

MESSAGE ENGLISH VERSION

Subject matter: Decision on commencing activities aimed at attracting a strategic investor for the Company and on two planned issues of the Company's shares

Legal basis: Art. 17.1. MAR - Confidential information.

Content of the report:

With reference to Current Report no. 16/2020 dated 16 March 2020 regarding the arrangements for financing the Company's business in the light of the current regulatory strategy of MabionCD20 pursued with regard to the European Medicines Agency ("EMA") the Management Board of Mabion S.A. ("Company") announces that on 27 January 2021, based on an in-depth analysis of the needs and expected benefits for the Company, it has adopted a new long-term financing strategy for the Company activities. The strategy caters for the Company's overall capital needs whose satisfaction is necessary to carry out all the activities that in the opinion of the Company Management Board are required to complete the registration of MabionCD20 with the EMA and commence sales of MabionCD20, thus enabling the generation of operating cash flows.

Today, these arrangements were positively reviewed also by the Company's Supervisory Board.

The financial strategy consists of the following parallel processes: commencing activities aimed at acquiring a strategic investor, and conducting two share issues. As part of the strategy, the following directional decisions on financing were taken:

1) a decision to initiate a process of activities aimed at attracting a strategic equity investor for the Company. In order to carry out this process effectively, the Company signed today an agreement with a financial advisor, Rothschild Co, to effectively carry out this process. The scope of responsibilities of the advisor includes, among others, searching for a potential strategic investor, advice on the structure of a potential transaction, support in drafting transaction documentation and in negotiations with the potential strategic investor.

As at the date of publishing this current report, no decisions have been made regarding the type of the investor, the expected capital commitment and the transaction formula itself. Such decisions will be taken when selecting the most advantageous way to achieve the Company's long-term business objectives.

2) a decision to carry out in Q 2021 an offer of the Company's shares under the accelerated bookbuilding procedure, addressed to the entitled investors identified by the Management Board who are shareholders of the Company and who are eligible investors or who acquire shares with a total value of at least EUR 100,000. Accordingly, the Company's

Management Board will convene the Extraordinary General Meeting and propose that the agenda include an item providing for adoption of a resolution on increasing the Company's share capital by not less than PLN 0.10 and not more than PLN 243,055.40 through the issue of at least one and not more than 2,430,554 U series ordinary bearer shares with a par value of PLN 0.10 each.

The purpose of the planned issue of U series shares is to raise the necessary funds for the Company's working capital, in particular for the development of MabionCD20 and for activities aimed at carrying out the registration procedure with the EMA as soon as possible.

It is the intention of the Management Board that the issue of U series shares be effected in the form of a private placement within the meaning of Art. 431.2.1 of the Code of Commercial Companies, and conducted by way of a public offering which is exempt from the obligation to publish a prospectus within the meaning of applicable laws, or another information or offering document for the purposes of such an offering, and that the selection of investors to whom the offers to subscribe for the shares are to be made take into account a bookbuilding process or another process aimed at attracting entities to subscribe for the

Company's shares. The intention of the Company's Management Board is to propose an issue structure whereby existing shareholders are deprived of pre-emptive rights in entirety, while taking into account the pre-emptive rights of entitled investors who are shareholders of the Company, who are eligible investors or acquire shares of an overall value of EUR 100,000 or more, which is in the interest of the Company and its shareholders, and serves to ensure efficient provision of its capital. The Company will propose that the issue price of U shares be set by the Management Board, provided that it may not be lower than 90%

of the average market price of the Company's shares, from the period of 30 days preceding the bookbuilding process (or any other process aimed at attracting entities subscribing to U shares series) during which the Company's shares were traded on the regulated market.

3) a decision on the intention to carry out an offer of the Company's shares based on a prospectus within the meaning of the relevant legislation. Accordingly, concurrently with the issue of U series shares, the Company will commence preparatory work on the

prospectus and the Company's offer of shares based on it, offer parameters and its timetable. The prospectus issue, subject to the adoption of appropriate resolutions by the next General Meeting of the Company, the approval of the prospectus by the Polish Financial Supervision Authority and fulfilment of other legal requirements, is currently planned to be carried out within a time horizon not shorter than several months).

The Company's Management Board assumes that the above-described actions, depending on their outcome, will provide the Company with the funds necessary to complete the registration process and commercialise MabionCD20. Details of the financing strategy will be clarified by the Company in the coming weeks, which the Company will announce in a separate current report.

At the same time the Company reminds that the letters of support received from the Company's key shareholders, of which the Company informed in the financial statements for the first half of 2020 and from the content of which it stems that these shareholders are willing and able to continue to provide financial support for the Company's day-to-day operations in the near future covering a period of at least another 12 months from the date of signing of those financial statements, remain valid.

The Company also does not exclude the possibility of other sources of financing, such as external debt financing, grants, subsidies from European Union funds, earmarked funds for new projects, or other sources depending on the Company's needs and capabilities. The Management Board of the Company is negotiating agreements with several biotechnology 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 continuing discussions with the European Investment Bank to align

the terms of the financing agreements with the current regulatory strategy of MabionCD20.