



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

November 10, 2022

- *Company completed a public offering for aggregate gross proceeds of \$16.8 million*
- *Majority of clinical sites now open in clinical study to evaluate QRX003 for Netherton Syndrome*
- *Quoin announced plans to initiate second clinical trial to evaluate QRX003 in Netherton Syndrome patients currently receiving off-label systemic therapy*
- *Signed an international partnership agreement for QRX003 during the third quarter 2022*
- *Research programs with QUT continue to progress towards initiation of clinical testing in 2023*
- *Company continues to work with its distribution partnership network to explore opportunities to participate in Early Access Programs for QRX003*

ASHBURN, Va., Nov. 10, 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 third quarter, ended September 30, 2022.

Quoin CEO, Dr. Michael Myers, commented, "We are extremely pleased with Quoin's clinical and operational progress over the third quarter as the company continues to execute on its business plan. We believe that our recent successful public offering underpins confidence in the company's strategic direction and provides Quoin with sufficient capital beyond a number of key inflection points.

Our ongoing clinical study for QRX003 in Netherton Syndrome continues to progress, with a majority of clinical sites now fully open and the remaining sites on target to open in the fourth quarter of 2022. During the quarter, we also established a website to facilitate patient awareness and participation in the study. Patient recruitment is actively underway, and we anticipate dosing to commence promptly.

We were excited to announce our plans to initiate a second clinical trial in Netherton Syndrome patients which we believe further establishes the company's leadership position in this disease state. This second study will investigate the safety and efficacy of QRX003 in Netherton Syndrome patients currently receiving off-label systemic therapy, primarily biologic therapy. This trial is expected to run concurrently with our ongoing clinical trial and will recruit patients who currently do not qualify for the ongoing trial.

During the quarter, we entered into our eighth international partnership agreement for QRX003. This latest partnership is with Endo Ventures Ltd, a subsidiary of Endo International Plc. Under the terms of the agreement, Endo Ventures has the exclusive right, which was sublicensed to its affiliate, Paladin Labs Inc., to commercialize QRX003 in Canada upon regulatory approval. With this latest agreement Quoin now has partnerships in place for QRX003 that cover 60 countries. We are continuing to work closely with our partners in those 60 countries to explore potential opportunities for the advancement of QRX003 into local Compassionate Use or Early Access Programs to facilitate the local availability of the product to Netherton Syndrome patients, in advance of formal regulatory approval.

Both of our research programs with Queensland University of Technology continue to make progress and we are targeting the initiation of clinical testing in 2023," concluded Dr. Myers.

Recent Highlights

- In July 2022, Quoin Pharmaceuticals announced the opening of the first clinical site for its clinical study to evaluate QRX003 for the treatment of the rare genetic disease, Netherton Syndrome. The study is a randomized, double blinded, placebo controlled study being conducted under an open U.S. Investigational New Drug (IND) Application. A majority of clinical sites are now fully open and the remaining sites are expected to open in the fourth quarter of 2022. Patient recruitment is actively underway.
- Also in July, the company 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.
- Additionally in July, Quoin announced that it had entered into an exclusive License and Distribution Agreement for QRX003 with Endo Ventures Ltd, a subsidiary of Endo International Plc. Under the terms of the agreement, Paladin Labs, an affiliate of Endo, will have exclusive rights to commercialize QRX003 in Canada once regulatory approval has been obtained. Quoin's distribution network for QRX003 now covers 60 countries including Australia, New Zealand, the Middle East, China, Taiwan, Hong Kong, Central and Eastern Europe, Turkey, and some countries in Latin America.

- In August 2022, Quoin completed an upsized \$16.8 million public offering of ordinary shares represented by ADSs and warrants, with net proceeds of approximately \$14.9 million.
- In September 2022, the company established a patient-specific website: <https://www.nethertonsyndromeclinicaltrials.com/>, to facilitate patient awareness and participation in its ongoing clinical study evaluating QRX003 for the treatment of Netherton Syndrome.
- In October 2022, Quoin announced plans to initiate a multicenter open label study of QRX003 topical lotion in Netherton Syndrome patients who are currently receiving off-label systemic therapy, primarily systemic biologic therapy. The clinical trial will be conducted under Quoin's open U.S. Investigational New Drug (IND) Application and run concurrently with the company's ongoing clinical trial evaluating QRX003 as a treatment for Netherton Syndrome. This trial will recruit patients who are currently not eligible to participate in the company's ongoing trial as a result of being treated with systemic therapy. Assessing the safety and efficacy of QRX003 as adjuvant treatment with systemic therapy could potentially yield valuable clinical data and better treatment options for patients and physicians.
- Quoin ended the third quarter with approximately \$15.2 million in cash and marketable securities. Net loss for the third quarter was approximately \$3.0 million, with total operating expenses of \$2.3 million. Investors are encouraged to read the Company's Form 6-K when it is filed with the Securities and Exchange Commission ("SEC"), which will contain additional details about Quoin's financial results as of, and for the three and nine-month periods ended, September 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](#) 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.

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Quoin Pharmaceuticals Ltd. Consolidated Balance Sheets

	September 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
ASSETS		
Current assets:		
Cash	\$ 5,249,832	\$ 7,482,773
Investments	9,911,200	-
Prepaid expenses	496,686	1,015,474
Total current assets	15,657,718	8,498,247
Intangible assets, net	730,572	808,604
Deferred loan costs	50,000	50,000
Total assets	\$ 16,438,290	\$ 9,356,851

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$	280,698	\$	923,239
Accrued expenses		1,569,920		1,685,409
Accrued license acquisition		-		250,000
Accrued interest and financing expense		1,146,251		743,840
Due to officers - short term		600,000		600,000
Warrant liability		-		373,599
Total current liabilities		3,596,869		4,576,087
Due to officers - long term		3,673,733		4,123,732
Total liabilities	\$	7,270,602	\$	8,699,819

Commitments and contingencies

Shareholders' equity:

Ordinary shares, no par value per share, 50,000,000,000 ordinary shares authorized - 24,233,024,799 (4,846,605 ADS's) ordinary shares issued and outstanding at September 30, 2022 and 3,354,650,799 (670,930 ADS's) at December 31, 2021	\$	-	\$	-
Treasury Stock, 2,641,693 ordinary shares		(2,932,000)		(2,932,000)
Additional paid in capital		47,615,475		31,659,017
Accumulated deficit		(35,515,787)		(28,069,985)
Total shareholders' equity		9,167,688		657,032
Total liabilities and shareholders' equity	\$	16,438,290	\$	9,356,851

Quoin Pharmaceuticals Ltd. Consolidated Statements of Operations (Unaudited)

	Nine months ended September 30,		Three months ended September 30,	
	2022	2021	2022	2021
Operating expenses				
General and administrative	\$ 5,112,002	\$ 2,525,366	\$ 1,582,059	\$ 1,042,783
Research and development	2,059,769	556,064	745,506	259,996
Total operating expenses	7,171,771	3,081,430	2,327,565	1,302,779
Other (income) and expenses				
Forgiveness of accounts payable	(416,000)	-	-	-
Fair value adjustment to convertible notes payable	-	1,250,000	-	-
Change in fair value of warrant liability	(77,237)	4,522,844	-	(146,808)
Financing expense	-	275,000	-	-
Unrealized loss	3,053	-	3,053	-
Interest income	(15,132)	-	(15,132)	-
Interest and financing expense	714,081	516,276	714,081	248,165
Total other expense	208,765	6,564,120	702,002	101,357
Net loss	\$ (7,380,536)	\$ (9,645,550)	\$ (3,029,567)	\$ (1,404,136)
Deemed dividend on warrant modification	(65,266)	-	(65,266)	-
Net loss attributable to shareholders	\$ (7,445,802)	\$ (9,645,550)	\$ (3,094,833)	\$ (1,404,136)
Loss per ADS				
Loss per ADS				
Basic	\$ (4.65)	\$ (40.14)	\$ (0.94)	\$ (5.84)
Fully-diluted	\$ (4.65)	\$ (40.14)	\$ (0.94)	\$ (5.84)
Weighted average number of ADS's outstanding				
Basic	1,601,396	240,292	3,291,806	240,292
Fully-diluted	1,601,396	240,292	3,291,806	240,292

