

Date of preparation: 2022-10-26

Abbreviated name of the Issuer: MABION S.A.

Subject matter: the Company terminates the co-financing agreement for the project “Expansion of the Research and Development Centre of Mabion S.A. – research on a new generation of medicines”

Legal basis: Article 17(1) of MAR – confidential information.

Content of the Report:

With reference to Current Report no. 42/2018 of 11 June 2018 on the execution of the co-financing agreement with regard to the project “Expansion of the Research and Development Centre of Mabion S.A. – research on a new generation of medicines” (“Agreement” and “Project”, respectively) under Measure 2.1: Support for investments in R&D infrastructure of enterprises as part of the Operational Programme Smart Development 2014–2020, co-financed from the funds of the European Regional Development Fund, as well as subsequent reports concerning the Project, including Current Report no. 10/2022 of 19 April 2022 on the execution of an annex to the Agreement, the Management Board of Mabion S.A. (“Company”, “Issuer”) hereby informs that it decided today to terminate the Co-financing Agreement.

The termination of the Agreement is related to the fact that the Company is considering a change in the scope of the planned investment and that it is not possible to implement the Project on the terms and conditions and within the timeframe stipulated in the Co-financing Agreement. Pursuant to the Agreement, the total cost of the Project was set in 2018 at approximately PLN 173 million, and the value of the co-financing was approximately PLN 63 million, of which the Company has used payments totalling approximately PLN 0.3 million to date.

At the same time, the Company points out that the termination of the Co-financing Agreement does not mean that the Company will abandon the construction of the new Mabion II facility, but rather that the Company's primary focus is to significantly increase its manufacturing and analytical capacity for external clients. At present, the Company is updating its development strategy, which will also include arrangements regarding the vision for further expansion of the Company's manufacturing and R&D capacity, taking into account the Company's development in the CDMO area, and adequate to the Company's current and anticipated needs and opportunities. The Company will inform about the adoption of the updated development strategy in a current report.