



Quoin Pharmaceuticals Provides Corporate Update and Announces Second Quarter 2022 Financial Results

August 18, 2022

*Initiates clinical trial evaluating lead product candidate, QRX003 for Netherton Syndrome
Expands number of commercial partnerships to eight, covering 60 countries
Signs Research Agreement to develop a product for the treatment of scleroderma
Closes \$16.8 million public offering, with net proceeds of approximately \$15.0 million*

ASHBURN, Va., Aug. 18, 2022 (GLOBE NEWSWIRE) -- Quoin Pharmaceuticals Ltd. (NASDAQ: QNRX) (the "Company" or "Quoin"), a clinical stage, specialty pharmaceutical company focused on rare and orphan diseases, today provides a business update and announces financial results for the second quarter of 2022 ended June 30, 2022.

Quoin CEO, Dr. Michael Myers, said, "Quoin has made substantial clinical and operational progress over the past few months. Most importantly, we are proud to have initiated our clinical study for QRX003 in Netherton Syndrome, a rare and devastating skin disease with no approved treatment or cure. We are also expanding our product portfolio through the signing of a research agreement to develop a product for the potential treatment of scleroderma with Queensland University of Technology (QUT), further strengthening Quoin's total commitment to the development of safe and effective treatments for underserved rare and orphan disease patient populations.

During the quarter, we also continued to expand our established global network of licensing and distribution partnerships for QRX003 to what is now eight agreements spanning 60 countries, further supporting our mission of ensuring that every patient, everywhere, may be able to access to our products, once approved.

Recent highlights

- In June 2022, Quoin Pharmaceuticals Inc., a wholly owned subsidiary of the Company ("Quoin Inc."), secured exclusive licensing and distribution agreements with WinHealth Investment (HK) Limited, enabling Quoin to provide healthcare professionals and patients in Greater China, including Hong Kong, Macau and Taiwan, with access to its products upon receiving regulatory approval. Quoin has now established a global network of eight marketing partnerships for QRX003 that spans 60 countries, including Greater China, the Middle East, Canada, Australia and New Zealand, some countries in Latin America, as well as Central and Eastern Europe and Turkey.
- In May 2022, Quoin Inc. signed a research agreement with the Queensland University of Technology (QUT), Australia for the development of a potential treatment for scleroderma, a severe and sometimes fatal rare skin disease.
- In April 2022, the Company received U.S. Food and Drug Administration (FDA) clearance to initiate clinical testing for its Investigational New Drug (IND) application for QRX003, the Company's investigational product for Netherton Syndrome.
- In July 2022, Quoin announced that the first clinical site for its clinical study to evaluate QRX003 for the treatment of the rare genetic disease, Netherton Syndrome, had been opened. The study is a randomized, double blinded, placebo-controlled study being conducted under a U.S. Investigational New Drug (IND) Application and will assess two different doses of QRX003 topical lotion versus a placebo lotion in Netherton patients. The test materials will be applied once daily over a twelve-week period, to pre-designated areas of the patient's body. Based on discussions with the FDA, a number of different clinical endpoints will be assessed in the study. The opening of additional sites and patient recruitment is underway.
- In July 2022, Quoin announced that it received constructive and comprehensive Scientific Advice from the European Medicines Agency (EMA) regarding the clinical and regulatory requirements for the development of QRX003 as a potential treatment for Netherton Syndrome in Europe.
- Quoin ended the second quarter with approximately \$2.7 million in cash. Net loss for the second quarter was approximately \$2.7 million. On August 9, 2022, the Company completed an upsized \$16.8 million public offering of ordinary shares represented by ADSs and warrants, with net proceeds of approximately \$15.0 million.
- The Company previously announced that, on April 22, 2022, it received a letter from the Listing Qualifications staff (the "Staff") of The Nasdaq Stock Market, LLC ("Nasdaq") notifying it that the Company was no longer in compliance with the

minimum \$2.5 million stockholders' equity requirement for continued listing on The Nasdaq Capital Market. Based on the Company's Form 6-K, dated August 10, 2022, the Staff has determined that the Company complies with this requirement. The Company also previously reported that, on June 10, 2022, the Staff notified the Company that its ADSs failed to maintain a minimum bid price of \$1.00 over the previous 30 consecutive business days as required by the Nasdaq Listing Rules. Since then, the Staff has determined that for the 10 consecutive business days, from August 1 to August 12, 2022, the closing bid price of the Company's ADSs has been at \$1.00 per ADS or greater, and the Company has regained compliance with the minimum bid price requirement.

Investors are encouraged to read the Company's Form 6-K when it is furnished to the Securities and Exchange Commission (the "SEC"), which will contain additional details about Quoin's financial results as of, and for the three and six-month periods ended, June 30, 2022.

About Quoin Pharmaceuticals Ltd.

Quoin Pharmaceuticals Ltd. is a clinical stage specialty pharmaceutical company focused on developing and commercializing therapeutic products that treat rare and orphan diseases. We are committed to addressing unmet medical needs for patients, their families, communities and care teams. Quoin's innovative pipeline comprises four products in development that collectively have the potential to target a broad number of rare and orphan indications, including Netherton Syndrome, Peeling Skin Syndrome, Palmoplantar Keratoderma, Scleroderma, Epidermolysis Bullosa and others. For more information, visit: www.quoinpharma.com or [LinkedIn](https://www.linkedin.com/company/quoin-pharmaceuticals-ltd) for updates.

Cautionary Note Regarding Forward Looking Statements

The Company cautions that statements in this press release that are not a description of historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words referencing future events or circumstances such as "expect," "intend," "plan," "anticipate," "believe," and "will," among others. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements are based upon the Company's current expectations and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. More detailed information about the risks and uncertainties affecting the Company is contained under the heading "Risk Factors" included in the Company's Annual Report on Form 20-F filed with the SEC on April 14, 2022, and in other filings the Company has made and may make with the SEC in the future. One should not place undue reliance on these forward-looking statements, which speak only as of the date on which they were made. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made, except as may be required by law.

For further information, contact:

Investor Relations
PCG Advisory
Stephanie Prince
sprince@pcgadvisory.com
(646) 863-6341

Quoin Pharmaceuticals Ltd. Consolidated Balance Sheets (Unaudited)

	June 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash	\$ 2,687,847	\$ 7,482,773
Prepaid expenses	826,803	1,015,474
Total current assets	3,514,650	8,498,247
Intangible assets, net	756,583	808,604
Other assets	50,000	50,000
Total assets	<u>\$ 4,321,233</u>	<u>\$ 9,356,851</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 768,670	\$ 923,239
Accrued expenses	1,864,794	1,685,409
Accrued license acquisition	-	250,000
Accrued interest	432,170	743,840
Due to officers – short term	600,000	600,000
Warrant liability	-	373,599
Total current liabilities	3,665,634	4,576,087
Due to officers – long term	3,823,733	4,123,732
Total liabilities	<u>\$ 7,489,367</u>	<u>\$ 8,699,819</u>

Commitments and contingencies

Shareholders' (deficit) equity:

Ordinary shares, no par value per share, 50,000,000,000 ordinary shares authorized – 5,065,154,799

(1,013,031 ADSs)

\$ - \$ -

ordinary shares issued and outstanding at June 30, 2022 and 3,354,650,799 (670,930 ADSs) at December 31, 2021

Treasury Stock, 2,641,693 ordinary shares

(2,932,000) (2,932,000)

Additional paid in capital

32,184,820 31,659,017

Accumulated deficit

(32,420,954) (28,069,985)

Total shareholders' (deficit) equity

(3,168,134) 657,032

Total liabilities and shareholders' equity

\$ 4,321,233 \$ 9,356,851

QUOIN PHARMACEUTICALS LTD.

Quoin Pharmaceuticals Ltd

Consolidated Statements of Operations (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Operating expenses				
General and administrative	\$ 1,941,473	\$ 737,610	3,529,943	\$ 1,482,583
Research and development	726,694	239,280	1,314,263	296,068
Total operating expenses	2,668,167	976,890	4,844,206	\$ 1,778,651
Other expenses (income)				
Forgiveness of trade payable	-	-	(416,000)	-
Fair value adjustment to convertible notes payable	-	750,000	-	1,250,000
Change in fair value of warrant liability	-	2,223,139	(77,237)	4,669,652
Financing expense	-	185,000	-	275,000
Interest expense	-	202,514	-	268,111
Total other expense (income)	-	3,360,653	(493,237)	6,462,763
Net loss	\$ (2,668,167)	\$ (4,337,543)	\$ (4,350,969)	\$ (8,241,414)
Loss per ADS				
Loss per ADS				
Basic	\$ (3.24)	\$ (18.05)	\$ (5.83)	\$ (34.30)
Fully-diluted	\$ (3.24)	\$ (18.05)	\$ (5.83)	\$ (34.30)
Weighted average number of ADSs outstanding				
Basic	822,877	240,292	746,903	240,292
Fully-diluted	822,877	240,292	746,903	240,292