

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report no. 14 / 2018  
Prepared on: 2018-03-23

Abbreviated name of the issuer  
MABION S.A.

Subject matter

Execution of agreements related to funding obtained by Mabion S.A. (correction)

Legal basis

Article 17(1) of the Market Abuse Regulation – inside information

Content of the report:

With reference to Current Report no. 12/2018 of 23 March 2018 the Company informs that the European Bank for Reconstruction and Development's investment amounts to PLN 61.4 million. Below, the Company sends the correct content of the report:

The Management Board of Mabion S.A. ("Company") informs that on 22 March 2018, the Company acquired funding amounting to PLN 174.8 million by way of sale, by the shareholder of the Company, i.e. Twiti Investments Ltd. ("Shareholder"), 1,920,772 ordinary bearer shares of the Company as part of private placement ("Private Placement") and transferring the proceeds from the sale to the Company under a loan agreement entered into on 22 March 2018 ("Loan from the Shareholder"). The Loan from the Shareholder shall be repaid in the form of contractual set-off of mutual receivables: (i) of the Company due to paying, by the Shareholder, for the same number of ordinary bearers shares of the Company as part of a new issue as the number of shares sold as part of the Private Placement, which shall be issued by the Company at the same issue price as the prices obtained from the sale of shares as part of the Private Placement; and (ii) of the Shareholder due to repayment of the Loan from the Shareholder ("Conversion of the Loan from the Shareholder"). The price per one share as part of the Private Placement was PLN 91.00. As part of the Private Placement, the Shareholder sold 1,920,772 of the existing ordinary bearer shares constituting a 16% share in the share capital of the Company and a 14.37% share in the general number of votes in the Company ("Existing Shares") admitted to trading on the regulated market run by Giełdę Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange, "WSE") by the Shareholder to a limited number of selected institution investors ("Investors"), including investors from the United States of America, in accordance with the exception concerning to private subscription pursuant to Section 4(a)(2) under the US Securities Act of 1933, with further amendments ("US Securities Act") and investors from outside the United States of America on the basis of the exclusion provided for in S Regulation (S Regulation) of the US Securities Act. The Private Placement was carried out in a manner not constituting a public offering within the meaning of Article 3.1 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies and not requiring drawing up or approving a prospectus or information memorandum. The sale of Existing Shares shall take place through block transactions on the WSE, which is planned for 23 March 2018, and the expected settlement of these transactions and closure of the Private Placement is planned for 27 March 2018. The Private Placement is addressed mainly to institutional investors specialising in the healthcare and biotechnology sector from the United States of America who shall strengthen and diversify the Company's shareholding structure.

The Investors who are to invest in the Company and will be included in the Company's shareholders also include the European Bank for Reconstruction and Development ("EBRD"), which shall invest PLN 61.4 million, and PRF Life Science sp. z o.o. ("PRF Life Science"), which shall invest PLN 38.3 million. The Company intends to use the funds provided under the Loan from the Shareholder, *inter alia*, to extent the Research and Development Centre in Konstaktyńów Łódzki and to cover the costs and liabilities connected with the development and commercialisation of MabionCD20. To repay the Loan from the Shareholder, the Company shall convene an Extraordinary General Meeting which will be held on 18 April 2018 ("EGM") and shall include into the agenda a resolution on increasing the share capital of the Company through the issue of 1,920,772 new ordinary bearer shares, each having a par value of PLN 0.10 ("New Issue Shares"), which will be offered only to the Shareholder in the form of a private subscription within the meaning of Article 431 § 2 (1) of the Commercial Companies Code ("Resolution on Increase of the Share Capital"). The issue price of New Issue Shares shall be equal to the price of sale of the Existing Shares by the Shareholder. The Company intends to repay the Loan from the Shareholder through the Conversion of the Loan from the Shareholder, which shall take place on 30 June 2018. If on that date, the EGM does not give its consent to the issue of New Issue Shares, the Company shall be obliged to return to the Shareholder the total proceeds from the Private Offering transferred to the Company, with the proviso that the amount constituting the equivalent of the EBRD's investment may not be repaid earlier than: (i) on the day on which the EBRD ceases to be a shareholder of the Company; and (ii) on the date of finalisation of the Conversion of the Loan from the Shareholder. Moreover, pursuant to framework agreements entered into with PRF Life Science and EBRD, as long as PRF Life Science or EBRD hold shares representing more than 1% of the Company's share capital, the EBRD, upon consulting with PRF Life Science, shall have the right to appoint a candidate to the Company's Supervisory Board who will meet the independence criteria defined in Annex II to the Commission Recommendation on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Both PRF Life Science as well as EBRD undertook to vote for the Resolution on Increasing the Share Capital. Based on a framework agreement entered into with the EBRD, the Company undertook to follow good practice adopted by the EBRD in the scope of environmental and social policy, and to comply with the anti-abuse policy. In connection with the Private Offering, the Company and the Shareholder entered, on 22 March 2018, into the Share Placement Agreement ("Placement Agreement") with Guggenheim Securities, LLC ("Placement Agent"). Based on the Placement Agreement, the Company authorised the Placement Agent to act for the Company in order to leverage American Investors which will acquire Existing Shares as part of the Private Offering. The Placement Agreement includes clauses on accepted market practices for such transactions, whose fulfilment is necessary for the Placement Agent to act. In the scope of structuring and coordination of settlement of the Private Offering, the Company was advised by Bank Zachodni WBK S.A. – Dom Maklerski BZ WBK. As part of the Placement Agreement, the Company was also obliged to provide the Placement Agent with statements under which main shareholders of the Company, including the Shareholder, Mr Maciej Wiczorek, Pan Robert Aleksandrowicz, Glatton sp. z o.o., Celon Pharma S.A. and Polfarmex S.A. undertook to vote for the Resolution on Increasing the Share Capital and subject to certain standard exceptions, shall not, directly or indirectly, offer, sale, transfer, pledge, or administer in any other way any shares or securities incorporating the right to Company's shares within a period of 90 days as of the sale of Existing Shares without prior consent of the Placement Agent. The Company and the President of the Management Board, Mr Artur Chabowski agreed to similar provisions related to the prohibition to dispose of Company's shares. At the same time the Management Board informs that on 23 March 2017, in connection with the lapse of one year as of entering on the register of entrepreneurs the amendment to the Company's Articles of Association made through resolution of the Extraordinary General Meeting no. 5/II/2017, the entitlement

of the Management Board to increase the Company's share capital as part of the target capital referred to in § 9a of the Company's Articles of Association shall expire.