

Mabion S.A. is updating its financial strategy and seeking a strategic investor and convenes a GM to pass a resolution on shares issue

- **The Management Board, upon consulting the Supervisory Board, has updated a long-term financing strategy that covers the overall capital needs of the Company in the next years. Details of the financing strategy will be further detailed and presented by the Management Board in the coming weeks**
- **A key element of the strategy is to start the process of acquiring a strategic investor who will support the Company with long-term and stable funding and help monetise the Company's assets. The Company's advisor for strategic investor acquisition is Rothschild & Co.**
- **At the same time, the Company is planning to conduct two issues of shares in 2021:**
 - **in Q1 2021, an issue of up to 20% of shares to support work on the company's priority project – the registration and marketing authorisation of MabionCD20, targeting institutional investors; and**
 - **the intention of the Company's Management Board is to carry out, within not less than a few months, another issue and offer of shares on the basis of a prospectus**

The Management Board, based on an in-depth analysis of needs and estimated benefits, has started updating a long-term financing strategy which will consist of the following parallel processes: finding a strategic investor and a two-stage increase of the Company's share capital.

“We have entered into an agreement with Rothschild & Co, an internationally recognised advisory company. The agreement covers the search for a potential strategic investor, consulting in the scope of the structure of a potential transaction, as well as support in drafting transaction documentation and conducting negotiations with the potential strategic investor for Mabion,” **Dr Dirk Kreder, the President of Mabion's Management Board, said.**

Mabion is at an advanced stage of preparations for the launch of the registration procedure for MabionCD20 to be manufactured on a large scale. At present, the registration procedure requires the Company to engage a clinical study of the product and then submit an application for the registration of the large-scale manufacturing version of the product to the European Medicines Agency (EMA).

“We believe that we are currently in a very good position to obtain a strategic partner for the Company. Mabion offers an attractive biotechnology product portfolio, is very well prepared to manufacture biosimilar drugs, and has both an innovative and extensively equipped laboratory and production resources compliant with all safety and quality standards (including Good Manufacturing Practices), located in the European Union. We also have highly qualified staff, who form a harmonious and highly-skilled team. The drug is currently in the final stages of its developed, and – following its registration and admission to the market – will be offered on the continuously growing and dynamically developing market of biosimilar drugs. The value of the rituximab market alone is currently estimated at EUR 6.5 million. According to a study made by an external consulting company - LEK Consulting, in indications



related to non-Hodgkin's lymphoma and rheumatoid arthritis, in the EU and the US the rituximab market's CAGR in the years 2020-2024 will stand at 10%. It should also be noted that we are operating within the territory of the European Union, which may present an additional advantage from the perspective of a company operating outside the EU and wishing to become strategically involved in this market. We have a high-quality network of contacts with international pharmaceutical companies all over the world and have been developing this regularly at events such as industry conferences and bilateral meetings. Our knowledge of this community, the relations established so far, and the advisory support should make it easier for us to effectively obtain a strategic investor for Mabion," **Dr Dirk Kreder, the President of Mabion's Management Board, said.**

The Management Board of Mabion S.A., on 27 January of 2021, decided to issue up to 2.43 million U series shares, which constitutes not more than 20% of the Company's shares floated currently on the Warsaw Stock Exchange and convened the Extraordinary General Meeting of Mabion which will see shareholders voting on a resolution to increase the Company's share capital. The Management Board's decision on the issue of shares has been approved by the Company's Supervisory Board.

The issue of shares will be conducted as part of a private subscription through public offering exempt from the obligation of prospect publication, with a waiver of the pre-emptive rights. It is the Management Board's intention that the issue be addressed to authorised investors, specified by the Management Board, who are shareholders of the Company and are either eligible investors or other investors who acquire shares of a total value of at least EUR 100,000 and to whom the Management Board shall address the call for shares. In the draft resolutions for the EGM, in accordance with market standards, the formula for the minimum price at which shares may be offered to investors has been determined

"Our priority is to ensure continuous and stable funding for further development of the Company and our most advanced drug – MabionCD20 – in accordance with the assumed schedule, and to bring MabionCD20 to the stage of registration and marketing in the EU markets as part of the central procedure. We want to use the currently planned shares issue to leverage additional funding, which will be earmarked, among other things, for clinical trials on MabionCD20 necessary to draw up the application for registration of MabionCD20 with the European Medicines Agency (EMA)," **Dr Dirk Kreder, the President of Mabion's Management Board, said.**

The Company's priority project – MabionCD20 – shows very good market perspectives. The Company has arranged the registration strategy path with the regulator as part of the scientific advice phase, has entered into an agreement with one of the most experienced CRO companies on the market, Parexel, and has drafted the documentation required to launch the bridging clinical study. Analytical work aimed at the generation of quality data to be included in the registration application is also underway.

"I would like to stress that leveraging stable financing to cover the Company's capital needs until registration of MabionCD20 is our strategic objective. One of the steps taken to implement it will be a promptly convened Extraordinary General Meeting to put forward a proposal to issue and offer up to 2.4 million shares, under a so-called accelerated book-building process, directed to eligible investors. Such an offer may allow the Company to raise capital in an efficient manner and in the shortest time possible. At the same time, we decided to start the process of acquiring a strategic investor supported by a renowned international advisory company – Rothschild & Co. Such processes last several months, so we have decided to launch preparations for a second issue based on a prospectus, to acquire greater capital for development of Mabion," **Dr Dirk Kreder, the President of Mabion's Management Board, said.**



In parallel, the Company commences work to prepare a prospectus offer of shares along with offer parameters and schedule. Conducting the prospectus offer of shares will be possible in a few months, provided that appropriate resolutions are adopted by the next General Meeting of the Company and provided that the Polish Financial Supervision Authority approves the prospectus, and that other requirements stemming from law regulations are met. These activities, assuming their success, will provide the Company with the financing necessary to complete the registration process and start commercialisation of MabionCD20.

In 2020, the main (founding) shareholders of Mabion, presented it with loans of PLN 30 million, thus fulfilling their declarations of March 2020 to provide financial support to the Company. The Company has obtained letters of support from its key shareholders (Twiti Investments Limited, Glatton Sp. z o. o., Polfarmex S. A.), who have expressed the will and possibility of further financial support for the Company's current operations in the near future.

"We appreciate the support of our founding shareholders and their faith in this significant venture to register and distribute the first Polish biosimilar drug on the European and US markets. Their support to date will make it possible for us to prepare for the next key stage on the way to registration, which is a clinical study of MabionCD20," **Dr Dirk Kreder, the President of Mabion's Management Board, said.**

Mabion is also not ruling out the possibility of using other sources of financing, including external debt financing, grants, European Union subsidies, special purpose funds for new projects, or other sources depending on the Company's needs and capacities. The company's management board is negotiating agreements with several pharmaceutical companies with which potential cooperation may bring the company profits from cooperation in the area of development and production of biological drugs or vaccines. The Company is also negotiating with the European Investment Bank in order to adapt the terms of financing agreements to the current regulative strategy of MabionCD20.

About Mabion S.A.:

Mabion is the first Polish biotechnology company developing monoclonal antibodies with its main objective to develop, manufacture and distribute biosimilar drugs on several regulated markets. Mabion was established in March 2007 by four Polish pharmaceutical companies: Celon Pharma from Łomianki, one of the leading manufacturers of drugs applied in specialist therapies – including oncology – in Poland, Polfarmex from Kutno, domestic prescription medication leader, IBSS Biomed from Kraków, Poland's leading vaccine manufacturer with an European presence, and Genexo from Warsaw, a company active on the drug and medical product market mainly in the field of diabetology. Mabion was also formed by two biotechnology research institutions: BioCentrum and Biotech Consulting.

The Company's main project is MabionCD20. The Company conducts its registration, through a centralised procedure, on all European markets in cooperation with Viatris (formerly Mylan) – one of the biggest pharmaceutical companies in the world. The Company's next interim objective is to market MabionCD20 in the US.

From 2013, Mabion has been quoted on the primary market of the Warsaw Stock Exchange, as part of the mWIG40 index.

For more information see: www.mabion.eu

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