



Experience with financing opportunities



*LISAvienna Business Treff
24. October 2018*

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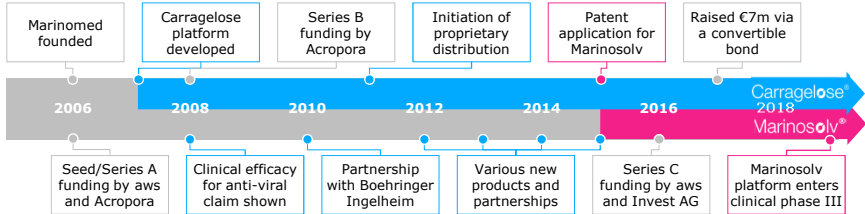
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Marinomed at a glance

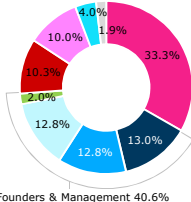
A lean biopharmaceutical expert in OTC and Rx therapies



Company history




Shareholders



Shareholder	Percentage
Acropora	4.0%
H. Unger, PhD	1.9%
A. Grassauer, PhD	10.0%
E. Prieschl-Grassauer, PhD	33.3%
P. Schmidt	2.0%
INVEST AG	12.8%
Mittelstandsbank	12.8%
vetmed.uni.wirzburg	13.0%
Others	40.6%

Award winning, global biopharmaceutical company


- Received the largest private research funding award of Austria, the Houska prize, in 2016
- Carragelose products are sold in over 30 countries
- Currently has 33 employees, of which the majority in R&D





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Strong partners

Excellent traction with well-established brands




BETADINE® IS THE PROUD PARTNER OF MANCHESTER CITY FC



Left to right: International Tennis Star **Caroline Wozniacki**, GUINNESS WORLD RECORDS™ Adjudicator Lucia Sinigagliales, Mundipharma President, Asia Pacific, Latin America, Middle East and Africa, Raman Singha
Source: Mundipharma



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Financing a startup requires investment



Table 4 Budgeting for an outbound fundraising campaign

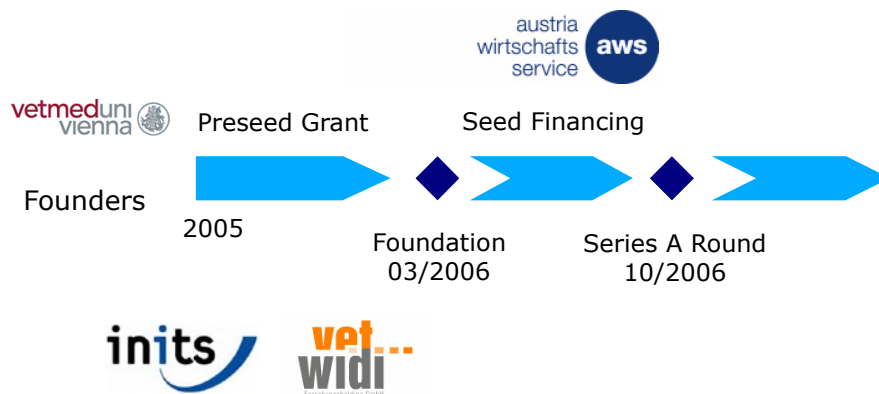
	Required commitment	
	Time required	Estimated cost
Developing marketing materials and content		
Executive summary, two pages (professionally advised)	30–40 h	\$1,000–\$5,000
Pitchbook Powerpoint presentation, 10–12 pages (professionally advised)	80–100 h	\$5,000–\$10,000
Website (professionally built)	200–250 h	\$6,000–\$15,000
Investor database		
Quality investor database ^a	–	\$7,000–\$10,000
List and task management application (for example, http://salesforce.com/)	–	\$50–\$250
E-mail delivery, tracking and reporting application (for example, iContact)	–	\$100–\$600
Content-developing application (for example, Wordpress)	–	Typically free
Ongoing e-mail canvassing	40 h	Salary dependent
Ongoing phone canvassing	150 h	Salary dependent
Roadshow (9–12 months)		
Travel, food and hotels (regional campaign)	–	\$40,000–\$50,000
Travel, food and hotels (global campaign)	–	\$60,000–\$80,000
TOTAL COST	–	\$60,000–\$120,000 (plus salary)

^aA quality investor database should provide about 5,000 global investors across 10 categories, allowing you to filter down to a target list of 300–500 investors that are a fit for your offering.

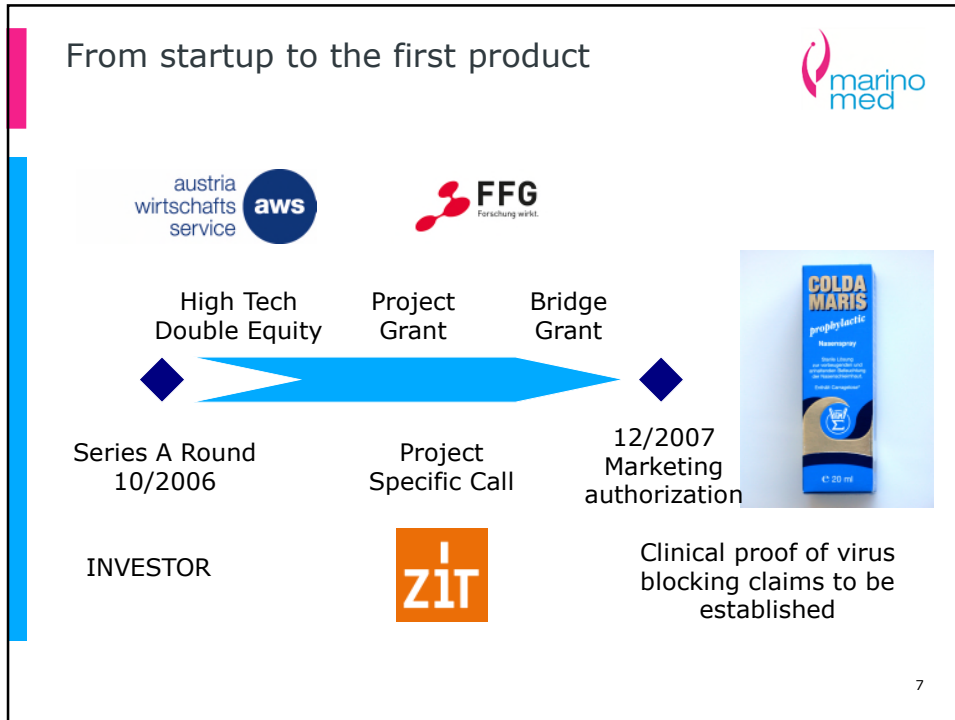
Nature Biotechnology, 32:1; 2014, Ford & Nelsen

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Starting up in Austria



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Unexpected hurdles in 2008

THE WALL STREET JOURNAL.

WEDNESDAY, SEPTEMBER 8, 2008

LEHMAN BROTHERS -94.4%

Merrill Lynch -68.2%

AIG -79.2%

Crisis on Wall Street as Lehman Totters, Merrill Is Sold, AIG Seeks to Raise Cash

Fed Will Expand Its Lending, Seemingly in a Bid to Curb Market's Movers Cap a Marathon Weekend for American Financiers

Ultimatum By Paulson Sparked

The private series A investor invested after the collapse of Lehman

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Alternative instruments help to close some gaps



www.arax.at

Arax Capital Partners is an atypical silent investor of Marinomed since 2012

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M&A can be a financing opportunity – Sale of the antiviral eye asset to NICOX SA in 2014




- Acquisition of SPV daughter company by stock listed Nicox SA
- Development, clinical and commercial risk is borne by Nicox

Sale of a non-key asset provides non-dilutive financing


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MARINOSOLV® enhances drug delivery


Novel platform enabling aqueous formulations of hardly soluble compounds (patent pending)



Rhinocort Aqua nasal spray (Astra Zeneca)




▪ Hardly soluble compound does not dissolve well, thus reducing bioavailability

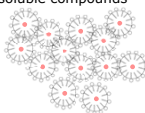


Suspended particles

MARINOSOLV®-enabled budesonide nasal spray



▪ MARINOSOLV® enables novel stable aqueous formulations of hardly soluble compounds



Stable micelles

▪ **Multiple advantages vs. other agents**

- Potentially faster onset of action
- Better bioavailability
- Higher local activity

❖ **Dose reduction of the active compound, thus lowering production costs and possible side effects**

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AWS-Mittelstandsfonds and Invest AG provide funds for growth in 2015/16





Creating value together

Growth capital as an accelerator for SMEs



INVEST AG is the investment arm of the Raiffeisen bank group of Upper Austria and is one of Austria's leading private equity funds, managing a volume of 180 million euros, an evergreen fund with an indefinite term.

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2017 - Convertible Bond

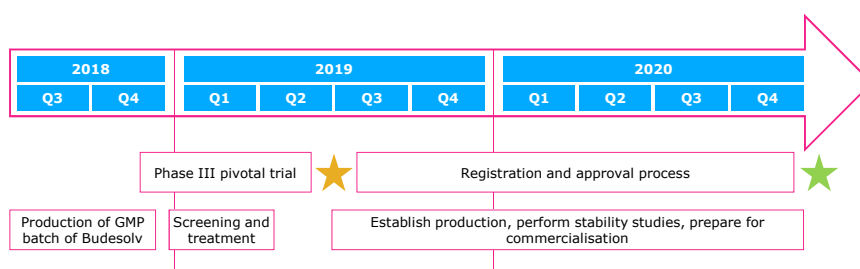


Issuer	<ul style="list-style-type: none"> Marinomed Biotech AG
Type of Financing	<ul style="list-style-type: none"> Convertible Bond - ISIN: AT0000A1WD52
Offering Type	<ul style="list-style-type: none"> Private placement to institutional investors outside the US ("Reg. S") by Erste Group Offer to selected "friends & family" by the Company
Offer Size	<ul style="list-style-type: none"> EUR 7m
Tenor	<ul style="list-style-type: none"> 4 years (maturity July 2021)
Coupon	<ul style="list-style-type: none"> 4% p.a.
Conversion	<ul style="list-style-type: none"> Conversion right in case of an IPO
Premium Payments	<ul style="list-style-type: none"> Trade sale event License payment event Compensation premium paid in certain corporate action cases
Listing	<ul style="list-style-type: none"> Vienna Stock Exchange (Third Market - MTF)
Issue Price	<ul style="list-style-type: none"> 100%
Denomination	<ul style="list-style-type: none"> EUR 10,000 per bond
Use of Proceeds	<ul style="list-style-type: none"> Financing further international roll-outs of the Company's OTC product portfolio and the development of its technology platforms including clinical trials Preparing a potential IPO at a stock exchange

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Budesolv development timeline

Straightforward and short path to market

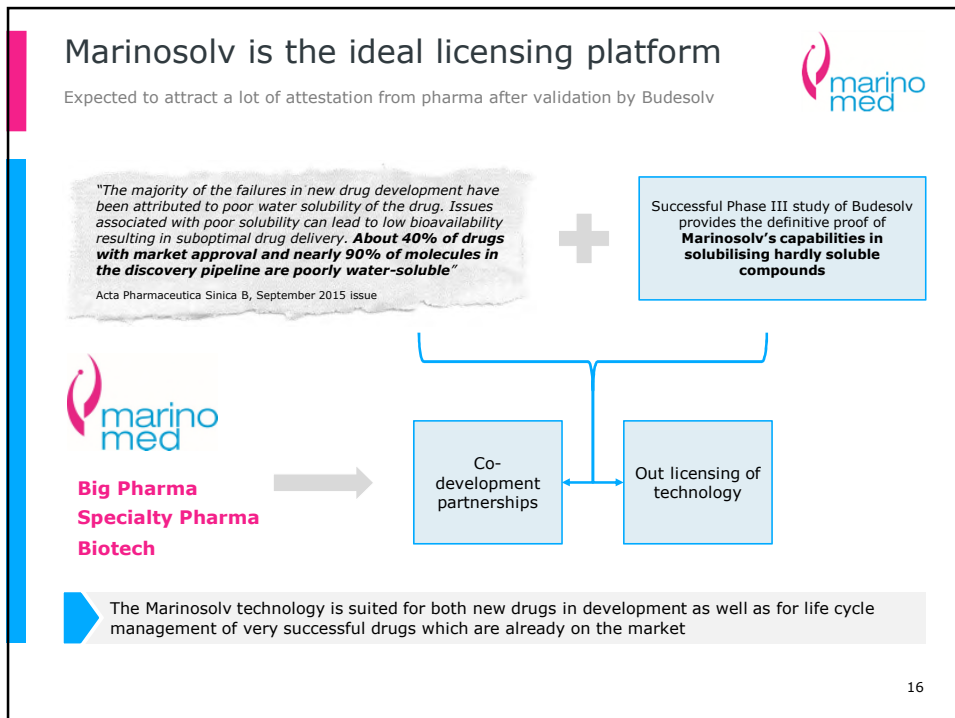
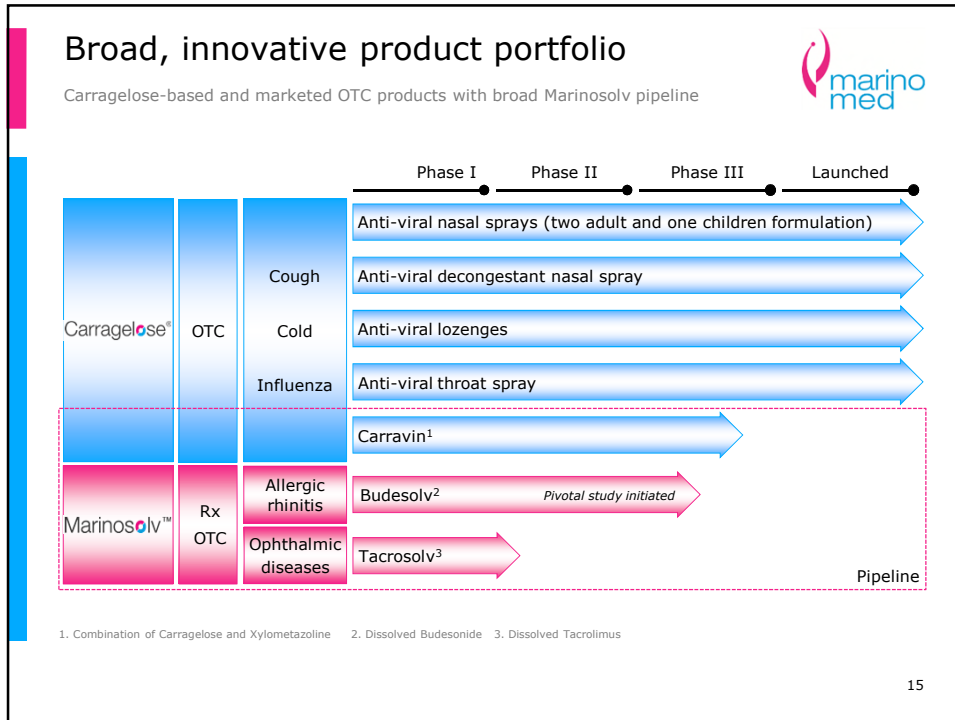


★ Phase III data expected to be available

★ Expected approval of Budesolv for marketing in Europe

The Budesolv 10 µg nasal spray pivotal trial project is well on track and envisaged to be completed in Q2 2019

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Key Learnings and Conclusion



Seed Money: First class environment with a lot of support in Austria



Funding Gap: Marinomed had an international investor, but generally there is a funding gap to finance the roll-out of the first products



Sustainable sales growth necessary for SME financing and capital market transactions (e.g. convertible bond)



Additional Funding Gap initiatives and opportunities would help the industry