolv.

The Company reported a pre-tax result of EUR -15.5 million for 2024 (2023: EUR -6.4 million). The operating loss for 2024 amounted to EUR -7.6 million (2023: EUR -5.0 million) and the financial loss to EUR -7.9 million (2023: EUR -1.4 million). The company reported a net loss for the year of EUR -15.4 million (2023: EUR -6.4 million) and an accumulated loss of EUR -70.9 million (2023: EUR -55.5 million).

In 2024, the negative trend that has persisted since the end of 2023 continued and revenues decreased significantly to EUR 4.7 million (2023: EUR 9.1 million). This is mainly due to the continued high inventories of our distribution partners and a decline in demand for Carragelose products. Revenues include a milestone payment (EUR 0.5 million) from the expansion of an existing partnership with a major player in the consumer healthcare sector. Other operating income decreased to EUR 0.1 million (2023: EUR 1.5 million) and mainly includes the government research premium and reversals of investment grants. In the previous financial year, they mainly comprised grants in connection with research into a Carragelose-based SARS-CoV-2 therapy (Emergency Grant KLIPHA-COVID-19).

Due to the decline in revenues, expenses for materials fell to EUR 2.6 million in the reporting period (2023: EUR 5.8 million). The gross margin from the sale of goods, minus the cost of goods (cost of merchandise and regular delivery-related costs, excluding special charges) amounted to around 29% (2023: 28%). Expenses for purchased services fell from EUR 2.3 million in the previous year to EUR 1.1 million due to a rigorous savings program. Personnel expenses in fiscal year 2024 were EUR 4.8 million, slightly below the previous year's figure of EUR 5.0 million. Depreciation and amortization expenses increased significantly to a total of EUR 1.1 million (2023: 0.5 million) due to unscheduled depreciation of the commercial building in the amount of EUR 0.7 million. Other

operating expenses increased by EUR 0.8 million year-on-year to EUR 2.8 million, which is mainly due to higher legal and consulting expenses. These include those for insolvency administration, debtor representation and other consulting in connection with the restructuring proceedings and the capital measures implemented.

The financial result, which is significantly affected by a extraordinary payment of EUR 6.7 million under the royalty agreement, amounted to EUR -7.9 million (2023: EUR -1.4 million).

Research and development expenses decreased to EUR 3.8 million (2023: EUR 5.8 million).

Restructuring profits were not yet recorded in the 2024 financial year. These will only be reported after the legally binding conclusion of the restructuring proceedings in January 2025.

On the assets side, the Company's financial position is characterized by a decline in current assets in the current fiscal year (EUR -3.1 million). In the case of raw materials and supplies (EUR 0.3 million, 2023: EUR 0.8 million), the stock of primary packaging materials for goods production was reduced and partially written down. Trade receivables (EUR 0.4 million, 2023: EUR 1.8 million) have a remaining term of up to one year on both balance sheet dates and mainly relate to deliveries of goods, licenses and other revenues. The decline in other receivables and assets (EUR 0.5 million, 2023: EUR 1.0 million) relates in particular to tax office credit balances and research funding, as well as the devaluation of a loan granted by EUR 0.2 million. As of the balance sheet date, deferred tax assets of EUR 0.1 million are recognized for the first time. Cash and cash equivalents amounted to EUR 1.7 million (2023: EUR 2.6 million) and the Company reported negative equity of EUR -26.2 million, compared with EUR -12.6 million in the previous year. Overall, other provisions remained almost the same (EUR 0.9 million compared to EUR 0.8 million in 2023) and as of the balance sheet date relate in particular to personnel provisions and outstanding purchase invoices for legal and other consulting services. For further details on the development of the net assets and liabilities, please refer to the notes.

The Company reported cash and cash equivalents of EUR 1.7 million at the end of 2024 (2023: EUR 2.6 million). The change is shown in the following cash flow statement:

	2024 EUR million	2023 EUR million
Cash flow from the result	-14.5	-5.9
Net cash flow from operating activities before tax	-2.4	-3.7
Net cash flow from operating activities	-2.4	-3.7
Net cash flow from investing activities	-0.0	-0.1
Net cash flow from financing activities	1.6	-1.7
Net change in cash and cash equivalents	-0.9	-5.6
Cash and cash equivalents at beginning of period	2.6	8.1
Cash and cash equivalents at end of period	**1.7**	**2.6**

Cash inflows relate to contributions from the sale of Carragelose products, as well as income from license agreements, a milestone payment and research funding. In addition, cash inflows were generated from the flexible convertible bond program (+ EUR 0.3 million) and two capital increases (+ EUR 1.4 million). Furthermore, the reduction in current assets and the simultaneous increase in current liabilities had a positive effect on net cash flow from operating activities. No financial liabilities were repaid during the financial year and interest payments were significantly lower than in the previous year, resulting in a significantly positive cash flow from financing activities.

The Company received a loan of EUR 15 million from the European Investment Bank (EIB) covered by a guarantee from the European Fund for Strategic Investments (EFSI). Repayment was originally planned for the years 2023-2027. At the end of March 2024, Marinomed agreed with the EIB to defer the repayment to the years 2025 to 2028. Part of the deferral was an agreement that granted the EIB a pledge of the Company's receivables. Due to the early termination of the loan as part of the reorganization proceedings, the EIB's claim increased to EUR 24.1 million.

In March 2024, the lenders of the real estate financing agreed to suspend their capital repayments together with the EIB. For the secured loans of EUR 4.0 million, Marinomed discussed with the lenders after the insolvency to continue the semi-annual repayments with amended interest rates. Furthermore, Marinomed will seek to refinance the property by mid-2027.

So far, claims totaling around EUR 31.1 million have been registered as part of the restructuring proceedings, of which EUR 24.1 million are attributable to the EIB. After deduction of the rights of

segregation, insolvency claims remain in the amount of EUR 26.6 million. The restructuring plan provides for total quota payments of 30% in the amount of EUR 8.0 million, to be paid in quota payments in January 2025 (5%), May 2025 (5%), November 2025 (5%), May 2026 (5%) and November 2026 (10%). For the European Investment Bank, the installment payments will only begin in April 2025 (5%) based on a standstill declaration; the last quota payment of 10% is due in May 2027. In the event that the proceeds from the sale of the Carragelose business exceed the planned earn-out, the quota payments will increase to 37%, which corresponds to an additional quota payment of EUR 1.9 million.

At the end of 2023, Marinomed began the strategic evaluation of its Carragelose business and engaged a corporate finance advisor to conduct the process. As part of this evaluation, a high double-digit number of companies were contacted and several interested parties submitted offers. Due diligence reviews were conducted and an agreement was reached with the French CDMO Unither Pharmaceuticals in November 2024. The transaction was closed on February 28, 2025. Marinomed has already received an initial payment of EUR 5.0 million under the agreement. In addition, further earn-out payments of up to EUR 15 million over the next two years have been agreed, depending on financial and operational targets.

Research and development

Carragelose

Carragelose (iota-carrageenan) is a polymer derived from red algae that forms a gel-like protective layer on mucous membranes. Marinomed and others have demonstrated that Carragelose has virus-blocking, allergen-blocking and moisturizing properties. An extensive database (in-vitro and clinical data) has been built up for this purpose, which is protected by several patent families. On the basis of Carragelose, Marinomed developed an over-the-counter (OTC) portfolio of nasal sprays, throat products and eye drops for the treatment of viral respiratory diseases, allergies and dry eyes. These products were most recently distributed in countries around the world with around 20 partners.

The Carragelose business unit was sold to the French company Unither Pharmaceuticals on February 28, 2025, but it will still be an important source of revenue in the near future. Therefore, additional data on the effectiveness of the polymer was generated in 2024. In particular, internal and clinical data were collected for the moisturizing Carragelose eye drops, demonstrating the superior efficacy of Carragelose compared to other products already on the market. A clinical study conducted at a center specializing in the treatment of dry eye syndrome demonstrated a significant improvement of the signs and symptoms associated with the disease. The clinical efficacy of Carragelose eye drops is a prerequisite for their transfer as MDR products (MDR = medical device regulation) and for their successful international marketing.

In addition to the data for the eye drops, relevant studies for the transfer of the other Carragelose products (nasal sprays, throat spray and lozenges) as MDR products have been started. These are also production-related studies, such as process validations and stability studies.

The following advantages of Carragelose were demonstrated last year:

- Superior protection against drying out
- Superior barrier function against particles
- Superior barrier function against allergens

Parts of these data could also be used for an additional patent application.

Marinomed is now supporting Unither in integrating the Carragelose business unit, which on the one hand generates income from a transition service agreement and on the other hand increases the chances of receiving up to a further EUR 15 million from the contractually agreed earn-out.

At the same time, Marinomed is now focusing more on the Marinosolv platform. This includes its own product candidates based on the solubilization technology as well as services for external customers in the Solv4U business unit.

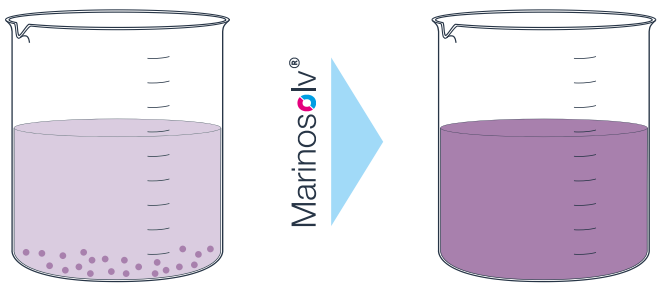
Marinosolv

Marinosolv is a technology platform that improves the solubility and stability of small hydrophobic molecules and peptides. The technology is based on a series of excipients that have been successfully used to solubilize corticosteroids and Tacrolimus (an anti-inflammatory agent used in transplantation medicine).

Poor solubility and the associated poor bioavailability are key challenges in many pharmaceutical development projects. Insufficient solubility is particularly problematic for active ingredients intended for local application to sensitive tissues such as the nose and eyes. Therapeutic products that are applied to mucous membranes are only allowed to contain small amounts of solvents such as alcohol, since higher concentrations can have an irritating effect. As a result, local treatments for eyes and respiratory tracts are often formulated as suspensions of undissolved particles.

A clinical study showed that a nasal spray with a corticosteroid dissolved in Marinosolv with a significantly lower concentration of active ingredient is as effective as or more effective than a marketed suspension with a higher concentration of active ingredient. In another clinical study with Tacrolimus eye drops, it was shown that a low concentration of the dissolved drug is sufficient to achieve a significant reduction in allergic symptoms after just one week. Similar drugs, only available in suspension form, require several weeks before an effect occurs. In summary, it has been clinically proven that Marinosolv offers a major advantage, especially for locally applied drugs such as nasal sprays or eye drops. The smaller amount of drug substance also means less systemic exposure for the patient and thus a lower risk of side effects.

The presence of completely dissolved active pharmaceutical ingredients in the formulations also offers the possibility of producing sterile products. Aseptically manufactured formulations must be sterile filtered, a manufacturing step that



Aqueous formulation of hardly soluble compound: **Cloudy suspension** with undissolved particles.

Marinosolv formulation of hardly soluble compound: **Clear solution** with fully dissolved particles

is not possible with suspensions. Formulations without preservatives are an additional step in making drugs safer for patients.

A reduction of active pharmaceutical ingredients (APIs) in pharmaceuticals also has a positive effect on the environment, especially for APIs that are poorly biodegradable or non-biodegradable. Significant amounts of APIs (e.g. contraceptives) are currently detected in wastewater.

Marinomed has so far only used this technology for active pharmaceutical ingredients that have already been approved, e.g. for the treatment of allergies and eye diseases. However, since Marinosolv is not limited to certain drugs or indications, it can also be used for many other applications where increased solubility is advantageous.

Advantages

- Clinically validated
- Broad range of applications for small molecules and peptides
- Well tolerated for topical applications, even in sensitive tissues such as eyes or nose
- Faster onset of action than with suspensions
- Significantly lower required dose compared to currently marketed products, with possible reduction of side effects
- Increased bioavailability in the target tissue
- Improved local efficacy
- Reduced environmental impact
- Preservative-free formulation possible
- Easily scalable process

Immunology

MAM-1004-1/Budesolv

Active ingredient: Budesonide
Indication: Treatment of severe allergic rhinitis
Classification: Pharmaceutical product
Development phase: Filing in preparation

MAM-1004-1/Budesolv is a nasal spray containing solubilized budesonide (a corticosteroid) using Marinomed's proprietary Marinosolv technology. Budesolv is intended for the treatment of allergic rhinitis and met all endpoints in a phase III clinical trial. The solubilized, readily available form has achieved therapeutic effect at a significantly lower dose (~85% lower than comparable marketed products). In addition, the increased bioavailability enables a significantly faster onset of action: Budesolv led to a noticeable reduction of allergic symptoms in the nose and a significant reduction of asthmatic symptoms in less than three hours after the first dose. The unique Marinosolv formulation offers further advantages: the dissolved form of the active ingredient eliminates the need for shaking and greatly reduces the risk of incorrect dosing. The formulation is free of potentially irritating preservatives and is well tolerated. In addition, the reduction in the amount of active ingredient contributes to sustainability, as less active ingredient pollutes the environment, especially the wastewater.

The corticosteroid drugs currently on the market for the treatment of allergic rhinitis are formulated as suspensions due to their poor solubility in water. The poor solubility and the associated poor bioavailability lead to a delayed onset of action, especially when applied topically in the nose. The suspension used with undissolved particles must be applied for several days before an effect occurs. Budesolv thus offers significant benefit for patients suffering from allergic rhinitis.

The first license agreement signed in 2021 with Luoxin Pharmaceutical Group Stock Co., Ltd. for greater China was terminated by Luoxin during Marinomeds restructuring proceedings. The termination does not incur any further costs on either side.

Different regulatory classifications in different countries and regions cause delays in business development. Furthermore, the room temperature product stability was insufficient for potential partners. Stability studies of sensitive APIs such as budesonide are conducted in real time. Therefore, the problem could only be detected at a late stage. Marinomed's scientists managed to improve the stability. A new patent has been filed that protects the product-related intellectual property until 2043. However, any product change has regulatory consequences. Therefore, the regulatory strategy for the main markets in Europe and the U.S. was redefined at relatively short notice. The aim is now to obtain approval in a first country.

MAM-1003-1/Tacrosolv

Active ingredient: Tacrolimus
Indication: Severe inflammatory diseases of the ocular surface
Classification: Pharmaceutical product
Development phase: Phase II clinical study

MAM-1003-1/Tacrosolv is a topical anti-inflammatory and immunomodulating eye drop formulation that contains tacrolimus dissolved in Marinosolv. Tacrolimus is a well-known calcineurin inhibitor and highly effective immunosuppressant used in organ transplants and inflammatory eye and skin diseases. However, Tacrolimus is a highly lipophilic substance with very low water solubility. Based on the Marinosolv technology, Marinomed has developed a novel aqueous formulation that allows the active ingredient to be completely dissolved with known excipients. This enables Marinosolv to develop the full potential of Tacrolimus even at very low concentrations.

It has been shown that topical application of Marinosolv leads to higher concentrations of Tacrolimus in the eye tissue than Talymus (Tacrolimus as a suspension), a product marketed in Asia for the treatment of vernal keratoconjunctivitis. Although the concentration of the drug was reduced by 95%, sufficient concentrations of the drug were detected in various eye tissues, such as the conjunctiva and the cornea. A phase IIa clinical study to determine the dose was conducted in the model indication of allergic rhinoconjunctivitis. The higher-dose group showed significant alleviation of allergic symptoms in the eyes and nose after just eight days of treatment. These initial data support the hypothesis that fully dissolved Tacrolimus can be developed as an effective therapy for eye inflammation.

Treatment of inflammatory diseases of the anterior segment of the eye often requires long-term use of topical and/or systemic corticosteroids, which can lead to increased intraocular pressure and associated complications such as cataracts and glaucoma. Alternative treatment options include the use of the immunosuppressant Cyclosporine, which has a comparable safety profile to Tacrolimus but is about 100 times less potent. A dissolved Tacrolimus formulation therefore offers significant advantages over currently available treatments for inflammatory eye diseases.

Strategy and anticipated development of the Company

The successful restructuring and sale of the Carragelose business allows Marinomed to focus on generating revenues from our Marinosolv technology platform. With Marinosolv, we have a powerful technology that can solve many challenges in the formulation development of insoluble compounds. We are convinced that our technology can create added value for patients. Positive clinical data for Budesolv and Tacrosolv as well as the solution of technical problems regarding product stability indicate that our Marinosolv technology has the potential to successfully bring sparingly soluble active pharmaceutical ingredients into aqueous solution and thus significantly increase their bioavailability and efficacy. We want to exploit this potential and continue to pursue our strategy of developing innovative therapies.

The restructuring of the Company was a major challenge for all stakeholders. However, the Management Board, together with the Supervisory Board, sees the restructuring as a great opportunity. Because the restructuring process was not completed until January 2025, this annual financial report still shows significant unsecured liabilities on the liabilities side. As a result of the restructuring, at least 63% of these liabilities can be written off as a restructuring profit in 2025. The remaining unsecured liabilities are not subject to interest and will be repaid in agreed tranches according to the restructuring plan. The restructuring therefore means a massive relief for the Company on the debt side.

This makes the goal of achieving profitability much easier to achieve. The agreement to sell the Carragelose business allows us to focus on our core competence of research and development with a lean structure. In addition, the proceeds from this sale will be used to implement the restructuring plan. With Marinosolv, we have a powerful technology that could overcome many challenges in the development of formulations of insoluble compounds. Based on our experience in the development of our own product candidates and the Solv4U customer projects, we are convinced that we are creating real added value for patients. With a full focus on the immunology segment, business development is targeting the conclusion of new license agreements. In the "Others" segment, new projects for the Solv4U unit are emerging, making the Marinosolv technology available to other pharmaceutical companies. Under the Solv4U brand, we are now also offering additional pharmaceutical services to customers that are not related to the solubilization of active pharmaceutical ingredients. Although the insolvency set us back somewhat, we were able to retain our core personnel, including a business development team with extensive pharmaceutical experience.

Marinomed has defined four key projects:

(a) Maximizing the earn-out payments following the sale of the Carragelose business: The closing of the transaction took place on February 28, 2025. The first purchase price payment of approximately EUR 5 million will also be used to repay the first tranches of the quota under the restructuring plan. Marinomed is supporting Unither in the transfer of the Carragelose business and will be compensated for its services under a transition service agreement. Marinomed is optimistic that the earn-out target of generating the maximum of an additional EUR 15 million can be achieved within the next two years.

(b) Conclusion of license agreements and receipt of a first marketing approval for Budesolv: Marinomed is working to restore confidence in the stability of the Company. Our strategy is to obtain all remaining data required for the submission of the market approval application for Budesolv and to submit an application in a first country as soon as possible. The first country/region will depend on the outcome of ongoing business development negotiations with interested parties.

(c) Closing a first partnership for Tacrosolv: Over the last years, Marinomed has been receiving valuable market feedback on the Tacrosolv partnering process. At the same time, Marinomed has adapted the formulation, defined a primary packaging material and built up internal business development expertise and capacity, allowing the partnering process to gain momentum.

(d) Expansion of the Solv4U technology partnership and services business: After several successful feasibility studies and small-scale projects, long-term partnerships were agreed with Aché for Brazil, SPH Sine for China and Unither Pharmaceuticals for France in recent years. Further deals beyond proof of concept are already in the pipeline, which could significantly increase the revenue contribution of Solv4U. We are aiming for significant growth in the Solv4U business in order to create upside potential through future license fees generated from developed products. In addition, Marinomed is now offering pharmaceutical services to external customers, creating further revenue potential.

The disposal of the Carragelose business unit has shifted the focus of Marinomed's business model from generating revenue from the sale of goods to license deals involving upfront and milestone payments. Further revenues will be generated from the earn-out components and the service agreement in connection with the Unither agreement and the Solv4U services. Further information on the business model can be found on page 52. Overall, we are aiming to achieve profitability from 2025 onwards through the initiatives outlined above.

Significant risks and uncertainties

Marinomed is a research and development company whose business model is based on existing and future commercial partnerships targeting global markets. As such, Marinomed is exposed to a number of risks. These are mainly operational, financial and regulatory risks.

Marinomed has established systems and processes within the Company to identify and counteract these risks at an early stage. The risks described below are continuously monitored.

3.1 Global economic risks

As an international company, Marinomed is integrated into the global economy, which is subject to dynamic change. Armed and non-armed conflicts are sometimes carried out openly and geopolitical norms are being questioned. These developments could have an additional impact on the global economy, as they have fueled inflation and interest rates. Such global events usually lead to a slowdown in economic growth. We also need to consider the expected impact of a changing geopolitical environment and a regulatory landscape determined by the new Trump administration. The life science sector can benefit from continued innovation and a range of positive drivers, but it must manage risks related to macroeconomic volatility, potential supply chain disruptions and changing policy priorities.

Despite the sale of its Carragelose business, Marinomed is at least partially exposed to these risks as they may impact the Company's ability to achieve the full contractual earn-out from the sale of the business. Marinomed is exposed to the risk that Unither Pharmaceuticals, the acquirer of the Carragelose business, may not pay the full purchase price of up to EUR 20 million if agreed operational or commercial milestones are not met. The Marinosolv technology platform is exposed to an increased risk in terms of timing and value during commercialization. A further decline in global economic growth could lead to a sustained decline in customer demand, in addition to persistently high inflation.

3.2 Risks relating to funding and funding instruments

Financing risk

The recently terminated restructuring proceedings of Marinomed has highlighted the risk that necessary financing may not be obtained in time or at all when it is needed. As a research and development company, Marinomed has reported a net loss since its foundation, with one exception. Such losses are not uncommon for a company in the biotech sector, but are closely related to the business model, which often involves many years of research and development phases before relevant revenues are generated. For this reason, Marinomed has no traditional credit instruments at its disposal. Delays in development and marketing could lead to further financing requirements. Such financing may not be possible at all via the capital markets, or only at unfavorable conditions, depending on the Company's share price. The Company is therefore exposed to the risk that it will not be able to cover its capital requirements in the future, or only at unfavorable conditions. Interest rates have been raised worldwide as a measure

against inflation. This carries the risk of increasing the cost of existing and future financing. This may result in significant delays and constraints to the Company's research and development activities. In this case, the value of these activities may not be realized or may not be realized in a timely manner.

Marinomed will always seek to maintain its financial flexibility, e.g. by raising additional capital at more favorable market conditions or for strategic reasons. However, there is a risk that the terms of the Company's new financing agreements may impair its financial and operational flexibility, in particular its ability to take on new debt, provide collateral and sell significant assets. This could prevent the Company from making future investments, particularly in research and development. Any of these factors could have a material adverse effect on the Company's assets, financial position and earnings.

Liquidity risk

Liquidity risk may arise from the potential inability to raise the necessary funds to repay existing obligations (including those arising from the restructuring plan agreed with the Company's creditors under the restructuring proceedings). To date, the Company has financed its operating losses mainly through the participation of investors in equity and through shareholder loans, income from license and distribution agreements, the sale of goods, atypical silent participations, the issuance of convertible bonds and new shares in the IPO and in subsequent capital increases, as well as through grants, subsidized loans and other government subsidies.

The Management Board assumes that the available liquid funds and the proceeds from the sale of the Carragelose business will be sufficient to cover the operating expenses and the quota payments to creditors in accordance with the restructuring plan, which provides for repayments in several tranches until May 2027. This estimate is based on the assumption that a minimum amount of proceeds can be generated from the contract for the sale of the Carragelose business, in particular in connection with earn-out components of the purchase price. In addition, a cash inflow from financing or additional milestones is expected in the second half of 2025. The Company is currently operating on the basis of a positive going-concern forecast based on the restructuring plan recently approved by its creditors and the court.

The planning assumptions set out above are based on estimates that could prove to be incorrect. Deviations from the planning assumptions could potentially lead to the Company no longer being able to continue as a going concern and therefore not being able to realize its assets and settle its liabilities in the ordinary course of business. In this case, the recovery plan could become obsolete and liabilities to creditors would become due depending on the status of the quota payments already made. In this case, the Company could go bankrupt.

Interest rate risk

Marinomed is exposed to interest rate risk to the usual extent due to the development of international interest rates. As a result of the agreements reached with the Company's creditors in the course of the restructuring proceedings, there are

no longer any interest rate risks from revenue-related royalties payable in connection with the European Investment Bank (EIB) loan. However, the interest rate for the ERP (European Recovery Program) real estate loan was increased following the insolvency. Risks from the NÖBEG financing no longer apply due to the insolvency. Marinomed does not hold any derivative financial instruments.

Exchange rate risk
As an international Company that works with distribution partners in currencies other than the Euro, Marinomed is exposed to the risk of fluctuating exchange rates. For example, there is a risk of a devaluation of foreign currencies in which the Company receives payments and a risk of an appreciation of foreign currencies in which the Company is to make payments. Currently, no income from license agreements is received in foreign currencies, so these risks are limited.

3.3 Strategic risks

For Marinomed, there is a risk that the long-term potential of the Company is not utilized or is misjudged. For both technology platforms – Carragelose and Marinosolv – the partnerships entered into or yet to be entered into may prove to be disadvantageous or unfeasible. The current assessment of the potential of our products in the global markets and the calculation of the earn-out from the sale of our Carragelose business to Unither could prove to be over-optimistic. There is a risk that the sales targets will not be met. There is also a risk that competitors develop better or cheaper products, making the Marinomed portfolio less profitable.

In almost all regional markets, the authorities are trying to contain healthcare costs by increasing competition between providers and permanently reducing reimbursement limits for drugs. The rapidly growing market for over-the-counter (OTC) drugs is less affected by these influences. However, there is strong competition from larger suppliers that have significantly more financial and entrepreneurial resources than Marinomed or its distribution partners in the respective countries.

3.4 Operational risks

Following the sale of the Carragelose business to Unither Pharmaceuticals, Marinomed continues to rely on partners for the development and commercialization of its products. Both existing and new partners may be unable to resolve commercial, regulatory or technical difficulties that are not the fault of Marinomed, which could result in harm to Marinomed. Partners may fail to meet their own sales targets, but the risk may also include delivery delays, payment difficulties or other industry-specific risks. In addition, Marinomed may not be able to enter into new partnerships within a reasonable period of time, resulting in the loss of milestone payments.

3.5 Risk relating to patents

The Carragelose product portfolio and the Marinosolv technology are protected worldwide by several patents. Marinomed expects that patents will be granted in all ongoing nationalization proceedings. National patents have already been granted for all major markets. In addition, the Company expects that further innovations can be protected by patents. Nevertheless, it cannot be ruled out that

patents and patent applications may be challenged or that current unique selling points may be lost as a result of new technologies or products. Competitors could also disregard Marinomed's patents, making it necessary for the Company to defend itself against patent infringements by seeking legal advice and incurring the associated costs.

3.6 Research and development risk

Marinomed's success depends largely on achieving the expected results from its research and development initiatives. Internal and external researchers comply with all legal requirements and observe ethical principles. A responsible approach to research includes the following measures: identifying and minimizing research risks, careful handling of publications, documentation of risks, and training and education measures. Nevertheless, it cannot be ruled out that serious side effects may occur in clinical studies or that the results of research and clinical studies may not reach the expected primary or secondary endpoints or be significantly better than existing or new competing products.
In addition, the clinical studies could be deemed insufficient by the regulatory authorities and marketing approval could be denied on this basis. This could significantly reduce the value of Marinomed's research projects. In the worst case, individual projects could become worthless and planned revenues could fail to materialize.
In research and development, Marinomed is also exposed to the risk that product innovations will not meet expectations or will only partially fulfill them. For example, it may not be possible to manufacture the products at all or only at high cost despite therapeutically favorable development. In addition, product characteristics that do not meet market expectations or that require a cold chain during distribution, for example, can lead to additional expenses.

3.7 Development and manufacturing risk

Marinomed faces potential risks related to material and non-material changes in the manufacturing processes for its product candidates. As these candidates transition from preclinical and clinical trials to commercialization, changes in manufacturing techniques may result in increased costs, delays and the need for additional studies. Such changes may cause variability in product performance, impact clinical trials and potentially delay regulatory approval. These challenges could ultimately affect Marinomed's ability to successfully bring its products to market and impact its financial stability and operational timelines.

3.8 Regulatory risk

Marinomed researches and develops medical devices and pharmaceutical products. Previously, medical devices approved under the EU Medical Device Directive (MDD) had to comply with the EU Medical Device Regulation (MDR), which has been in force since 2021, in order to be marketed after May 26, 2024. The EU has extended the transitional periods for the market authorization of medical devices with valid CE certification until December 31, 2028, at the latest, depending on the risk class. The applicability of extended transitional periods for adaptation to the new legal situation (MDR) requires an application by the manufacturer for conformity assessment of the medical device according to MDR by May 26, 2024, at the latest .

This means that the original sell-off period for non-compliant medical devices will no longer apply after May 26, 2025, so that such products may be placed on the market and made available until the end of the extended transition periods (i.e., until December 31, 2028, at the latest) until the end of their respective shelf life. Although Marinomed has already applied for the conversion of its products to MDR via a service provider, there is a risk that the Carragelose products marketed in the EU as medical devices will not meet the new, higher standards, that the notified body (TÜV or similar) will find fault with the documentation, or that the EU will amend the relevant regulations again. In 2024, the first MDR certificates have already been issued for part of the Carragelose product portfolio. If any of the above risks materializes, the earn-out from the sale of the Carragelose business may be lower than expected.

The approval of pharmaceutical products is typically associated with high risks. Depending on the decision for a specific type of approval (centralized or decentralized procedure), the marketing authorization must be approved by authorities in several countries. In different regions (mainly the U.S., Europe and Asia), the authorities follow different standards. Depending on the queries and requirements of the authorities, this process can take several years or even lead to the situation where it appears reasonable to withdraw the approval altogether.

As part of a highly regulated industry, Marinomed is subject to the risk that the regulatory authorities may impose additional or stricter legal requirements for the market approval of the products developed by the Company, e.g. due to a changed interpretation of the applicable legal norms by the competent courts. This may have a significant impact on the sale of these products and on Marinomed's revenue development.

In the U.S., authorities such as the FDA are confronted with the U.S. government's "efficiency measures", which have already led to staff reductions. For Marinomed, there is therefore a risk that the approval process for the Carragelose nasal spray being carried out by Procter and Gamble in the U.S. and the associated earn-out payment will be delayed.

3.9 Personnel risk

Due to the small number of employees in the Company, there is a risk that crucial expertise will be lost if key employees leave and that filling vacancies will lead to delays in achieving goals. The recently terminated restructuring proceedings of the Company has increased the risk of losing key personnel while reducing the opportunity to hire new talent. Marinomed is working to restore stakeholders' confidence in the Company in order to attract talent and expertise.

Risk management and internal control system

Marinomed is involved in the research and development of pharmaceuticals and medical products. The exploitation of opportunities and avoidance of risks is therefore important for the success of the Company. Accordingly, Marinomed pursues a systematic approach to the early identification of opportunities and risks. The areas mentioned in the section "Significant risks and uncertainties" are regularly scrutinized using company-wide planning and control processes. The Management Board bears overall responsibility for internal control and risk management at Marinomed. The latter focuses on the areas mentioned in the risk section. In particular, operational risks are addressed through close communication with internal and external stakeholders (especially investors, analysts and banks). Regular contact with suppliers and partners and the documentation of discussions and meetings allow constant monitoring of planning and implementation.

The accuracy of the accounting is based on an internal control system (IKS) that focuses on accounting. The objectives of the IKS are to ensure compliance with legal requirements, generally accepted accounting principles and applicable accounting standards. The IKS is also tasked with ensuring the reliability of financial reporting and the identification of risks, including those outside of financial reporting. The four-eyes principle is applied to all relevant business cases.

The internal control system is divided into the organizational structure and the operational structure. The organizational structure features flat hierarchies and a clear allocation of responsibilities. There is an organizational separation of operational and financial responsibility. In accounting, the processes of accounting, controlling and reporting are also separated.

The operational organization is characterized by a clear set of rules that provides an appropriate basis for an efficient control system consisting of approvals and competencies. Internal reporting to the Management Board is particularly important in order to identify risks at an early stage and to take countermeasures. This is done by means of regular meetings on the main topics, in particular research and development, supply chain and finance. Depending on their importance, these meetings take place weekly, bi-weekly or monthly. The respective division heads report to management in a structured manner. This is to avoid those risks that could lead to incomplete or inaccurate financial reporting.

This internal reporting system is designed to enable the Management Board to review important processes and their financial impact at regular intervals for plausibility and to compare them with planning figures so that it can decide on and take appropriate action in the event of deviations. The necessary planning, for example for clinical studies, external service providers and sales, is approved in advance by the Management Board.

In addition, the Company prepares a rolling liquidity plan that is continuously monitored and reconciled with its own specifications. Due to the negative equity as planned, the Company is obliged to prepare a going concern forecast. This is compared and updated by the accounting department in close cooperation with the Management Board every quarter with the current reporting and submitted to the auditor as part of the audit of the annual financial statements or the audit review at half-year. Since 2019, the Company's accounting has been managed using the financial accounting software BMD. Financial planning is carried out in close cooperation between the Management Board, the project managers for research and development and the finance department. Each month, the planning data is compared with the actual data recorded in BMD and reported internally.

The annual financial statements are audited by BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

Treasury shares

The Company did not hold any treasury shares as of December 31, 2024. Likewise, no treasury shares were acquired or sold during the 2024 financial year.

Information on capital, share, voting and control rights

Share capital

On the balance-sheet date of December 31, 2024, the Company's share capital amounted to EUR 1,778,333.00 and was divided into 1,778,333 voting bearer shares with a nominal value of EUR 1.00/ share, which have the same voting rights.

The ownership structure and development of the share capital are presented in the chapter "Business performance, business results and situation of the Company" under sub-item 1.1 General.

The employees with shares in the Company exercise their voting rights directly.

There are no compensation agreements between the Company and its Management Board and Supervisory Board members or employees for the event of a public takeover bid. If a Management Board member is dismissed for a reason that does not fall within the scope of Section 27 of the Austrian Employees Act (Angestelltengesetz), the respective Management Board service agreement provides for a severance payment of up to two annual salaries.

The main financing agreements entered into by Marinomed contain standard change of control clauses. The license agreements concluded with distribution partners in some cases provide for early termination rights in the event of a change of control.

Issuance and acquisition of treasury shares

Acquisition of treasury shares
As of the balance-sheet date of December 31, 2024, the Management Board is not authorized to acquire treasury shares.

Issuance of shares
Conditional capital increase
At the Annual General Meeting on September 17, 2020, the conditional capital approved at the Annual General Meeting on November 15, 2018, was reduced by 56,306 to 43,694 no-par bearer shares and conditional capital of EUR 54,000.00 was approved through the issue of up to 54,000 bearer shares for the purpose of servicing stock options under the 2020 Stock Option Plan ("Conditional Capital 2020").

At the Annual General Meeting on June 17, 2021, the conditional capital approved at the Annual General Meeting on November 15, 2018, was canceled and the conditional increase of the Company's share capital in accordance with Section 159 (2) 1. AktG by up to 147,423 no-par bearer shares for issue to creditors of financial instruments ("Conditional Capital 2021"), to the extent that creditors of financial instruments exercise their subscription or exchange rights or fulfill their subscription or exchange obligations and the Management Board decides to fulfill these obligations by issuing new shares from the Conditional Capital 2021. The new shares issued from the Conditional Capital 2021 carry the same dividend rights as the other shares outstanding at that time.

At the Annual General Meeting on June 17, 2021, the Management Board was further authorized in accordance with Section 174 (2) AktG, with the approval of the Supervisory Board, to issue new financial instruments, i.e. convertible bonds, participating bonds or participation rights that may provide for the subscription and/or exchange, a subscription/exchange right or a subscription/exchange obligation for up to 147,243 new no-par bearer shares. The financial instruments may be designed in such a way that they can be recognized as debt or equity. The Management Board can use the Conditional Capital 2021, treasury shares or a combination of both as well as any other permissible form of delivery to fulfill the rights under the financial instruments. The issue price and terms are to be determined by the Management Board with the consent of the Supervisory Board and the price of the financial instruments is to be determined in a standard pricing procedure taking into account standard market calculation methods and the stock exchange price of the existing shares. The issue price may not be less than the pro-rata amount of the share capital. The shareholders shall, in principle, be entitled to the subscription right, whereby this may be granted in such manner that the financial instruments are taken over by a bank or a syndicate of banks subject to the obligation that they be offered to the shareholders. Furthermore, the Management Board is authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights to these financial instruments.

In the 2021 financial year, a flexible convertible bond program (Convertible Notes Funding Program, CNFP) with a volume of up to EUR 5,400,000.00 (up to 18 tranches of EUR 300,000.00 each) was concluded with the Swiss investment company Nice & Green S.A. The CNFP was backed by up to 147,243 newly issued no-par bearer shares, which were available from the "Conditional Capital 2021". Nice & Green committed to subscribe for these convertible bonds and to apply for conversion into common shares within one month of issuance. On this basis, a total of 13 tranches were subscribed and converted in the period from Q4/2021 to Q1/2024. After an interim pause in the program, the terms of the contract were adjusted in October 2023 and the amount of the remaining nine tranches was reduced to up to EUR 160,000.00 per tranche. Of these, two tranches were converted in the first quarter of 2024, with one tranche being partially serviced in cash in the amount of EUR 60,000.00. In 2024, 16,697 shares were added to the share capital from this source and a total of 62,624 shares over the entire duration of the program in the years 2021-2024. The CNFP was terminated in September 2024 without the remaining five tranches having been converted.

At the Annual General Meeting on June 15, 2022, it was decided that the "Conditional Capital 2020" of up to 54,000 no-par bearer shares can also be used to service stock options granted to members of the Management Board and other employees under the Stock Option Plan 2022.

In the course of servicing stock options, the share capital was increased in several capital increases against cash contributions of EUR 75.00 per share by December 31, 2023, by a total of EUR 8,134.00.

The Annual General Meeting on June 21, 2023, authorized the Management Board to use the conditional capital in accordance with the resolutions of the Annual General Meetings on September 17, 2020, and June 15, 2022, exclusively to service stock options granted to employees of the Company under the Employee Stock Option Plan 2023. The Management Stock Option Plan 2023 replaced the Stock Option Plans 2020 and 2022. There were no beneficiaries under the Stock Option Plans 2020 and 2022, as no stock options were granted and no shares were issued.

The Annual General Meeting on June 20, 2024, authorized the Management Board to use the conditional capital in accordance with the resolutions of the Annual General Meetings on September 17, 2020, June 15, 2022 and June 21, 2023 exclusively to service stock options granted to members of the Management Board and other employees of the Company in accordance with the Management Stock Option Plan 2024 ("Contingent SOP Capital 2024"). The Management Stock Option Plan 2024 replaced the Stock Option Plan 2023. There were no beneficiaries under the old Stock Option Plan 2023, as no stock options were granted and no shares were issued.

At the Annual General Meeting on June 20, 2024, the authorization granted to the Management Board at the Annual General Meeting on June 17, 2021, to issue financial instruments was revoked and the Management Board was authorized in accordance with Section 174 (2) AktG to issue financial instruments, i.e. convertible bonds, participating bonds or participation rights, which may provide for the subscription and/or exchange of shares, including the authorization, with the consent of the Supervisory Board, to exclude shareholders' subscription rights to these financial instruments. In addition, the Conditional Capital 2021 was canceled and the increase of the Company's share capital pursuant to Section 159 (2) 2 no. 1 AktG by up to EUR 154,053.00 by issuing up to 154,053 no-par bearer shares ("Conditional Capital 2024") was authorized, whereby the conditional capital increase will only be carried out to the extent that the creditors of financial instruments exercise their subscription or conversion rights for shares.

On November 27, 2024, the Company's Management Board decided, based on the authorization granted at the Annual General Meeting on June 20, 2024, to issue convertible bonds to the European Investment Bank (EIB) with a total nominal amount of EUR 423,840.00, excluding the subscription rights of existing shareholders. The convertible bonds were issued on January 21, 2025. The convertible bonds evidence a conversion right for up to 84,768 shares of the Company at a conversion price of EUR 5.00 per share. In the event of the convertible bond being converted, it is intended to issue the shares from the Company's conditional capital or other available financing sources in accordance with applicable law.

At the Extraordinary General Meeting on December 19, 2024, the Management Board was authorized in accordance with Section 174 (2) of the Austrian Stock Corporation Act (AktG) to issue financial instruments, i.e. convertible bonds, participating bonds or participation rights, which may provide for the subscription and/or exchange of shares,

including the authorization, with the consent of the Supervisory Board, to exclude shareholders' subscription rights to these financial instruments. In addition, the "Conditional Capital 2024" was canceled to the extent not yet utilized and the increase of the Company's share capital by up to EUR 169,458.00 by issuing up to 169,458 no-par bearer shares (ordinary shares) in accordance with Section 159 (2) 2 no. 1 AktG for the issuance of financial instruments to creditors ("Conditional Capital 2024/II") was authorized.

Authorized capital

At the Annual General Meeting on June 21, 2023, the existing authorized capital ("Authorized Capital 2020") was canceled and the creation of new authorized capital in the amount of up to 50% of the share capital against cash and/or in-kind contributions with authorization to exclude subscription rights and partial direct exclusion of subscription rights ("Authorized Capital 2023") was authorized. Pursuant to Section 169 of the Austrian Stock Corporation Act (AktG), the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital by up to EUR 759,583.00, in several tranches if necessary, against cash and/or contributions in kind by issuing up to 759,583 new bearer shares at a minimum issue price of EUR 1.00 per share and to determine the issue price, the terms of issue and further details of the capital increase in consultation with the Supervisory Board. The shareholders shall, in principle, be granted a subscription right, whereby this may be granted in such a way that the financial instruments are underwritten by a bank or a syndicate of banks with the obligation to offer them to the shareholders. The statutory subscription right for the new shares issued is excluded to the extent of up to 10% of the share capital existing at the time of the resolution on the granting of the "Authorized Capital 2023" under certain circumstances (issue against cash contributions to service over-allotment options and/or issue against cash contributions to strengthen the equity base or launching new/continuing existing projects) (direct exclusion). Furthermore, the Management Board may, with the consent of the Supervisory Board, exclude the subscription right in certain cases (capital increase against contributions in kind and/or capital increase against cash contributions, if the total calculated proportion of the share capital attributable to the shares issued against cash contributions with the exclusion of subscription rights does not exceed the limit of 10% of the share capital in total when the resolution on the granting of the "Authorized Capital 2023" is passed) (authorization to exclude statutory subscription rights).

The total of new shares to service financial instruments that the Management Board was authorized to issue at the Annual General Meeting on June 17, 2021, with the approval of the Supervisory Board, and any shares to be issued from the "Authorized Capital 2023" may not exceed the amount of 759,583 shares.

At the Annual General Meeting on June 20, 2024, resolutions were passed to cancel the existing Authorized Capital 2023 (759,583 shares) and to authorize the Management Board in accordance with Section 169 of the German Stock Corporation Act (AktG) to increase the Company's share

capital by up to 770,265 shares by June 19, 2029, subject to the partial direct exclusion of subscription rights and the partial authorization to exclude subscription rights, if necessary in several tranches, against cash and/or contributions in kind by issuing up to 770,265 new bearer shares at a minimum issue price of EUR 1.00 per share (proportionate amount of the share capital per share) and to determine the issue price, the issue conditions and the further details of the capital increase in agreement with the Supervisory Board ("Authorized Capital 2024").

On September 18, 2024, the Management Board resolved to increase the Company's share capital by EUR 154,053.00 to EUR 1,694,583.00 by issuing 154,053 new bearer shares against cash contributions. The new shares were issued from the Authorized Capital 2024 and were subject to the direct exclusion of the subscription rights of existing shareholders. The issue price per new share was EUR 5.00, so that the total issue price amounted to EUR 770,265.00.

On December 5, 2024, the Management Board also decided to increase the Company's share capital again by EUR 83,750.00 to EUR 1,778,333.00 by issuing 83,750 new bearer shares against cash contributions. The new shares were issued from the Authorized Capital 2024 under exclusion of subscription rights of existing shareholders. The issue price per new share was EUR 8.00, so that the total issue price was EUR 670,000.00.

At the Extraordinary General Meeting on December 19, 2024, it was decided to cancel the existing Authorized Capital 2024 (770,265 shares) to the extent that it had not yet been utilized and to authorize the Management Board in accordance with Section 169 of the German Stock Corporation Act (AktG) to to increase the company's share capital by up to 847,291 shares by December 18, 2029, with the partial direct exclusion of subscription rights and the partial authorization to exclude subscription rights, if necessary in several tranches, against cash and/or contributions in kind, by issuing up to 847,291 new bearer shares at a minimum issue price of EUR 1.00 per share (proportionate amount of the share capital per share) and to determine the issue price, the issue conditions and the further details of the capital increase in agreement with the Supervisory Board ("Authorized Capital 2024/II").

Option reserve

On February 1, 2019, Marinomed established an employee stock option program for the Management Board and employees of the Company. The total number of stock options to be issued under "ESOP 2019" was 43,694, with each option entitling the holder to subscribe for one ordinary share. Since there was no longer any possibility of exercising the options as of the balance sheet date, the option reserve in the amount of EUR 655,010.02 (2023: kEUR 655) was reclassified to free retained earnings in equity.

Non-financial performance indicators

In the fiscal year 2024, Marinomed had an average of 42 employees (2023: 47). The average number of employees is calculated as FTEs (full-time equivalents) based on 38.5 hours per week as the average of the 12 monthly values of the respective last day of a month. In the area of research and development, the average number was 23 employees (2023: 27). 68% (2023: 68%) of the Company's employees are women, in the area of research and development the proportion is even higher at 73% (2023: 75%) and in management positions at 20% (2023: 20%). In March 2024, Marinomed again achieved a top 10 ranking in the "Gender Diversity Index Austria 2023", an initiative of the Boston Consulting Group and the business magazine trend. The majority of employees have an academic education. On average over the last three years, fluctuation was around 20% (2023: 12%). To calculate the fluctuation rate, the number of resignations is divided by the average number of FTEs and includes resignations issued by the Company and proposed termination agreements. In the area of research and development, the fluctuation rate is around 14 % (2023: 6%). The restructuring process in 2024 led to above-average fluctuations in the number of employees.

Marinomed is a science-driven company committed to medical progress. Marinomed develops biopharmaceutical products with a focus on immunological diseases. Protecting people's health and well-being is achieved by developing more efficient and effective products. In addition, the aim is to improve treatment options for diseases for which there are currently no or only few effective therapies. The application of the Marinosolv technology also makes it possible to increase the bioavailability of a product with less active ingredient. This helps to reduce environmental pollution and production costs. All these factors are essential to a sustainable business model and at the same time guide Marinomed's actions.

Marinomed focuses on research and early pre-clinical development of biopharmaceutical products. During the clinical trial phase (or Declaration of Conformity for medical products), Marinomed licenses these to partners. The products are brought to market by partners, who also produce and distribute them under license. By outsourcing these parts of the value chain, Marinomed can maintain a lean, "asset-light" business model even in the event of strong growth. Using existing production sites and distribution channels not only saves costs, but also helps to keep the environmental footprint small. Regular audits by authorities, Marinomed and Marinomed's customers cover quality issues, but also ethical, social and other sustainability aspects. This is how Marinomed ensures that supply partners have the appropriate standards in place.

In 2024, Marinomed maintained business relationships with 21 (2023: 20) partners for the distribution of its products. At the end of 2024, the Carragelose division was sold to the French company Unither Pharmaceuticals.

In 2020-2021, the Company's location was moved to Korneuburg. The existing office building was renovated to bring it up to date in terms of thermal insulation and building services. In addition, a new

building was constructed to house the laboratories and new offices. Throughout the entire project, special attention was paid to using as few resources as possible and protecting the environment as much as possible. In line with the environmental protection concept, two electric cars were purchased for the fleet, which can be charged on the Company premises. The electricity preferably comes from the photovoltaic system on the roof of the new building. In addition, the high degree of digitization reduces the consumption of paper and office materials to a low level.

Marinomed follows the provisions of the Austrian Code of Corporate Governance (ACCG) and prepares a corporate governance report as part of the annual report, which is published on the Company's website (*www.marinomed.com*). The Company has appointed a compliance officer who has been advising the Management Board and monitoring compliance with the provisions for issuers since the 2019 financial year.

Korneuburg, April 15, 2025

Andreas Grassauer

Eva Prieschl-Grassauer

Financial statements

Statement of financial position

all amounts in EUR	31.12.2024	31.12.2023
ASSETS		
A. Fixed assets		
I. Intangible assets		
1. Patents and licenses	86,546.23	128,881.38
II. Tangible assets		
1. Land and buildings	4,394,242.00	5,243,522.28
thereof land	*358,925.00*	*358,925.00*
2. Technical equipment and machines	31,906.52	42,542.02
3. Fixtures and fittings	361,913.25	522,758.27
	4,788,061.77	5,808,822.57
III. Financial assets		
1. Shares in affiliated companies	0.00	35,000.00
2. Other investments	18,333.70	0.00
	18,333.70	35,000.00
	4,892,941.70	**5,972,703.95**
B. Current assets		
I. Inventories		
1. Raw materials and supplies	264,928.38	773,704.20
2. Goods for sale	246,224.87	115,550.62
3. Unfinished services	17,096.11	0.00
4. Prepayments	9,731.00	0.00
	537,980.36	889,254.82
II. Receivables and other assets		
1. Trade receivables	418,519.04	1,784,153.60
2. Other receivables and assets	488,021.30	978,699.30
thereof with a remaining maturity of more than one year	*400.00*	*400.00*
	906,540.34	2,762,852.90
III. Cash on hand and bank deposits	1,706,391.15	2,564,028.54
	3,150,911.85	**6,216,136.26**
C. Prepaid expenses, deferred charges	**36,897.16**	**169,828.65**
D. Deferred tax assets	**102,598.19**	**0.00**
Total assets	**8,183,348.90**	**12,358,668.86**

all amounts in EUR	31.12.2024	31.12.2023
EQUITY AND LIABILITIES		
A. Negative equity		
I. Share capital	1,778,333.00	1,523,833.00
Subscribed capital	*1,778,333.00*	*1,523,833.00*
Capital paid in	*1,778,333.00*	*1,523,833.00*
II. Capital reserves		
1. appropriated	35,255,693.61	33,649,981.65
2. not appropriated	7,086,764.00	7,086,764.00
	42,342,457.61	40,736,745.65
III. Options reserves		
1. Options reserve	0.00	655,010.02
IV. Other reserves		
1. other (not appropriated)	655,010.02	0.00
IV. Accumulated loss	−70,934,429.58	−55,518,031.95
thereof loss carried forward	*−55,518,031.95*	*−49,152,788.74*
	−26,158,628.95	**−12,602,443.28**
B. Investment grants	**243,064.86**	**265,502.82**
C. Accruals		
1. Other accruals	**866,864.93**	**822,001.00**
D. Liabilities		
1. Bonds	0.00	160,000.00
thereof convertible	*0.00*	*160,000.00*
thereof with a remaining maturity of up to one year	*0.00*	*160,000.00*
2. Liabilities to banks	28,230,742.40	20,233,205.87
thereof with a remaining maturity of up to one year	*28,230,742.40*	*7,424,857.25*
thereof with a remaining maturity of more than one year	*0.00*	*12,808,348.62*
3. Prepayments received	473,840.73	76,665.00
thereof with a remaining maturity of up to one year	*473,840.73*	*76,665.00*
4. Trade payables	1,687,007.98	1,531,268.10
thereof with a remaining maturity of up to one year	*1,687,007.98*	*1,531,268.10*
thereof with a remaining maturity of more than one year	*0.00*	*0.00*
5. Other liabilities	2,840,456.95	1,872,469.35
thereof taxes	*124,122.40*	*96,727.89*
thereof social security	*154,479.08*	*100,363.20*
thereof with a remaining maturity of up to one year	*2,840,456.95*	*770,723.38*
thereof with a remaining maturity of more than one year	*0.00*	*1,101,745.97*
	33,232,048.06	**23,873,608.32**
thereof with a remaining maturity of up to one year	*33,232,048.06*	*9,963,513.73*
thereof with a remaining maturity of more than one year	*0.00*	*13,910,094.59*
Total equity and liabilities	**8,183,348.90**	**12,358,668.86**

Statement of profit and loss

all amounts in EUR	2024	2023
1. Revenue	**4,746,963.70**	**9,058,331.69**
2. Changes in the inventory of unfinished services	**17,096.11**	**–19,030.30**
3. Other operating income		
a) Income from the sale of fixed assets excluding financial assets	3,553.99	2.00
b) Income from the reversal of accruals	27,786.50	136,430.50
c) Others	68,391.83	1,357,440.93
	99,732.32	**1,493,873.43**
4. Cost of materials and expenses for purchased services		
a) Cost of materials	2,639,856.39	5,795,610.03
b) Expenses for purchased services	1,144,215.41	2,262,516.05
	3,784,071.80	**8,058,126.08**
5. Personnel expenses		
a) Salaries	3,817,455.95	4,023,971.63
b) Social expenses	1,017,068.61	1,024,894.17
aa) Contributions to statutory termination benefits	*56,304.71*	*61,558.64*
bb) Expenses for statutory social security and payroll related taxes	*949,882.94*	*944,197.76*
	4,834,524.56	**5,048,865.80**
6. Amortization and depreciation		
a) of intangible assets and fixed assets	**1,064,307.25**	**453,116.42**
thereof impairment of fixed assets	*650,974.27*	*0.00*
7. Other operating expenses		
a) Others	**2,781,869.14**	**1,969,651.40**
8. Subtotal of L1 to 6 (operating result)	**–7,600,980.62**	**–4,996,584.88**
9. Other finance icome	**23,770.43**	**16,885.76**
10. Expenses for financial assets	**16,666.30**	**0.00**
thereof impairment of financial assets	*16,666.30*	*0.00*
10. Interest and similar expenses	**7,921,619.33**	**1,382,044.09**
11. Subtotal of L9 to 11 (financial result)	**–7,914,515.20**	**–1,365,158.33**
12. Result before taxes	**–15,515,495.82**	**–6,361,743.21**
13. Taxes	**–99,098.19**	**3,500.00**
	–102,598.19	*0.00*
14. Result after taxes	**–15,416,397.63**	**–6,365,243.21**
15. Loss for the year	**–15,416,397.63**	**–6,365,243.21**
17. Reversal of Options reserve	**655,010.02**	**0.00**
18. Allocation to Other reserves	**655,010.02**	**0.00**
19. Loss for the year	**–15,416,397.63**	**–6,365,243.21**
16. Loss carried forward from prior year	**–55,518,031.95**	**–49,152,788.74**
17. Accumulated loss	**–70,934,429.58**	**–55,518,031.95**

Notes
A. Accounting and valuation policies

General principles

The annual financial statements were prepared in accordance with the provisions of §§ 189 ff of the Austrian Commercial Code (UGB) and the generally accepted accounting principles, as well as in accordance with the general requirement to present a true and fair view of the Company's net assets, financial position and results of operations.

In preparing the annual financial statements, the principle of completeness was adhered to in accordance with legal requirements.

The principle of individual valuation was observed in the valuation of the individual assets and liabilities, and a going concern was assumed. In this context, please also refer to the comments in the chapter "Material uncertainties related to going concern".

The principle of prudence was observed in that only profits realized on the balance sheet date were reported. All recognizable risks and impending losses were taken into account, to the extent required by law.

The structure and disclosure of the individual items of the annual financial statements were carried out in accordance with the general provisions of §§ 196 to 200 UGB, taking into account the supplementary provisions for corporations (§§ 221 to 235 UGB).

The individual items of the balance sheet were valued in accordance with §§ 201 to 211 UGB and in accordance with the special provisions for corporations (§§ 221 to 235 UGB).

On August 14, 2024, restructuring proceedings without self-administration were opened against the Company. The restructuring plan was legally confirmed by the decision of January 14, 2025, and the restructuring proceedings were terminated. No restructuring gains were yet recognized in the annual financial statements as of December 31, 2024. The presented maturities of liabilities are classified as short-term in light of the ongoing restructuring process:

Quota payments EIB

Date	Quota in %
April 2025	5%
November 2025	5%
May 2026	5%
November 2026	5%
May 2027	10%
Total	**30%**

Quota payments other

Date	Quota in %
January 2025	5%
May 2025	5%
November 2025	5%
May 2026	5%
November 2026	10%
Total	**30%**

Material uncertainties related to going concern

Since its foundation, the Company has incurred significant losses from its business activities. The Company's business model envisages a research and development phase lasting several years before relevant revenues are generated. The research and development risk as well as the financing and liquidity risk are primarily covered by equity and debt financing, the use of funding programs from the Austrian Research Promotion Agency (FFG), the Austrian government's research premium and external research contracts.

Marinomed filed for restructuring proceedings without self-administration on August 14, 2024. The reason for the application was that the funds needed to secure the Company's liquidity could not be raised in the short term, and thus insolvency was imminent. In addition, the revenue expectations for the 2024 financial year could not be realized as expected. On November 14, 2024, the creditors' assembly unanimously approved the restructuring plan and on January 14, 2025, the court declared the proceedings closed. The court declaration was published on January 16, 2025.

The Company received a loan of EUR 15 million from the European Investment Bank (EIB), which was covered by a guarantee from the European Fund for Strategic Investments (EFSI). The repayment was originally scheduled for the years 2023-2027. At the end of March 2024, Marinomed agreed with the EIB to defer the repayment to the years 2025 to 2028. Part of the deferral was an agreement that granted the EIB a pledge of the Company's receivables. Due to the early termination of the loan as part of the restructuring proceedings, the EIB's claim increased to EUR 24.1 million. The EIB supported the proceedings by converting the pledged claims in the amount of EUR 0.4 million into a convertible bond against the contribution of a right of separate satisfaction. The convertible bond was issued in January 2025 and initially evidences a conversion right into up to 84,768 shares of the Company at a conversion price of EUR 5 per share. In the event of a conversion of the convertible bond, it is intended to issue the available shares from the Company's conditional capital or other available sources of financing in accordance with applicable law. The remaining claim, reduced by the percentage of the quota, is now part of the restructuring plan and represents the largest claim of all creditors. The EIB also agreed to a standstill declaration for the cash quota payments until April 2025, whereby the proceeds from the sale of the Carragelose business can be used to cover these payments.

In addition, Marinomed secured financing for the construction of its new headquarters in Korneuburg totaling EUR 5.0 million, of which EUR 3.8 million was provided by a consortium of Erste Bank der österreichischen Sparkassen AG and austria wirtschaftsservice (AWS), secured by ERP funds. This tranche was secured by a mortgage on the Company's headquarters. NÖ Bürgschaften und Beteiligungen GmbH (NÖBEG) provided a further EUR 1.2 million. The funds were drawn down between 2021 and 2022. These loans had a term of 12 and 13 years, respectively, and an interest rate of around 2.5% p.a. In March 2024, the real estate lenders agreed to suspend their principal repayments together with the EIB. For the secured loans of EUR 4.0 million, Marinomed discussed with the lenders after the insolvency to continue the semi-annual repayments with amended interest rates. Furthermore, Marinomed will seek to refinance the property by mid-2027.

So far, claims totaling around EUR 31.1 million have been registered in the course of the restructuring proceedings, of which EUR 24.1 million are attributable to the EIB. After deduction of the rights of segregation, insolvency claims of EUR 26.6 million remain. The restructuring plan provides for total quota payments of 30% in the amount of EUR 8.0 million, to be paid in quota payments in January 2025 (5%), May 2025 (5%), November 2025 (5%), May 2026 (5%) and November 2026 (10%). For the European Investment Bank, the quota payments will only begin in April 2025 (5%) based on a stand-still declaration; the last quota payment of 10% is due in May 2027. In the event that the proceeds from the sale of the Carragelose business exceed the planned earn-out, the quota payments will increase to 37%, which corresponds to an additional quota payment of EUR 1.9 million.

At the end of 2023, Marinomed began the strategic evaluation of its Carragelose business and engaged a financial advisor to conduct the process. As part of this evaluation, a high double-digit number of companies were contacted and several interested parties submitted offers. Due diligence was carried out and an agreement was reached with the French CDMO Unither Pharmaceuticals in November 2024. The transaction was completed on February 28, 2025. As part of the agreement, Marinomed has already received an initial payment of EUR 5.0 million. Furthermore, Marinomed is entitled to additional revenues based on additional earn-out payments of up to EUR 20 million over the next two years.

The Management Board expects that the funds required to operate the business and fulfill the restructuring plan will be generated largely by already received and future revenues from the sale of the Carragelose business. The emerging Marinosolv platform, revenues from the Solv4U business and the licensing of Marinosolv-based product candidates, as well as a cash inflow of EUR 2.5 million from financing or additional milestones are expected to contribute to revenues and cash flow. Marinomed therefore expects that the existing liquid funds and the proceeds will in all probability provide sufficient liquidity during the forecast period. This includes the liquidity required to fulfill the restructuring plan, mainly to service the quota payments. In addition, management expects that net profits will be generated during the forecast period and that there is thus a positive going concern.

These financial statements have been prepared on a going concern basis, i.e. it is assumed that the Company will continue its business activities in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business.

The planning assumptions presented above are based on estimates that could prove to be incorrect. Deviations from the planning assumptions could potentially conflict with the going concern principle, and the company might therefore be unable to realize its assets and pay its debts in the ordinary course of business.

1. Fixed assets

Intangible assets
The acquired intangible assets were capitalized at cost and, if subject to amortization, their carrying amount was reduced by scheduled amortization.

Scheduled amortization on was carried out on a straight-line basis.

The following useful lives were used as the basis for amortization:

	Useful life in years
IT software	3-8
Patents	14

Tangible assets
Tangible assets subject to depreciation are valued at their purchase or production cost, less scheduled depreciation. Low-value assets up to a value of EUR 1,000.00 were fully depreciated in the year of acquisition.

Scheduled depreciation was carried out on a straight-line basis over the expected useful life.

Additions during the first half of the year are written off at the full annual rate, while additions during the second half of the year are written off at half the annual rate.

The following useful lives were used as a basis for calculating depreciation:

	Useful life in years
Land and buldings (incl. property fixtures)	5-30
Machines	4-8
Other fixtures and fittings	2-10

Extraordinary depreciation to fair value was taken into account for the commercial building, as impairments in value have occurred that are expected to be permanent.

Financial assets

Financial assets were valued at the fair value on the balance sheet date. Impairments in value are taken into account if the fair value on the balance sheet date is lower and the impairment in value is expected to be permanent**.**

2. Current assets

Raw materials and goods

Raw materials and primary packaging materials for goods production and bulk goods as well as laboratory materials were recognized in the item raw materials and supplies.

Inventories were recognized at purchase price, and the identity price method was applied. The strict lower of cost or market principle was observed in the valuation.

Services not yet billable

Services not yet billable are valued at their respective costs of acquisition or manufacture.

These costs are adjusted to the extent necessary to ensure loss-free valuation.

Receivables and other assets

Receivables and other assets are stated at their nominal value.

In the case of identifiable individual risks, the lower fair value is stated.

3. Accruals

Other accruals

In accordance with the principle of prudence, all identifiable risks and liabilities of an uncertain amount or origin at the time of preparing the balance sheet were taken into account in the other provisions at the amounts that must be expended to fulfill the obligation according to the best possible estimate. Restructuring profits were not taken into account in the 2024 financial year, as the legally binding termination of the proceedings did not take place until January 2025.

The accruals have a term of less than one year, with the exception of those accruals that, due to the restructuring proceedings, are only to be used in the amount of the quota.

4. Liabilities

Liabilities were recognized at their settlement amount. Restructuring profits were not taken into account in the 2024 financial year, as the legally binding termination of the proceedings did not take place until January 2025.

The maturities of the liabilities are shown in the balance sheet. Future quota payments and dates of insolvency claims were taken into account in the presentation of maturities. Non-repayable portions were shown as short-term.

Liabilities in foreign currencies were valued at the higher of the historical exchange rate or the ask rate on the balance sheet date.

B. Notes to the financial statements

Fixed assets

The development of the individual items of fixed assets and the breakdown of the annual depreciation by individual items are shown in the following statement of changes in assets:

	Acquisition/ Production costs		Accumulated depreciation			Carrying amount
	01.01.2024 31.12.2024	Additions Disposals Transfers	01.01.2024 31.12.2024	Depreciation Write-ups	Disposals	01.01.2024 31.12.2024
	EUR	EUR	EUR	EUR	EUR	EUR
Fixed assets						
Intangible assets						
Patents and licenses	393,058.90	0.00	264,177.52	42,335.04	41,419.89	128,881.38
	351,638.90	41,420.00	265,092.67	0.00		86,546.23
		0.00				
Tangible assets						
Land and buildings	5,912,768.89	0.00	669,246.61	849,280.28	0.00	5,243,522.28
	5,912,768.89	0.00	1,518,526.89	0.00		4,394,242.00
		0.00				
thereof land	*358,925.00*	*0.00*	*0.00*	*0.00*	*0.00*	*358,925.00*
	358,925.00	*0.00*	*0.00*	*0.00*		*358,925.00*
		0.00				
Technical equipment and machines	124,496.50	0.00	81,954.48	10,635.50	0.00	42,542.02
	124,496.50	0.00	92,589.98	0.00		31,906.52
		0.00				
Fixtures and fittings	1,425,163.22	1,211.42	902,404.95	162,056.43	12,308.14	522,758.27
	1,414,066.49	12,308.15	1,052,153.24	0.00		361,913.25
		0.00				
	7,462,428.61	1,211.42	1,653,606.04	1,021,972.21	12,308.14	5,808,822.57
	7,451,331.88	12,308.15	2,663,270.11	0.00		4,788,061.77
		0.00				
Financial assets						
Shares in affiliated companies	35,000.00	0.00	0.00	0.00	0.00	35,000.00
	0.00	0.00	0.00	0.00		0.00
		−35,000.00				
Other investments	0.00	0.00	0.00	16,666.30		0.00
	35,000.00	0.00	16,666.30	0.00		18,333.70
		35,000.00				
Total fixed assets	**7,890,487.51**	**1,211.42**	**1,917,783.56**	**1,080,973.55**	**53,728.03**	**5,972,703.95**
	7,837,970.78	**53,728.15**	**2,945,029.08**	**0.00**		**4,892,941.70**
		0.00				

In the fiscal year, extraordinary depreciation of the commercial building to the fair value in the amount of EUR 650,974.27 was taken into account.

The additions relate exclusively to low-value assets.

Shareholdings

Company name	Headquarter	Share capital	Share in %	Loss for the year	Balance sheet date
Marino Immo GmbH	Korneuburg	35,000.00	100,0	–1,500.05	31.12.2024

The share in Marino Immo GmbH, a wholly-owned subsidiary of Marinomed Biotech AG, was sold by notarial deed dated December 19, 2024, subject to the condition precedent that the restructuring proceedings are concluded by a restructuring plan that has been confirmed with legal effect. The loss of control over the company ocurred before the reporting date. The shares were valued at their fair value of EUR 18,333.70 as of the balance sheet date and reclassified from shares in affiliated companies to investments.

Current assets

Inventories
The raw materials and supplies of EUR 251,528.38 (2023: kEUR 772) mainly comprise of primary packaging materials and raw materials for the production of merchandise. The book value of the bulk goods as of December 31, 2024, is EUR 0.00 (2023: kEUR 0).

The merchandise item includes products ready for collection by customers in the amount of EUR 246,224.87 (2023: kEUR 116).

Trade receivables
The trade receivables have a remaining term of up to one year on current and last years' balance sheet dates and mainly relate to deliveries of goods, licenses and other sales revenues.

Other receivables and assets
In addition to other tax receivables in the amount of EUR 102,255.00 (2023: kEUR 185), other receivables include a loan granted (EUR 235,000.00; 2023: kEUR 265), which was terminated in the financial year 2024 and written off as of the balance sheet date. Furthermore, receivables from research funding in the amount of EUR 336,063.96 (2023: kEUR 487) are shown. Other receivables include income realized in 2024 in the amount of EUR 22,589.49 (2023: kEUR 272), which will only become cash-effective after the balance sheet date.

Deferred tax assets

Deferred tax liabilities and tax assets are determined on the basis of the expected tax rates that are expected to apply at the time of the tax liability or tax relief being settled.

The following temporary differences exist between the carrying amounts of assets and liabilities in the financial statements and their tax bases:

	2024 EUR	2023 EUR
Borrowing costs	143,981.99	162,811.77
Tax asset company car	–491.32	–660.66
Accrued personnel expenses	74,489.01	50,755.63
Building (incl. Investment grants)	213,814.01	165,805.58
Financial assets	14,285.40	0.00
	446,079.08	**378,712.32**

Applying a corporate income tax rate of 23% (2023: 23%), the deferred tax assets are as follows:

	2024 EUR	2023 EUR
Borrowing costs	33,115.86	37,446.71
Tax asset company car	–113.00	–151.95
Accrued personnel expenses	17,132.47	11,673.79
Building (incl. Investment grants)	49,177.22	38,135.28
Financial assets	3,285.64	0.00
	102,598.19	**87,103.83**

Deferred tax assets from tax loss carryforwards were weighted at a tax rate of 23% (2023: 23%) as of the reporting date and amount to EUR 16,748,687.77 (2023: kEUR 13,211), which are not recognized in the balance sheet in accordance with Section 198 (9) of the Austrian Commercial Code.

Negative equity

Over-indebtedness within the meaning of insolvency law does not exist because of an existing positive going concern forecast. In connection with the assumptions regarding the positive going concern forecast, we refer to the comments in the chapter “Material uncertainties related to going concern”.

Share capital

The share capital is divided as follows:

Share class	Share capital EUR	Nominal value/Share	Number of shares
No-par value bearer shares	1,778,333.00	1.00	1,778,333

In 2024, the number of voting rights increased by a total of 254,500 shares as a result of the conversion of convertible bonds and two capital increases.

In the 2021 financial year, a flexible convertible bond program (Convertible Notes Funding Program, CNFP) with a volume of up to EUR 5,400,000.00 (up to 18 tranches of EUR 300,000.00 each) was concluded with the Swiss investment company Nice & Green S.A. The CNFP was backed by up to 147,243 newly issued, no-par-value bearer shares, which were available from the "Conditional Capital 2021". Nice & Green has committed to subscribe for these convertible bonds and to apply for conversion into common shares within one month of issuance. On this basis, nine tranches were subscribed and converted in the period Q4/2021 to Q1/2023. After the program was temporarily suspended, the terms of the contract were adjusted in October 2023 and the amount of the remaining nine tranches was reduced to up to EUR 160,000.00 per tranche. In 2023, two further tranches were subscribed and one tranche was converted. In the 2024 financial year, the last two tranches were converted. In 2024, this program resulted in an addition to the share capital of EUR 16,697.00. The contract with Nice & Green S.A. was terminated in September 2024.

On September 18, 2024, the Company's Supervisory Board approved an increase of the Company's share capital by EUR 154,053.00 to EUR 1,694,583.00 by issuing 154,053 new, no-par value bearer shares against cash contributions. The new shares were issued from authorized capital and were subject to the direct exclusion of the statutory subscription rights of existing shareholders. The issue price per new share was EUR 5.00 resulting in a total issue price of EUR 770,265.00. All 154,053 new shares were subscribed to by a total of eleven investors, including members of the Supervisory and Management Boards, at these issue conditions. On December 5, 2024, Marinomed announced that it would again increase the Company's share capital by EUR 83,750.00 to EUR 1,778,333.00 by issuing 83,750 new, no-par value bearer shares against cash contributions. The new shares were privately placed and issued from authorized capital, excluding the statutory subscription rights of existing shareholders. The issue price per new share was EUR 8.00 resulting in a total issue price of EUR 670,000.00.

As of the balance sheet date, the share capital thus amounts to EUR 1,778,333.00, divided into 1,778,333 voting bearer shares. These are fully registered in the commercial register as of the balance sheet date.

At the Annual General Meeting on June 20, 2024, resolutions were passed to cancel the existing Authorized Capital 2023 (759,583 shares) and to authorize the Management Board in accordance with Section 169 of the Austrian Stock Corporation Act to increase the share capital of the Company by up to 770,265 shares by June 19, 2029, subject to

the partial direct exclusion of the subscription right and the partial authorization to exclude the subscription right, if necessary in several tranches, against cash and/or contributions in kind by issuing up to 770,265 new, no-par value bearer shares at a minimum issue price of EUR 1 per share (proportionate amount of the share capital per share) and to determine the issue price, the terms of issue and the further details of the capital increase in agreement with the Supervisory Board ("Authorized Capital 2024").

At the same Annual General Meeting, the Management Board was also authorized in accordance with Section 174 (2) of the Austrian Stock Corporation Act to issue financial instruments, i.e. convertible bonds, participating bonds or participation rights, which may provide for the subscription and/or exchange of shares, including the authorization, with the consent of the Supervisory Board, to exclude shareholders' subscription rights to these financial instruments. In addition, the "Conditional Capital 2021" was canceled and the conditional increase of the company's share capital in accordance with Section 159 (2) 1 of the German Stock Corporation Act (AktG) for the issuance of financial instruments to creditors was approved ("Conditional Capital 2024").

At the Extraordinary General Meeting on December 19, 2024, it was decided to cancel the existing Authorized Capital 2024 (770,265 shares) to the extent not yet utilized and to authorize the Management Board in accordance with Section 169 of the Austrian Stock Corporation Act to increase the share capital of the Company by up to 847,291 shares by December 18, 2029, with partial direct exclusion of subscription rights and partial authorization to exclude subscription rights, if necessary in several tranches, against cash and/or in-kind contributions by issuing up to 847,291 new, no-par value bearer shares at a minimum issue price of EUR 1 per share (proportionate amount of the share capital per share) and to determine the issue price, the issue conditions and the further details of the capital increase in agreement with the Supervisory Board ("Authorized Capital 2024/II").

At the same Extraordinary General Meeting, the shareholders of the Company approved the conditional increase of the Company's share capital by up to EUR 169,458.00 by issuing up to 169,458 no-par value bearer shares (ordinary shares) in accordance with Section 159 (2) no. 1 of the Austrian Stock Corporation Act (AktG) ("Conditional Capital 2024/II"). The Management Board was authorized in accordance with Section 174 (2) of the Austrian Stock Corporation Act to issue financial instruments, i.e. convertible bonds, participating bonds or participation rights, which may provide for the subscription and/or exchange of shares, including the authorization, with the consent of the Supervisory Board, to exclude shareholders' subscription rights to these financial instruments. In addition, the "Conditional Capital 2024" was canceled to the extent not yet utilized and the conditional increase of the Company's share capital in accordance with Section 159 (2) (1) AktG for the issuance of financial instruments to creditors was approved ("Conditional Capital 2024/II").

Tied capital reserve

In the course of the IPO of Marinomed Biotech AG, EUR 22,126,000.00 were transferred to the capital reserve through the issuance of 299,000 new bearer shares, with a further EUR 7,925,961.03 relating to the convertible bond.

As a result of the issuance of shares in the context of a share option program, EUR 182,651.63 were reclassified from the option reserve to the tied capital reserve in 2020-2021, and a further EUR 601,916.00 were transferred from the conditional capital increase to the tied capital reserve in 2020-2022. The conversion of the first tranche of the convertible bond resulted in a capital reserve of EUR 296,723.31 in 2021 when new shares were issued. In the course of further share issues to service convertible bonds, the tied capital reserve increased by EUR 1,774,506.51 in the 2022 financial year, by EUR 742,223.17 in the financial year 2023 and by EUR 403,249.96 in the financial year 2024. There were no capital reserves as defined by Section 229 (2) (2) UGB.

In September and December 2024, two capital increases were carried out, amounting to a total of 237,803 shares. The premium of EUR 1,202,462.00 was recognized in the tied capital reserve.

Option reserve

In February 1, 2019, Marinomed established an employee share option program for the Management Board and for all other employees of the Company. The total number of stock options to be issued under the "ESOP 2019" was 43,694, with each option entitling the holder to subscribe for one ordinary share. At the grant date, the Company estimated the fair value of an issued stock option at EUR 20.75 (EUR 28.94 for options issued in July 2019, EUR 33.92 for options issued in September 2020). As there was no longer any possibility to exercise the options as of the balance-sheet date, the option reserve in the amount of EUR 655,010.02 (2023: kEUR 655) was reclassified to free revenue reserves in equity. For further details, please refer to Chapter D., "Information on Stock Options".

Investment grants

Investment grants include investment premium subsidies as well as location-based grants awarded to the Company by the Province of Lower Austria and Kommunalkredit Austria AG.

	01.01.2024	Release	31.12.2024
	EUR	EUR	EUR
Patents and licenses	5,000.00	–500.00	4,500.00
Land and buildings	224,436.91	–9,491.73	214,945.18
Fixtures and fittings	36,065.91	–12,446.23	23,619.68
	265,502.82	**–22,437.96**	**243,064.86**

	01.01.2023 EUR	Release and other disposals EUR	31.12.2023 EUR
Patents and licenses	5,658.99	–658.99	5,000.00
Land and buildings	233,969.31	–9,532.40	224,436.91
Fixtures and fittings	62,316.26	–26,250.35	36,065.91
	301,944.56	**–36,441.74**	**265,502.82**

Accruals

Among the other accruals, accruals for consultancy fees not yet invoiced increased compared to the previous year. These are mainly related to the restructuring proceedings and the sale of the Carragelose business. By contrast, there was a decline in personnel accruals.

Liabilities

In the financial year 2021, a flexible convertible bond program (Covertible Notes Funding Program) was concluded with the Swiss investment company Nice & Green S.A. For further details on the program, please refer to the explanations in Chapter B., "Share capital". The contract was terminated in September 2024; no bond liability is reported as of the balance sheet date (2023: TEUR 160).

Liabilities to banks include a loan from the European Investment Bank totalling EUR 15,000,000.00, which was disbursed in three tranches. The first tranche of EUR 4,000,000.00 was paid to the Company in October 2019. Interest was paid at a fixed rate of 7.5% (1% annually payable and 6.5% due at maturity); from 2020, an additional revenue-related fee of 2.25% was to be paid. The loan had a term of five years from the date of disbursement. The second tranche was called in December 2020 and recognized in the amount of EUR 5,000,000.00 in liabilities to banks. The loan carried a fixed interest rate of 6.5% p.a. and was also to be repaid, including accrued interest, five years after the disbursement. In February 2022, the final tranche of EUR 6,000,000.00 was drawn down, which carried a fixed interest rate of 5.5% and was repayable in nine semi-annual installments starting in February 2023.

At the end of March 2024, Marinomed reached an agreement with the European Investment Bank (EIB) to defer repayment of the 2019 loan of EUR 15,000,000.00. Accordingly, the repayment of the first tranche with a nominal amount of EUR 4,000,000.00 was postponed from October 2024 to April 2026. The second tranche with a nominal amount of EUR 5,000,000.00 was to become due in June 2027 instead of December 2025. Under the new agreement, Marinomed was obliged to repay the third tranche with an outstanding nominal value of EUR 4,666,666.68 in semi-annual installments of EUR 666,666.67 between December 2025 and August 2028. Interest rates remained unchanged. The agreements included other terms and conditions, including the extension of the existing license agreement for an additional five years and the obligation to comply with and report key figures for sales, EBIT and cash ("covenants"). As the revenue and EBIT covenants were not met as of June 30, 2024, the EIB had the right to demand the termination and early repayment of the liabilities in connection with a penalty payment. The total liability to the European Investment Bank as of

December 31, 2024, amounts to EUR 24,118,508.25, of which EUR 23,694,664.46 is unsecured, which, after the opening of the restructuring proceedings in August 2024, constitute insolvency claims that will be serviced within the framework of the agreed quota.

To finance the Company location, a financing framework totaling EUR 5,000,000.00 was granted by AWS Wirtschaftsservice in conjunction with the ERP fund and NÖBEG. The loan facility from the ERP fund (totaling EUR 3,800,000.00) was fully utilized and is reported under liabilities to banks. The loan bears interest at 0.5% p.a. (step-up from 0.5% p.a. from July 1, 2024) plus a guarantee fee of between 1.2% and 2.0% p.a. The financing by NÖBEG with a total volume of EUR 1,200,000.00, which was fully utilized in 2021 and 2022, was established as a silent partnership and is reported under other liabilities. Fees and commissions amounted to 2.25% p.a. (step-fixed from December 14, 2026) plus a liability commission of 0.28%.

The lenders of the real estate financing also agreed in the first quarter of 2024 to suspend their capital repayments together with the EIB.

The ERP loan and 20% of the NÖBEG financing are secured by a lien in favor of the disbursing credit institution incorporated in the land register up to a maximum amount of EUR 4,444,000.00 and thus represent separate assets. After the insolvency, Marinomed discussed with the lenders of the secured loans to continue the semi-annual repayments with amended interest rates. Marinomed will also seek to refinance the property by mid-2027. The unsecured NÖBEG loan represents an insolvency claim, which will be repaid as part of the quota.

Advance payments received in the amount of EUR 473,840.73 (2023: kEUR 77) mainly relate to advance payments for the delivery of goods.

The trade receivables (EUR 1,687,007.98, 2023: kEUR 1,531) mainly relate to deliveries of goods and raw materials as well as other services and include insolvency claims in the amount of EUR 597,865.72, which will be repaid in the amount of the specified quota.

Other liabilities in the amount of EUR 763,114.83 relate to expenses incurred during the current financial year that will only become due for payment in subsequent years (2023: kEUR 204).

	31.12.2024 EUR	31.12.2023 EUR
NÖBEG financing	942,810.33	1,090,900.00
AWS interest	228,046.86	231,240.51
WAW loan	102,005.48	100,000.00
Taxes and social security	278,601.48	197,091.09
Management and staff	589,859.35	1,677.27
Others	699,133.45	251,560.48
	2,840,456.95	**1,872,469.35**

In October 2020, an instalment payment agreement was concluded with the Vienna Business Agency for a total amount of EUR 510,000.00, which bore interest at 2% p.a. The liability with a residual book value of EUR 102,005.48 represents an insolvency claim as of the balance sheet date.

On August 2, 2006, Austria Wirtschaftsservice GmbH granted a mezzanine loan of EUR 500,000.00 with profit-related interest and repayment. The loan was disbursed in 2007. The original term was 10 years, expiring on June 30, 2017.

In June 2019, the nominal amount of the AWS seed financing in the amount of EUR 500,000.00 was repaid. With regard to the interest that has accrued since 2006, a liability of EUR 228,046.86 was reported as of the balance sheet date, which was filed and accepted by the court as part of the restructuring proceedings. Repayment will be made in five quota payments under the quota plan, to be paid between January 2025 and November 2026 (total 30%). Further details are provided in the chapter “Material uncertainties related to going concern”

The other liabilities from Management Board and employee remuneration mainly represent insolvency claims of the Management Board and the insolvency remuneration fund (IEF).

The remaining other liabilities include insolvency claims of a business partner from overpayments made in the amount of EUR 457,869.42.

C. Explanatory notes to the income statement

The income statement was prepared in accordance with the total cost method.

Revenue	2024 EUR	2023 EUR
Sale of goods	3,642,445.32	7,994,755.82
Upfront and milestone payments	504,800.00	8,997.66
Licence revenues	286,268.05	747,493.57
Other revenues	313,450.33	307,084.64
	4,746,963.70	**9,058,331.69**

The revenues were generated in the following markets:

	2024 TEUR	2023 TEUR
Austria	335	536
Other european countries	3,376	4,462
Non-European countries	1,036	4,060
	4,747	**9,058**

In 2024, the negative trend that has persisted since the end of 2023 continued and trading goods revenues fell significantly. This is mainly due to the continued high inventories at distribution partners and declining demand for Carragelose products.

In 2024, sales include a milestone payment (EUR 500,000.00) from the expansion of an existing partnership with a major player in the consumer healthcare sector.

By contrast, revenue from license agreements increased significantly in 2023 due to a one-time payment in connection with a contract extension and is showing a decline in the current financial year.

The changes in inventories relate to ongoing customer projects.

Other operating income is comprised as follows:

Other income	2024 EUR	2023 EUR
Release of accruals	27,786.50	136,430.50
Research premium	22,589.49	322,383.89
Release of investment grants	22,437.96	23,536.11
Gain from disposal of assets	3,553.99	2.00
FX gains	104.23	2,518.79
Grants	0.00	990,468.36
Others	23,260.15	18,533.78
	99,732.32	**1,493,873.43**

Due to delays in claiming the research premium and uncertainties that need to be taken into account in the valuation, other operating income from the research premium in 2024 will show a decline compared to the previous year.

In addition to the cost of goods sold, the cost of materials also includes expenses for the consumption and devaluation of raw materials, primary packaging materials and bulk materials (kEUR 772, 2023: kEUR 1,327), as well as expenses for laboratory materials (kEUR 97, 2023: kEUR 120).

The cost of purchased services includes research-related services provided by third parties in the amount of kEUR 255 (2023: kEUR 1,164). In addition, expenses for product approval, cost allocations from manufacturers and patent-related expenses are recognized here.

The decline in personnel expenses is due to a lower average number of staff and a reduction in the variable compensation of the Management Board. Changes in personnel accruals are recognized in personnel expenses.

In the current financial year, impairment losses of kEUR 651 were recognized on the fair value of the Company building. By contrast, depreciation and amortization of intangible assets and property, plant and equipment remained almost constant.

The increase in other operating expenses relates in particular to legal and other consultancy fees in connection with the restructuring proceedings, the capital measures and the sale of the Carragelose business. This is offset by targeted savings, particularly in marketing and advertising expenses.

Expenses from financial assets relate to the sale of the interest in Marino Immo GmbH. Please refer to the explanations in Chapter B. Shareholdings.

Interest expenses in the financial year under review relate to the EIB in the amount of kEUR 7,700, which mainly includes extraordinary expenses from the royalty agreement (so-called Royalty Fee Mandatory Prepayment Amount) in the amount of kEUR 6,740.

Tax income results from the capitalization of deferred taxes on temporary differences in the amount of kEUR 103 and is offset against the expense from the minimum corporate income tax (kEUR 3.5).

D. Other information

Liabilities arising from the use of non-balance-sheet fixed assets

Liabilities arising from rental and leasing payments amount to EUR 7,766.52 for the following year and EUR 19,554.77 for the following five years (2023: kEUR 8 for the following year and kEUR 21 for the following five years).

Other financial liabilities

The Company has entered into a number of agreements that also include future financial obligations relating to services purchased from third parties in connection with the conduct of clinical trials and other R&D activities. These amounted to EUR 176,328.62 (2023: kEUR 525) as of the balance sheet date.

Appropriation of profits

The Management Board proposes to carry forward the net loss as of December 31, 2024, in the amount of EUR -70,934,429.58 to new account.

Information on employees

The average number of employees (full-time equivalents) during the financial year was:

	2024	2023
Management Board	3	3
Other employees	39	44
Total	**42**	**47**

Information on the Management Board

Management Board	Name	Managing partner since	Member of the Management Board since
Chairman	Andreas Grassauer	11.04.2006	02.06.2017
Member	Eva Prieschl-Grassauer	04.09.2007	02.06.2017
Member	Pascal Schmidt		17.09.2018

Pascal Schmidt resigned from the Management Board of Marinomed Biotech AG with effect from January 31, 2025.

Information on the Supervisory Board

Members of the Supervisory Board	Name	Member of the Supervisory Board since (until)
Chairman	Simon Nebel	02.06.2017
Deputy Chairwoman	Brigitte Ederer	21.11.2018
Member	Elisabeth Lackner	15.06.2022
Member	Ulrich Kinzel	15.06.2022 (until 30.09.2024)
Member	Eva Hofstädter-Thalmann	21.06.2023 (until 31.08.2024)
Member	Karl Mahler	19.12.2024

Information on stock options

On February 1, 2019, Marinomed established an employee stock option program for the Management Board and for all other employees of the Company. The total number of stock options to be issued under ESOP 2019 was 43,694, with each option entitling the holder to subscribe for one ordinary share.

The terms and conditions of the stock option program were set as follows: upon exercise of the options, the Company can choose to settle the claim in shares (equity-settled) or in cash (cash-settled). This decision is at the sole discretion of the Company. Granted options are not immediately exercisable, but can only be exercised after vesting, i.e. 25% after a period of 12 months from the first day of trading (February 1, 2019), then 6.25% after every 3 months. The strike price corresponds to the offer price at the time of the IPO (= EUR 75.00). The exercise period is limited to 10 trading days from the sixth trading day after the publication of financial reports (annual financial report, quarterly reports). Furthermore, a share price hurdle of 2.5% per quarter from the first trading day is planned (without compound interest). The options expire without compensation on January 31, 2025, at the latest. If the employment relationship is effectively terminated, the options not yet vested up to that point in time expire immediately. However, vested options may be exercised in the exercise period following the termination, depending on the achievement of the share price hurdle.

In 2019, 21,847 stock options were granted to the three members of the Company's Management Board and 19,660 to employees and executives. In 2020, a further 2,748 options were issued to eight new employees. As of December 31, 2023, the number of options issued and already fully exercisable amounted to 32,765. In the 2024 financial year, no stock options were issued to employees and none were exercised.

In 2024, no expenses or income from stock options were recognized (2023: income of kEUR 2). Since stock options can no longer be exercised as of the balance sheet date, this will be recognized in full in the (free) revenue reserve as of December 31, 2024.

Expenses for severance payments

Expenses for severance payments relate exclusively to contributions to the mandatory employee pension fund and are distributed as follows:

	2024 EUR	2023 EUR
Management Board	10,359.69	14,137.26
Executive employees	2,749.93	2,762.90
Other employees	43,195.09	44,658.48
	56,304.71	**61,558.64**

Audit fee

BDO Assurance GmbH, the auditor of the annual financial statements, provided the following services for the company:

	2024 EUR	2023 EUR
Audit fees financial statements	66,510.00	70,532.50
Other assurance services	23,900.00	28,858.00
Other advisory services	5,515.00	1,628.63
	95,925.00	**101,019.13**

Preparation of consolidated financial statements
As of the reporting date of December 31, 2023, Marinomed held 100% of the shares in Marino Immo GmbH and prepared consolidated financial statements in accordance with internationally accepted accounting principles as defined in section 245a of the Austrian Commercial Code (UGB).

The shares in Marino Immo GmbH were sold by notarial deed dated December 19, 2024, subject to the condition precedent that the restructuring proceedings are terminated by a legally confirmed restructuring plan. The decision of the Regional Court Korneuburg on the legally binding confirmation of the restructuring plan and the termination of the restructuring proceedings was made on January 14, 2025.

As Marinomed had no control over the management of Marino Immo GmbH due to contractual provisions as of the reporting date, no further consolidated financial statements were prepared as of December 31, 2024.

Transactions with related parties

Information on the remuneration of the Management Board
In the 2024 fiscal year, the remuneration of the Management Board, excluding expenses for legally required social security contributions and payroll-related taxes and mandatory contributions, including premiums accrued for the 2024 financial year, totaled EUR 791,715.18 (2023: kEUR 817), of which EUR 0.00 (2023: kEUR 1) was from the employee stock option program.

No advances or loans were granted to members of the Management Board.

Information on the remuneration of the Supervisory Board
The remuneration of the Supervisory Board (fixed remuneration, attendance fees and expenses) amounted to EUR 139,192.99 in 2024 (2023: kEUR 163).

Since 2019, the Chairman of the Supervisory Board has been providing business development services under a consulting agreement concluded with Viopas Venture Consulting GmbH (VVC). In the 2024 financial year, the expenses in connection with this contract amounted to EUR 30,000.00 (2023: kEUR 30), which essentially accrued to the Chairman. The resulting outstanding liability as of December 31, 2024, amounts to EUR 22,500.00 (December 31, 2023: kEUR 8).

In the first quarter of 2023, a further consulting agreement for business development services was concluded with the company VVC. The compensation for services provided under this consulting agreement includes fixed and (predominantly) performance-related components. In the 2023 financial year, expenses for the base fee and expenses paid by Marinomed in connection with this contract amounted to EUR 94k. The resulting outstanding liability as of December 31, 2023, amounted to EUR 0k. No further expenses or liabilities were recognized in this connection in the 2024 financial year. The Chairman of the Supervisory Board, Simon Nebel, has a share in VVC, but the majority of the remuneration goes to the project management, which is not headed by the Chairman of the Supervisory Board.

There is a consultancy contract for business and corporate development activities with Elisabeth Lackner, a member of the Supervisory Board. In the financial year, there were no expenses (2023: kEUR 29 including expenses) or liabilities (2023: kEUR 29) arising from this contract.

All transactions with related parties are carried out at arm's length.

No advances or loans were granted to members of the Supervisory Board.

Significant events after the balance sheet date

After completion of the restructuring proceedings, the convertible bond to the European Investment Bank (EIB) was issued in January 2025. The convertible bond initially evidences a conversion right for up to 84,768 shares of the Company at a conversion price of EUR 5 per share. In the event of a conversion of the convertible bond, it is intended to issue the available shares from the conditional capital of the Company or other sources of financing available under applicable law. On November 27, 2024, Marinomed announced the signing of a binding term sheet with the EIB for the intended issue of a convertible bond (registered or order bond) with a nominal value of EUR 423,840, to be subscribed exclusively by the EIB (excluding the statutory subscription rights of existing shareholders) in return for a contribution of a segregation right. Marinomed has published a report on the planned exclusion of the statutory subscription rights of existing shareholders.

On January 20, 2025, Marinomed announced the formal termination of the restructuring proceedings by order of the Regional Court of Korneuburg dated January 14, 2025, after all necessary conditions had been met. With the formal termination of the proceedings, the administration by the insolvency administrator ended and the Management Board regained control of the Company.

Chief Financial Officer Pascal Schmidt left the Management Board at the end of January 2025. Gabriele Ram took over as Chief Financial Officer in February 2025.

On February 28, 2025, Marinomed announced the successful completion of the sale of the Carragelose business to the French contract development and manufacturing organization (CDMO) Unither Pharmaceuticals. The contract provides for upfront and milestone payments totaling up to EUR 20 million. A first payment of EUR 5 million has already been received in connection with the closing of the transaction. Further payments are dependent on the achievement of defined commercial and operational targets over the next two years. The agreement provides for the transfer of the entire Carragelose portfolio, including all related agreements and business relationships. As part of the agreement, Marinomed and Unither have also entered into a service agreement for a transitional period that covers services in the areas of regulatory affairs, business development and research and development.

On April 2, 2025, Marinomed announced that the Company has been a victim of cybercrime, which resulted in an outflow of funds of approximately EUR 677,000 through a transfer to third parties outside the European Economic Area.

The Company has filed criminal charges with the relevant investigating authorities, is working with external advisors to fully clarify the matter, and is checking whether the Company's insurance policies will cover any potential damages. Efforts to reverse the transfer or to block the transferred funds at the recipient bank have so far been unsuccessful. At this point in time, the Management Board considers the Company's liquidity to be secured.

There are no further material events after the balance sheet date that affect the financial statements.

Korneuburg, April 15, 2025
The Management Board

Andreas Grassauer
Chairman and
Chief Executive Officer

Eva Prieschl-Grassauer
Chief Scientific Officer

Auditor's Report

REPORT ON THE FINANCIAL STATEMENTS

AUDIT OPINION

We have audited the financial statements of Marinomed Biotech AG, Korneuburg. These financial statements comprise the statement of financial position as of December 31, 2024, the income statement for the fiscal year then ended and the notes.

In our opinion, the accompanying annual financial statements comply with legal requirements and present a true and fair view of the financial position of the company as of December 31, 2024, and of its financial performance for the year then ended in accordance with Austrian Generally Ac-cepted Accounting Principles.

BASIS FOR OPINION

We conducted our audit in accordance with EU Regulation No. 537/2014 (hereafter "EU Regulation") and Austrian Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISA). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the Austrian Generally Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion as of that date.

MATERIAL UNCERTAINTIES REGARDING THE COMPANY'S ABILITY TO CONTINUE AS A GOING CONERN

The annual financial statements as at December 31, 2024, show negative equity of kEUR 26,159 and an annual loss of kEUR 15,416. On August 14, the company applied for restructuring proceedings without self-administration. On November 14, 2024, the creditors' meeting unanimously approved the restructuring plan and on January 14, 2025, the court declared the proceedings terminated.

Regarding the material uncertainties relating to the going concern, we refer to the information in the section "Material uncertainties relating to the going concern" in the notes. This explains that the positive continuation of the company and the fulfillment of the restructuring plan is planned in particular from the proceeds from the sale of the Carragelose business. This assessment is based on the assumption that a minimum amount of proceeds can be generated from the contract for the sale of the Carragelose business in connection with earn-out components of the purchase price. Furthermore, payments from the Marinosolv platform, which is moving into focus, income from the Solv4U business and the licensing of Marinosolv-based product candidates, as well as a cash inflow of EUR 2.5 million from financing or additional milestones are included in the planning. When preparing the annual financial statements as at December 31, 2024, the Management Board assumed the going concern principle.

As disclosed in the notes, these circumstances indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern and that the Company may not be able to realize or repay (on a pro rata basis) the assets and liabilities recognized in the annual financial statements as at December 31, 2024, in the normal course of business.

Our audit opinion is not modified regarding this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the following, we present the key audit matter from our point of view:

1. Revenue recognition

Facts and references to further information

The company generated sales revenue of kEUR 4,747 in 2024. The majority of kEUR 3,642 was attributed to the sale of goods from the Carragelose segment. Furthermore, sales revenue from upfront- and milestone payments amounting to kEUR 505, revenue from license agreements amounting to kEUR 286 and other revenues of kEUR 313 were realized.

The sale of the Carragelose business unit was finalized in 2025 and is therefore not included in the 2024 annual financial statements.

According to the realization principle of Section 201 Paragraph 2 Z 4 lit a UGB, sales revenues are only to be recorded in the annual financial statements if they are realized on the reporting date. This requires a contractually agreed transfer of price risk for goods deliveries.

Sales revenue represent an important decision-making criterion for (potential) investors and users of financial statements to assess the company's market success and progress.

Due to the significant influence of sales revenue on the annual result and the importance of sales revenue for the company's annual financial statements in general, revenue recognition was identified as a particularly important audit matter.

Information on the composition of sales revenue in the 2023 financial year is contained in Chapter C of the appendix. For further details regarding sales markets and business development, please refer to Chapter 1.2 in the management report.

Audit procedure

As part of the audit, we examined the accounting-related internal control system and tested the processes relevant to the realization of sales revenue and the controls implemented therein regarding their effectiveness as part of structural and functional tests.

We also carried out substantive audit procedures. For this purpose, contracts were assessed in random samples to determine whether the contractual terms contained therein were correctly reflected in the revenue recognition process.

The correct period demarcation was verified by checking deliveries of goods around the key date.

In addition, we had the receivables from sales revenue from individual customers that were shown in the balance sheet as of the reporting date confirmed.

OTHER INFORMATION

The legal representatives are responsible for the other information. The other information comprises all information included in the annual report, but does not include the financial statements, the management report and the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

RESPONSIBILITIES OF MANAGEMENT AND THE AUDIT COMMITTEE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the legal representatives either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU Regulation and Austrian Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the annual financial statements of the financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse conse-quences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

COMMENTS ON THE MANAGEMENT REPORT FOR THE COMPANY

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Verdict

In our opinion, the management report has been prepared in accordance with the applicable legal requirements, includes appropriate disclosures pursuant to § 243a UGB and is consistent with the annual financial statements.

Statement

In view of the findings of the audit of the annual financial statements and the understanding gained of the company and its environment, no material misstatements were identified in the management report.

Addition

Regarding the material uncertainties relating to the going concern, we refer to section 4 Material risks and uncertainties in the management report, which describes the analysis of the company's situation. We also refer to section 3 Strategy and anticipated development of the company in the management report, which deals with the anticipated development of the company.

ADDITIONAL INFORMATION ACCORDING TO ARTICLE 10 OF THE EU REGULATION

We were elected as auditor by the annual general meeting as of June 20, 2024, and engaged by the supervisory board on November 25, 2024. We have been the auditor without interruption since 2018.

We declare that the audit opinion in the “Report on the annual financial statements” section is consistent with the additional report to the audit committee pursuant to Article 11 of the EU Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 (1) of the EU Regulation) and that we have maintained our independence from the audited company in conducting the audit.

RESPONSIBLE AUSTRIAN CERTIFIED PUBLIC ACCOUNTANT

The engagement partner is Mr. Gerhard Fremgen, Certified Public Accountant

Vienna, April 15, 2025

BDO Assurance GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gerhard Fremgen
Auditor

ppa. Christoph Leutgeb, MSc (WU)
Auditor

Statement by the Management Board

Pursuant to section 124 (1) 3. of the Stock Exchange Act

We confirm to the best of our knowledge that the annual financial statements of Marinomed Biotech AG as of December 31, 2024, give a true and fair view of the assets, liabilities, financial position and profit or loss of the business as required by the Austrian Commercial Code (UGB), and that the management report as of December 31, 2024, gives a true and fair view of the development and performance of the business and the position of the business, that it gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and that the management report describes the significant risks and uncertainties to which the Company is exposed.

Korneuburg, April 15, 2025
The Management Board

Andreas Grassauer
Chairman and
Chief Executive Officer

Eva Prieschl-Grassauer
Chief Scientific Officer

Legal notice

Marinomed Biotech AG
Hovengasse 25
2100 Korneuburg
Austria
www.marinomed.com

Contact
Gabriele Ram, Chief Financial Officer
Tobias Meister, Investor Relations
Phone +43 2262 90 300
ir@marinomed.com

Produced in-house in collaboration with ns.publish

Non-legally binding convenience translation using DeepL.

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

This report contains forward-looking statements that were prepared on the basis of all the information available at the time. Various factors mean that actual performance may differ from the expectations set out here. Marinomed Biotech AG will not update these forward-looking statements, either on account of changes in actual circumstances or due to changes in assumptions or expectations. This report does not constitute a recommendation or solicitation to buy or sell securities of Marinomed Biotech AG.

Misprints and typographical errors excepted.
Published in April 2025.

www.marinomed.com