

Konstantynów Łódzki, April 16, 2024

Press Release

Very good results and successful implementation of Mabion Strategy in 2023

- > **Mabion has released its financial results for 2023, in which it once again achieved very good revenues and profits at all levels of the income statement, as a result of the regular performance of its CDMO (Contract Development and Manufacturing Organization) services**
- > **In 2023, Mabion generated results after adjusting for a one-time event*:**
 - * *PLN 12.2 million write-down for revaluation of fixed assets under construction*
 - 142.9 million PLN in revenue (excluding revenue from purchase of materials), +48% y/y
 - 74.5 million PLN EBITDA, +100% y/y
 - 67.3 million PLN EBIT, +139% y/y
 - 53.5 million PLN net profit, +131% y/y
- > **In Q4 2023, Mabion generated results after adjusting for a one-time event*:**
 - * *PLN 12.2 million write-down for revaluation of fixed assets under construction*
 - 40.2 million PLN revenue (excluding revenue from purchase of materials), +6% y/y
 - 22.6 million PLN EBITDA, -14% y/y
 - 20.9 million PLN EBIT, -14% y/y
 - 10.9 million PLN net profit, -30% y/y
- > **Realized revenues in 2023 in line with announcements, EBITDA margin clearly above announcements - achieved 49% vs. announced over 35% (EBITDA adjusted for one-time event, margin calculated in relation to total reported revenues)**
- > **The level of cash at the end of 2023 amounted to PLN 47.8 million, after the balance sheet date until publication of the report, the Company received payments from Novavax in the amount of \$13.2 million**
- > **As of the date of publication of the 2023 Annual Report, the Company is in a financial position to conduct its business and settle its liabilities for at least the next 12 months and does not identify needs for additional external financing**
- > **In accordance with the Strategy adopted last April. Strategy for 2023-2027, a comprehensive modernization of the plant was completed in 2023 - increased capacity, diversified manufacturing technology, vertical integration of the**
- > **Continued intensification of activities in the area of Business Development, significantly increased presence at key global industry events - planned participation in a significantly higher number of international conferences and trade fairs in 2024 relative to 2023**
- > **Significant strengthening of the Business Development team - hiring two experienced managers in key markets, Marty Henahan as BD Director for North America and Dr. Nigel Stapleton as BD Director for Europe**
- > **First small-scale customers in Q4 2023, larger orders currently at stage bidding and commercial discussions**

- > **Significant increase in the number of inquiries and value of bids submitted, in a pipeline of about \$213 million as of Publications vs. approx. \$28 million in mid-November 2023 (after Q3 2023 results)**

"The year 2023 was an extremely important and successful one for Mabion - we generated very satisfactory financial results, especially at the level of key profitability indicators, and also adopted the Strategy for 2023-2027, whose 12 months of effective implementation, are behind us. As announced, we realized a revenue level that amounted to PLN 151.7 million, and achieved a significantly higher adjusted EBITDA margin of 49%, which is as much as 14 p.p. higher than we indicated in November 2023. The very strong results were driven by another year of successful collaboration with Novavax and tight cost control. Mabion's strategy in 2023 was to achieve two key goals - to modernize the existing plant in Konstanyń Łódzki, and to build a sales team. We have accomplished both of these activities. The modernized and technologically diversified plant significantly enhances our offer, which we can now target to an even wider range of potential customers, and the Business Development department is made up, as of the publication of the report, of 8 high-class experts, including two managers with international experience, serving as Mabion's BD Director for North America and BD Director for Europe," **comments Krzysztof Kaczmarczyk, Chief Executive Officer of Mabion S.A.**

Financial results 2023

In 2023, Mabion's sales and leasing revenues were PLN 142.9 million (excluding revenues from material purchases), up 48% year-on-year. Adjusted EBITDA (a non-recurring event in Q4 2023 - a PLN 12.2 million write-down of fixed assets under construction) for the full year last year was at PLN 74.5 million, 2 times higher than in 2022, and the adjusted EBITDA margin in 2023 was 49%, significantly higher than the over 35% announced last November. Adjusted net income for 2023 amounted to PLN 53.5 million, a growth rate of +131% y/y. This is the fifth consecutive quarter of solid revenue and profitability generated by the Company. In Q4 2023 alone, Mabion achieved its historically highest level of quarterly revenue from high-margin contract services, which amounted to PLN 40.2 million.

"The very good financial results in 2023 were achieved thanks to the successful implementation of the contract with Novavax and high efficiency in business process management. Throughout 2023, Mabion received payments from the Novavax contract in the amount of nearly \$20 million and in total, from the beginning of the cooperation with Novavax to the date of publication of the financial statements, payments received from Novavax have already amounted to nearly \$90 million. In addition, it was crucial to obtain financing from the EBRD last year and its subsequent mobilization, which made it possible to secure the smooth implementation of the plant modernization carried out," **comments Grzegorz Grabowicz, Chief Financial Officer of Mabion S.A.**

The cooperation with Novavax continues to go very well, and in April 2023 an addendum to the agreement was concluded that allows Mabion to add a second product to the scope of the cooperation, a vaccine antigen for COVID-19 based on the Omicron variant. Mabion's agreement with Novavax runs until the end of 2026, and the Company is remunerated based on payments for batches produced or for the plant's readiness to produce the antigen. Monthly inflation-indexed payments are guaranteed until the end of May 2024. The Company identifies on the part of the US partner the will to continue the cooperation, which remains active all the time in the area of numerous orders for performing analytics for the antigen produced for Novavax.

Implementation of strategy and modernization of Mabion plant

Mabion's Strategy for 2023-2027 was adopted in April 2023, and the last 12 months have been spent successfully implementing the objectives contained therein. The expected effect of the implemented Strategy and the accomplished change of the business model to a Company fully focused on the services of development, analytics and contract manufacturing of biologic drugs, is diversification of revenues, shorter time required for implementation and commercialization of Mabion's high competencies, as well as significantly faster return on invested capital and building a position of a recognized entity in the global market for contract development and contract manufacturing of drugs.

A key element of Mabion's future revenue diversification was the announced modernization in 2023 of the existing plant (manufacturing part and laboratories) located in Konstanyń Łódzki directed at a significant expansion of manufacturing assets, expansion of the range of technologies used, as well as the

Aligning internal processes to work with multiple customers. With the construction and installation work completed in Q4 2023, covering the existing manufacturing area, Mabion now has a technologically diversified plant, with the characteristics of the facility changed from a single-product plant to having the ability to run different processes at the same time. Following the investments, the plant is equipped with single-use Kuhner orbital shaking bioreactors, the two largest of which have a capacity of 2,500 L each, as well as single-use Cytiva bioreactors with classical mixing, the two largest of which have 2,000 L each.

The upgrade has given Mabion greater flexibility and efficiency as a contract service provider, enabling it to target an even wider range of potential customers. The total capacity of the installed bioreactors exceeds 10,000 L and, assuming the execution of new contracts, creates the potential to generate revenues in the range of PLN 150-200 million per year.

"The modernization of the Mabion plant in Konstancin Łódzki was one of the most important elements of the activities planned for 2023 in terms of the implementation of the Strategy for 2023-2027 adopted last April. After the investments, we now have an increased manufacturing and analytical potential for the implementation of CDMO services for a variety of customers, and we have gained flexibility as a result of the change in the nature of the facility from a single-product plant to the possibility of running different processes at the same time. The facility has been operationally ready to manufacture the active substance for Novavax since December 2023. We are conducting analytical work for our U.S. partner, both in continuation of the 2023 orders as well as executing new orders from the current year. In 2024, in the area of the existing plant, we plan to adjust its machinery facilities on an ongoing basis in accordance with the expectations of potential customers." - **says Dr. Julita Balcerek, Chief Operating Officer of Mabion S.A.**

"Mabion offers a full range of services, covering the process from vial thawing, through active substance (drug substance) and drug product (drug product) production, to secondary packaging, analytics and all standard support services. As a result, we are a comprehensive biologics CDMO, capable of supporting pharmaceutical companies from the early stages of drug development to large-scale commercial production. In addition to modernizing the plant, we have adapted the internal structure to the CDMO's profile, streamlined processes for overseeing project work, and begun increased investment in systems in the IT area, including eQMS and LIMS management systems. We are striving for operational excellence, in which process time is being further optimized, and analytical and quality control competencies, already an asset and differentiator for Mabion in the CDMO industry, are being strengthened." - **Adds Dr. Slawomir Jaros, Chief Scientific and Quality Affairs Officer at Mabion S.A.**

Business development activities and activity at industry trade shows

Mabion is continuing its efforts aimed at diversifying customers and winning new contracts. To this end, a dedicated business development (BD) department - directly responsible for the implementation of the sales strategy - has been built for 2023. Currently, the BD team employs 8 high-level experts who are actively pursuing new customers for the CDMO services offered by Mabion.

An important reinforcement for BD's continued operations is the expansion of structures in key and promising markets: the US and Europe. In February this year, Mabion significantly expanded its sales activities conducted in the US market, hiring Marty Henehan as Business Development Director for North America. Dr. Nigel Stapleton, a manager with international experience who serves as Business Development Director for Europe at Mabion S.A., has just taken on an analogous role in the European market. Thus, Mabion has built a professional Business Development team with an orderly internal structure, fast bidding processes and with high exposure to the most promising markets for the CDMO industry - the US and Europe.

Key to increasing the visibility of Mabion's offerings internationally is participation in trade shows and industry conferences. Among other things, the Company participated in 2023 in the world's largest event for the biotechnology and pharmaceutical industry - the BIO International Convention in Boston, where it presented its CDMO service offering at its own booth and during which Company representatives held more than 100 business meetings. In addition, Mabion representatives were present at other important international industry events, where they actively

participated in conferences, including as an exhibitor or speaker, bringing audiences closer to the advanced technologies and CDMO-related issues being developed at the Company. In 2024, Mabion is scheduled to participate in a number of conferences and industry trade shows in numbers significantly higher than in 2023. The number of conferences translates directly into the number of business meetings held and sales opportunities generated.

"Last year was very busy in terms of our presence at the most important global events in our industry. Participation in the BIO International Convention in Boston and the CPHI trade fair in Barcelona, as well as other conferences, was very important for us to build recognition and establish contacts among our potential customers. Confirmation that our efforts in this area have borne fruit is the cumulative value of Mabion's bids for CDMO services, which has now risen to \$213 million, while in November 2023, when we published our Q3 2023 results, the Company's bid for services was just under \$30 million. Such a large jump in growth is primarily due to Mabion's growing international recognition as a competent entity ready to provide a wide range of CDMO services. This year, the intensity of our Business Development activities will be even greater, and compared to last year, our presence at international trade fairs and conferences will increase significantly, which I believe will soon translate into new contracts and ultimately diversification of our revenue stream," **comments Adam Pietruszkiewicz, Chief Commercial Officer at Mabion S.A.**

ESG strategy for 2024-2027

Mabion in February this year adopted an ESG Strategy for 2024-2027 setting the Company's goals in the environmental, social and corporate governance areas. Responding to today's most important market and regulatory challenges, the document defines the company's approach and goals in the areas of green transformation, minimizing environmental impact, as well as working conditions, interaction with local communities and responsible management, among others.

"The ESG strategy reflects our commitment to management in line with sustainable development goals, i.e. a company that applies the highest standards in social and environmental responsibility. We are aware of the market and regulatory challenges that determine the company's goals in terms of green transformation, minimizing environmental impact, as well as working conditions, interaction with local communities and responsible management, among others. Therefore, in February this year, we adopted the ESG (Environmental, Social & Corporate Governance) Strategy for 2024-2027, setting the Company's goals in the environmental, social and corporate governance areas. We believe that a solidly developed sustainability strategy, taking into account the perspective of all stakeholders, will provide real support for our business operations. Our ESG strategy for 2024-2027 is closely aligned with the business strategy, which means that the individual goals of the business strategy will be supported by the ESG goals. This is particularly important in the context of Mabion's ongoing transformation into a fully integrated biologics CDMO company and building a position as a recognizable player in the global contract drug development and manufacturing market," **says Krzysztof Kaczmarczyk, CEO of Mabion S.A.**

Mabion's ESG strategy for 2024-2027 is available on the Company's website:

https://www.mabion.eu/wp-content/uploads/2024/02/Strategia-ESG_Mabion.pdf

Table 1. financial results of Mabion S.A. on a quarterly basis.

Data in million PLN	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23
Total revenue (of which)	-	1,6	-	55,3	38,6	43,9	38,5	42,9	39,5	36,0	29,6	46,5
<i>Sales revenue</i>	-	-	-	18,2	22,3	17,5	14,1	36,7	38,2	34,3	28,0	39,9
<i>Lease income</i>	-	-	-	1,3	1,8	1,4	1,3	1,1	1,2	1,1	0,0	0,3
<i>Income from purchase of materials</i>	-	-	-	14,9	14,5	25,0	23,1	5,1	0,2	0,6	1,6	6,3
<i>Revenue from non-refundable advances*</i>	-	-	-	20,8	-	-	-	-	-	-	-	-
<i>Revenue from R&D services</i>	-	1,6	-	-	-	-	-	-	-	-	-	-
Cost of sales and purchased materials	-	-	-	-21,0	-21,8	-33,3	-29,9	-13,0	-9,1	-8,6	-6,4	-13,0
Gross profit on sales	-	1,6	-	34,3	16,8	10,7	8,6	29,9	30,5	27,4	23,2	33,5
<i>Gross margin on sales excluding material revenues</i>	n/a	n/a	n/a	69,1%	69,7%	56,2%	55,7%	79,2%	77,5%	77,5%	82,8%	83,4%
<i>Gross margin on sales</i>	n/a	100%	n/a	39,1%	43,5%	24,3%	22,3%	69,7%	77,0%	76,1%	78,3%	72,1%
R&D and general and administrative expenses	-13,8	-6,6	-16,4	-6,9	-9,7	-8,0	-14,3	-11,8	-12,5	-10,2	-12,3	-11,5
Impairment of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-12,2
EBITDA	(11,9)	(2,3)	(14,2)	27,4	9,6	5,6	(4,4)	26,4	19,8	19,2	12,8	10,4
<i>EBITDA margin excluding material revenues</i>	n/a	n/a	n/a	33,8%	39,9%	29,6%	n/a	69,7%	50,4%	54,2%	45,8%	25,9%
<i>EBITDA margin</i>	n/a	n/a	n/a	19,2%	24,9%	12,8%	n/a	61,4%	50,1%	53,3%	43,4%	22,4%
Depreciation	2,2	2,1	2,1	2,4	2,5	2,5	2,0	1,9	1,8	1,7	2,0	1,7
EBIT	(14,1)	(4,4)	(16,3)	25,0	7,1	3,1	(6,4)	24,5	18,0	17,5	10,9	8,7
<i>EBIT margin excluding material revenues</i>	n/a	n/a	n/a	21,5%	29,4%	16,3%	n/a	64,7%	45,9%	49,4%	38,8%	21,6%
<i>EBIT margin</i>	n/a	n/a	n/a	12,2%	18,4%	7,0%	n/a	56,9%	45,6%	48,5%	36,7%	18,7%
Gross profit/loss	(17,1)	(2,5)	(15,6)	24,9	7,4	5,1	(5,1)	14,5	16,5	15,2	10,9	7,3
Income tax	-	-	-	12,2	-	-	-	1,2	-	-	-	(8,6)
Net profit/loss	(17,1)	(2,5)	(15,6)	37,1	7,4	5,1	(5,1)	15,7	16,5	15,2	10,9	(1,3)

*In Q4'21, a one-time event in the form of revenue recognition from a non-refundable advance related to MabionCD20.

Table 2. financial results of Mabion S.A. on an annual basis.

Data in million PLN	FY 2021	FY 2022	FY 2023
Total revenue (of which)	56,9	164,0	151,7
<i>Sales revenue</i>	19,8	90,6	140,3
<i>Lease income</i>	1,3	5,7	2,6
<i>Income from purchase of materials</i>	14,9	67,7	8,8
<i>Revenue from non-refundable advances*</i>	20,8	-	-
<i>Revenue from R&D services</i>	1,6	-	-
Own cost of sales and purchased materials	-21,0	-98,0	-37,1
Gross profit on sales	35,9	66,0	114,6
<i>Gross margin on sales excluding material revenues</i>	71,4%	68,5%	80,2%
<i>Gross margin on sales</i>	41,8%	40,2%	75,5%
R&D and general and administrative expenses	-43,6	-43,8	-46,4
Impairment of property, plant and equipment	-	-	-12,2
EBITDA	(1,0)	37,2	62,3
<i>EBITDA margin excluding material revenues</i>	n/a	38,6%	43,6%
<i>EBITDA margin</i>	n/a	22,7%	41,0%
Depreciation	8,8	9,0	7,2
EBIT	(9,8)	28,2	55,1
<i>EBIT margin excluding material revenues</i>	n/a	29,3%	38,5%
<i>EBIT margin</i>	n/a	17,2%	36,3%
Gross profit/loss	(10,3)	22,0	49,9
Net profit/loss	1,9	23,2	41,3

*In Q4'21, a one-time event in the form of revenue recognition from a non-refundable advance related to MabionCD20.

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Information about Mabion S.A.

Mabion S.A. (WSE: MAB) is a Polish biopharmaceutical company founded in 2007, which is undergoing a transformation into a fully integrated contract development and manufacturing organization (CDMO) providing a broad spectrum of services in the segment of small and medium-sized projects at various stages of development (from early stage discovery to commercial manufacturing). Mabion's competencies include the selection of protein expression technologies, their purification, GMP-standard manufacturing activities (obtaining Active Substances "Drug Substance" and Finished Products "Drug Product"), development of analytical tools (for structural, functional, physicochemical characterization), clinical development, clinical analytics and a full range of regulatory activities in the development and operational areas. The company signed a record contract with Novavax in October 2021 for the commercial production of antigen for the vaccine for COVID-19, which it has since steadily expanded through further services under SOWs (Statements of Work) concluded and annexes signed, adding, among other things, another vaccine product based on the Omicron variant. According to the Strategy, announced in April 2023, the Company's goal is to establish itself as a recognizable player in the global contract manufacturing and contract drug development market and to complete Mabion's full transformation into an integrated biologics CDMO company. Mabion is a public Company, listed on the Warsaw S t o c k Exchange.

For more information about the Company, visit www.mabion.eu