Other information to the quarterly report of Mabion S.A. for the Q1 2021

Konstantynów Łódzki, 20 May 2021

Other information to the quarterly report of Mabion S.A. for the Q1 2021

Contents

1 Selected financial data

SELECTED FINANCIAL DATA	in PLN thousand		in EUR thousand	
	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.03.2020	from 01.01.2021 to 31.03.2021	from 01.01.2020 to 31.01.2020
Net income from sales of products, commodities, and materials	0	0	0	0
Operating profit (loss)	-14078	-16678	-3079	-3794
Net profit (loss)	-17075	-19845	-3735	-4514
Net profit (loss)	-17075	-19845	-3735	-4514
Net cash flows from operating activities	14480	-10400	3167	-2366
Net cash flows from investing activities	-14	-1140	-3	-259
Net cash flows from financing activities	-13457	-810	-2943	-184
Total net cash flows	1009	-12350	221	-2809
	31.03.2021	**31.12.2020**	**31.03.2021**	**31.12.2020**
Total assets	213342	99643	45779	21888
Liabilities and provisions for liabilities	174049	141084	37347	30992
Long-term liabilities	50865	47745	10915	10488
Current liabilities	123184	93339	26433	20504
Equity	39293	-41441	8431	-9103
Share capital	1373	1372	295	301
Number of shares (in pcs)	13730772	13730272	13730772	13730272
Profit (loss) per ordinary share (in PLN/EUR)	-1.24	-1.45	-0.27	-0.33

Selected balance-sheet items presented in EUR have been translated according to the average EUR exchange rate announced by the National Bank of Poland on 31 March 2021 (4.6603 PLN/EUR) and 31 December 2020 (4.6148 PLN/EUR). Selected items of the income statement and cash flow statement have been converted into EUR at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland for the euro effective as at the last day of each month in the period of three months ended 31 March 2021 and the period of three months ended 31 March 2020 (respectively: 4.5721 PLN/EUR i 4.3963 PLN/EUR).

2 Information on Mabion S.A.

2.1 Introduction

Mabion S.A. ("Mabion" or "Company") was established on 30 May 2007 as a limited liability company with its registered office in Kutno. The legal form of the Company changed on 29 October 2009 as a result of the transformation of the limited liability company into a joint-stock company. Currently, Mabion S.A. is entered on the Register of Entrepreneurs of the National Court Register kept by the District Court for Łódź Śródmieście in Łódź, 20th Commercial Department of the National Court Register under KRS number 0000340462. The Company was assigned tax identification number NIP 7752561383 and statistical identification number REGON 100343056.

The Company's registered office is located at ul. gen. Mariana Langiewicza 60 in Konstantynów Łódzki.

The activity of Mabion S.A. focuses on research and development work enabling the implementation of new biotechnological medicines, including biosimilars, obtained owing to the achievements of modern genetic engineering. In addition, the GMP-certified manufacturing capacity available and the experience of the staff in the research and development, clinical and regulatory areas enable the Company to participate in the development of new recombinant protein vaccines related to the prevention of COVID-19 infection. In the area of therapeutic products, the strategic goal of the Company is to develop, manufacture and sell drugs used in the treatment of neoplastic, autoimmune, metabolic and neurological diseases. In the area of prevention of COVID-19 infection, the Company's strategic objective is to collaborate with the strategic partner in the development and production of new protein vaccines for use against the persisting COVID-19 pandemic. Biological medicines developed by the Company are targeted preparations characterised by the ability to recognise a factor, e.g. a receptor whose overexpression is associated with the development of cancer, and to interact only with that factor. Appropriate engineering of the structure of such drugs and thereby, a high degree of similarity to the proteins of the patient's body, makes the immune system treat the therapeutic antibody as its own protein. This guarantees a possible lower toxicity of the therapies developed by the Company and is a significant benefit for the patient.

Currently, the Company's most advanced product is a biosimilar medicine, MabionCD20, a reference drug to MabThera/ Rituxan (Roche).

The Company's shares are listed on the regulated market of the Warsaw Stock Exchange.

2.2 Bodies of the Company

2.2.1 Management Board

As at 31 March 2021, the composition of the Company's Management Board was as follows:

- Mr. Dirk Kreder – President of the Management Board
- Mr. Sławomir Jaros – Member of the Management Board
- Mr. Grzegorz Grabowicz – Member of the Management Board
- Mr. Adam Pietruszkiewicz – Member of the Management Board

Changes in the composition of the Company's Management Board in Q1 2021 and up to the date of this report:

On 25 January 2021, the Company's Supervisory Board adopted resolution to delegate a Member of the Supervisory Board, Mr. Adam Pietruszkiewicz, to act as Member of the Management Board of the Company. The period of delegation specified in the Supervisory Board's resolution was to last from 25 January 2021 to 25 April 2021. The Company informed about the event in Current Report no. 2/2021 of 25 January 2021.

On 3 March 2021, Mr. Adam Pietruszkiewicz tendered his resignation from the Company's Supervisory Board. At the same time, on 3 March 2021 the Supervisory Board of Mabion S.A. adopted a resolution to appoint Mr Adam Pietruszkiewicz as Member of the Management Board of the Company as of 3 March 2021. The Company informed about the event in Current Report no. 18/2021 of 3 March 2021.

On 13 May 2021, Mr. Krzysztof Kaczmarczyk tendered his resignation from the position of Chairman and Member of the Supervisory Board of the Company. At the same time, on 13 May 2021 the Supervisory Board of the Company adopted a resolution to appoint Mr Krzysztof Kaczmarczyk as President of the Management Board of the first joint term of office of the Company as of 14 May 2021. The above resolution followed the dismissal of Mr Dirk Kreder from the position of President of the Company's Management Board by the Company's Supervisory Board on 13 May 2021. The resolution on the dismissal entered into force upon its adoption. The Company informed about the event in Current Report no. 36/2021 of 13 May 2021. As at the date of this report, the composition of the Company's Management Board is as follows:

- Mr. Krzysztof Kaczmarczyk – President of the Management Board;
- Mr. Sławomir Jaros – Member of the Management Board
- Mr. Grzegorz Grabowicz – Member of the Management Board
- Mr. Adam Pietruszkiewicz – Member of the Management Board

The distribution of key areas/tasks and responsibilities within the Company at Management Board level is as follows:

- Krzysztof Kaczmarczyk – President of the Management Board, CEO – cooperation with Novavax, Inc. and leading the process of strategic investor acquisition,
- Sławomir Jaros – Member of the Management Board, COO and CSO – scientific area of all projects, MabionCD20 project,
- Adam Pietruszkiewicz – Member of the Management Board – cooperation with Novavax, Inc. (leading the antigen project for the vaccine candidate) and new strategic and development projects,
- Grzegorz Grabowicz – Member of the Management Board, Chief Financial Officer – financing strategy.

2.2.2 Supervisory Board

As at 31 March 2021, the composition of the Company's Supervisory Board was as follows:

- Krzysztof Kaczmarczyk – Chairman of the Supervisory Board (Independent Member);
- Maciej Wieczorek – Deputy Chairman of the Supervisory Board;
- Józef Banach – Independent Member of the Supervisory Board;
- David John James – Independent Member of the Supervisory Board;
- Robert Koński – Independent Member of the Supervisory Board;

» Wojciech Wośko – Member of the Supervisory Board;

» Sławomir Kościak – Independent Member of the Supervisory Board;

Changes in the composition of the Company's Supervisory Board in Q1 2021 and up to the date of this report:

On 25 January 2021, the Company's Supervisory Board adopted resolution to delegate a Member of the Supervisory Board, Mr. Adam Pietruszkiewicz, to act as Member of the Management Board of the Company. The period of delegation specified in the Supervisory Board's resolution was to last from 25 January 2021 to 25 April 2021. The Company informed about the event in Current Report no. 2/2021 of 25 January 2021.

On 9 February 2021, Mr. Tadeusz Pietrucha tendered his resignation as Member of the Company's Supervisory Board with effect as of 23 February 2021. The Company informed about the event in Current Report no. 7/2021 of 9 February 2021.

On 23 June 2021, the Ordinary General Meeting of the Company adopted a resolution on the dismissal of Mr. Jacek Nowak from the Supervisory Board. Furthermore, on the same day, the Extraordinary General Meeting of the Company adopted resolutions on appointment of Mr. Wojciech Wośko and Mr. Sławomir Kościak to the Supervisory Board of the Company for the second joint term of office. The resolutions of the Extraordinary General Meeting of the Company came into force on the date of their adoption. The Company informed about the above events in Current Reports no. 12/2021 and 13/2021 of 23 February 2021.

On 3 March 2021, Mr. Adam Pietruszkiewicz tendered his resignation from the Company's Supervisory Board. At the same time, on 3 March 2021 the Supervisory Board of Mabion S.A. adopted a resolution to appoint Mr Adam Pietruszkiewicz as Member of the Management Board of the Company as of 3 March 2021. The Company informed about the event in Current Report no. 18/2021 of 3 March 2021.

On 13 May 2021, Mr. Krzysztof Kaczmarczyk tendered his resignation from the position of Chairman and Member of the Supervisory Board of the Company. At the same time, on 13 May 2021 the Supervisory Board of the Company adopted a resolution to appoint Mr Krzysztof Kaczmarczyk as President of the Management Board of the first joint term of office of the Company as of 14 May 2021. Accordingly, on 13 May 2021, the Supervisory Board of the Company adopted a resolution to elect a Member of the Supervisory Board – Mr Robert Koński as Chairman of the Supervisory Board of the Company. The Company informed about the event in Current Report no. 36/2021 of 13 May 2021.

As at the date of submission of this report, the composition of the Company's Supervisory Board is as follows:

» Robert Koński – Chairman of the Supervisory Board (Independent Member);

» Maciej Wieczorek – Deputy Chairman of the Supervisory Board;

» Józef Banach – Independent Member of the Supervisory Board;

» David John James – Independent Member of the Supervisory Board;

» Wojciech Wośko – Member of the Supervisory Board;

» Sławomir Kościak – Independent Member of the Supervisory Board;

2.3 Share capital structure

As of 31 March 2021, the Company's share capital amounted to PLN 1,373,077.20 was divided into 13,730,772 shares with a nominal value of PLN 0.10 each, including:

- 450,000 A series registered preference shares,
- 450,000 B series registered preference shares,
- 450,000 C series registered preference shares,
- 450,000 D series ordinary preference shares,
- 100,000 E series registered preference shares,
- 100,000 F series registered preference shares,
- 20,000 G series registered preference shares,
- 2,980,000 H series ordinary preference shares,
- 1,900,000 I series ordinary preference shares,
- 2,600,000 J series ordinary preference shares,
- 790,000 K series ordinary preference shares,
- 510,000 L series ordinary preference shares,
- 360,000 M series ordinary preference shares,
- 340,000 N series ordinary preference shares,
- 300,000 O series ordinary preference shares,
- 1,920,772 P series ordinary bearer shares,
- 10,000 S series ordinary bearer shares.

Registered shares of A, B, C, E, F and G series are privileged in such a way that each of them entitles to two votes at the General Meeting. The total number of votes resulting from all issued shares of the Company is 15,300,772 votes.

On 2 April 2021, an increase in the Company's share capital through the issue of U shares was registered with the National Court Register, as a result of which, as of the date of publication of this report, the Company's share capital amounts to PLN 1,616,132.60 and is divided into 16,161,326 shares with a nominal value of PLN 0.10 each, including:

- 450,000 A series registered preference shares,
- 450,000 B series registered preference shares,
- 450,000 C series registered preference shares,
- 450,000 D series ordinary preference shares,
- 100,000 E series registered preference shares,
- 100,000 F series registered preference shares,
- 20,000 G series registered preference shares,
- 2,980,000 H series ordinary preference shares,
- 1,900,000 I series ordinary preference shares,
- 2,600,000 J series ordinary preference shares,
- 790,000 K series ordinary preference shares,
- 510,000 L series ordinary preference shares,
- 360,000 M series ordinary preference shares,
- 340,000 N series ordinary preference shares,
- 300,000 O series ordinary preference shares,
- 1,920,772 P series ordinary bearer shares,
- 10,000 S series ordinary bearer shares.
- 2,430,554 U series ordinary bearer shares,

Registered shares of A, B, C, E, F and G series are privileged in such a way that each of them entitles to two votes at the General Meeting. The total number of votes resulting from all issued shares of the Company is 17,731,326 votes.

Release of 500 S series ordinary bearer shares

On 18 February 2021, 500 S series ordinary bearer shares with a nominal value of PLN 0.10 each issued by the Company on 23 June 2020 were released (recorded in the securities accounts) in connection with the exercise by the eligible persons of their rights under the B series subscription warrants granted to those persons as part of the Incentive Scheme for 2019. Accordingly, the Company's share capital was increased to PLN 1,373,077.20. The shares were taken up for cash contributions made in full before the shares were released. The Company informed about the event in Current Report no. 10/2021 of 18 February 2021.

Issue and introduction to trading of 500 S series ordinary bearer shares

On 16 February 2021, the Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange S.A., "WSE") adopted a resolution on the admission and introduction to exchange trading on the WSE Main Market of S series ordinary bearer shares of the Company. In the aforementioned resolution, the WSE's Board stated that pursuant to § 19.1 and 19.2 of the WSE Rules, 500 S series ordinary bearer shares of the Company, having the nominal value of PLN 0.10 each, are admitted to trading on the main market. At the same time, the WSE's Board decided to introduce, as of 18 February 2021, the above mentioned Company's shares to trading on the primary market, provided that Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW") has registered these shares on 18 April 2021 and assigned it with code PLMBION00016.

On 16 February 2021, the KDPW published an announcement on the registration of the above shares under code "PLMBION00016" in the securities depository as of 18 February 2021. Thus, the aforementioned condition was fulfilled and the shares were introduced to trading on 18 February 2020. The Company informed about the above events in Current Reports no. 8/2021 of 16 February 2020, no. 8/2021 and no. 9/2021 of 17 February 2021.

Issue and admission to trading of 2,430,554 U series ordinary bearer shares

On 23 February 2021, the Extraordinary General Meeting of the Company adopted resolution on increasing the Company's share capital by not less than PLN 0.10 and not more than PLN 243,055.40 up to not less than PLN 1,373,077.30 and not more than PLN 1,616,132.60 through the issue of not less than 1 but not more than 2,430,554 ordinary bearer shares with a par value of PLN 0.10 each. Then, as a result of the accelerated book-building process carried out as part of the offering of new issue shares by way of private subscription within the meaning of Article 431 § 2.1 of the Commercial Companies Code, on 15 March 2021 agreements were concluded for the taking up of all 2,430,554 U series ordinary bearer shares of the Company at the issue price of PLN 55 per share. The share capital increase through the issue of U series was been registered with the National Court Register on 2 April 2021. Following the registration, the share capital of the Company amounts to PLN 1,616,132.60 and will be divided into 16,161,326 shares with a nominal value of PLN 0.10 each, and the total number of votes resulting from all issued shares of the Company amounts to 17,731,326 votes.

On 14 April 2021, the WSE's Board adopted a resolution on the admission and introduction to trading on the WSE Main Market of the U series shares of the Company, pursuant to which it stated that 2,430,554 U series ordinary bearer shares of the Company are admitted to trading on the main market, and decided to introduce as of 19 April 2021 to trading on the main market the aforementioned shares of the Company, provided that the KDPW, on 19 April 2021, has registered these shares and designated them with the code PLMBION00016. On 15 April 2021, the KDPW published a notice on the registration, as of 19 April 2021, in the depository of securities under ISIN PLMBION00016 code, of 2,430,554 U series ordinary bearer shares of the Company, and therefore the condition for the listing of the shares on the WSE main market on 19 April 2021 has been met. For further information on the issue of U shares, please refer to section 3.2 of this report.

2.4 Shareholding structure

To the best knowledge of the Management Board of the Company, as at the date of approval of this report, i.e. 20 May 2021, the following shareholders held at least 5% of votes in the total number of votes at the General Meeting of the Company.

No.	Shareholder	Number of shares	Number of votes	Participation in the share capital	Share in the total number of votes
1.	Twiti Investments Limited	2,674,617	3,268,917	16.55%	18.44%
2.	Maciej Wieczorek through*:	1,717,485	2,210,335	10.63%	12.47%
	Glatton Sp. z o.o.	1,097,135	1,097,135	6.79%	6.19%
	Celon Pharma S.A.	620,350	1,113,200	3.84%	6.28%
3.	Polfarmex S.A.	1,474,346	1,957,196	9.12%	11.04%
4.	Generali Otwarty Fundusz Emerytalny	1,714,263	1,714,263	10.61%	9.67%
5.	Funds managed by Nationale-Nederlanden PTE S.A.**	1,467,649	1,467,649	9.08%	8.28%
6.	Funds managed by Investors TFI S.A.***	1,502,649	1 502 649	9.30%	8.47%
7.	Other	5,610,317	5,610,317	34.71%	31.64%
	Total	**16,161,326**	**17,731,326**	**100%**	**100%**

* *Mr Maciej Wieczorek holds 100% of the share capital of Glatton Sp. z o.o. and indirectly, through Glatton Sp. z o.o., 66.67% of the share capital of Celon Pharma S.A. and 75.01% of the total number of votes in Celon Pharma S.A.*

** *Based on the list of shareholders present at the Ordinary General Meeting of Mabion S.A. on 18 June 2019, and concluded agreements on taking up the U shares of the Company.*

*** *Based on the list of shareholders present at the Ordinary General Meeting of Mabion S.A. on 15 June 2020, and concluded agreements on taking up the U shares of the Company.*

In the period from the date of the previous interim report, i.e. the annual report for 2020 published on 30 April 2021, to the date of this report, there were no changes in the ownership structure of significant blocks of shares of the Issuer.

2.5 Number of shares held by managing and supervising persons

Number of shares held by managing and supervising persons as at the date of submitting the report for Q1 2021 (i.e. as at 20 May 2021)	
Management Board	
Krzysztof Kaczmarczyk	holds directly 1,500 shares of the Company with a nominal value of PLN 0.10 each, constituting 0.01% of the Company's share capital and entitling to 0.01% of votes at the General Meeting.
Sławomir Jaros	holds directly 4,043 shares of the Company with a nominal value of PLN 0.10 each, constituting 0.03% of the Company's share capital and entitling to 0.02% of votes at the General Meeting.
Adam Pietruszkiewicz	holds directly 3,200 shares of the Company with a nominal value of PLN 0.10 each, constituting 0.02% of the Company's share capital and entitling to 0.02% of votes at the General Meeting.

Number of shares held by managing and supervising persons as at the date of submitting the report for Q1 2021 (i.e. as at 20 May 2021)	
Supervisory Board	
Maciej Wieczorek	indirectly, through Glatton Sp. z o.o. (in which he holds 100% of the share capital) and Celon Pharma S.A. (in which he holds indirectly, through Glatton Sp. z o.o., a 66.67% participation in the share capital) he holds a total of 1,717,485 shares in the Company with a nominal value of PLN 0.10 each, constituting 10.63% of the Company's share capital and entitling to 12.47% of votes at the General Meeting.

Other managing and supervising persons, to the best of the Company's knowledge, do not hold any shares in the Company as at the date of this report.

The shareholding of the managing and supervising persons did not change since the date of the previous interim report, i.e. the annual report for 2020, published on 30 April 2021.

Members of the Management Board and Supervisory Board of Mabion S.A. do not hold any title to the Company's shares other than indicated below.

In 2018, an Incentive Scheme for the period 2018-2021 was adopted. As part of the Incentive Scheme, the persons participating in it - the eligible persons, i.e. the key persons in the Company – may obtain the right to take up A and B series subscription warrants. The subscription warrants are issued free of charge. Each A and B series subscription warrant entitles to subscribe, respectively, for 1 R and 1 S series share. The issue price of shares for holders of A series subscription warrants is PLN 91 per each R series share, and for holders of B series warrants, it is PLN 0.10 per each S series share. The rights attached to the subscription warrants may be exercised until 31 July 2022. The Incentive Scheme allows for settlement in the form of an offer, extended by the Company to persons who have taken up the warrants, to purchase them against payment for the purpose of redemption. The decision on the form of exercising the rights is taken by the Supervisory Board of the Company after verification of the fulfilment of the criteria specified in the Incentive Scheme and on the basis of the recommendation of the Management Board.

In accordance with existing resolutions of the Company's (of February 2019 and 2020, and of January 2021) Supervisory Board of February 2019, February 2020, and January 2021, the persons entitled to take up subscription warrants for different years in the period 2018–2020 include, as at the date of this report, persons sitting on the Management Board of the Company:

» Mr. Sławomir Jaros (Member of the Management Board) – for 2018: granted the right to take up a maximum of 5,644 A series warrants; for 2019: granted the right to take up a maximum of 3,960 A series warrants; for 2020: granted 213 B series warrants and the right to take up a maximum of 6,099 A series warrants;

» Mr. Grzegorz Grabowicz (Member of the Management Board) – for 2019: the right to take up a maximum of 3,300 A series warrants; for 2020: the right to take up a maximum of 5,101 A series warrants.

A series subscription warrants for 2018 and 2019 were not granted due to failure to meet the market target in these periods. However, in accordance with the Rules and Regulations of the Incentive Scheme, these warrants may be granted to eligible persons during the period of the Incentive Scheme together with A series warrants for the year in which the market target is met.

As regards the implementation of the Incentive Scheme for 2020, in February 2021 the Supervisory Board stated that in 2020, with respect to A series subscription warrants, the market objective constituting one of the two conditions for the right to take up and exercise the rights attached to A series warrants to become applicable was not met, while with respect to B series subscription warrants, the condition for the right to take up and exercise the rights attached to B series subscription warrants was met. Therefore the Supervisory Board vested, all in eligible persons, the right to subscribe for a total of up to 500 B series subscription warrants for 2020. By the date of publication of this report, the B series subscription warrants vested under the Incentive Scheme for 2020 have not been issued.

2.6 Changes in the organisation of the capital group

Mabion S.A. has no subsidiaries and does not form a capital group.

3 Operations of Mabion S.A.

3.1 Object of activity

The Mabion's primary objective is the development, manufacturing and marketing of biosimilars, i.e. biological medicines that are developed to be similar to the original biotech drugs (known as reference medicines) in the fields of oncology, autoimmunity, neurology and metabolic diseases.

The Company analyses on an annual basis the development plan for medicinal products and modifies it according to needs, taking into account, among other things, the expiry dates of patents for reference medicines, the current and forecasted size of the market for reference medicines, the Company's manufacturing technology, the competence and experience of the team, and competition in the field of biosimilar medicines.

In 2019, following a review and update of the medicines development strategy,, the catalogue of projects which the Company, currently or in the future, on its own or with partners, is interested in implementing, was changed. The Company classified scientific and research projects in three groups of projects, i.e. active projects, new projects which were to be launched in 2019, and partner projects. Until the date of this report, the adopted development strategy was maintained.

Active projects

This is a group of projects of the greatest importance for the Company, as part of which the Company carries out work and invests funds. The group includes projects currently under way: MabionCD20, MabionMS and MabionEGFR.

Projects launched in 2019

The projects for which the Company started research and development work in 2019 are three biosimilar drugs in the area of autoimmunity, metabolic diseases and oncology (denosumab and omalizumab antibodies). At present, a significant part of the team responsible for the development of the aforementioned antibodies has been assigned to support the Company's priority projects (MabionCD20 and Novavax), in connection with the need to carry out work related to the development and optimisation of the process, as well as analytical and manufacturing work.

Partnership projects

These are the projects for which the Company considers starting implementation in the mid or long term, preferably in cooperation with a partner. The projects will concern, inter alia, autoimmune and oncological, or rare diseases.

As part of the partnership projects, the Company has undertaken the following activities:

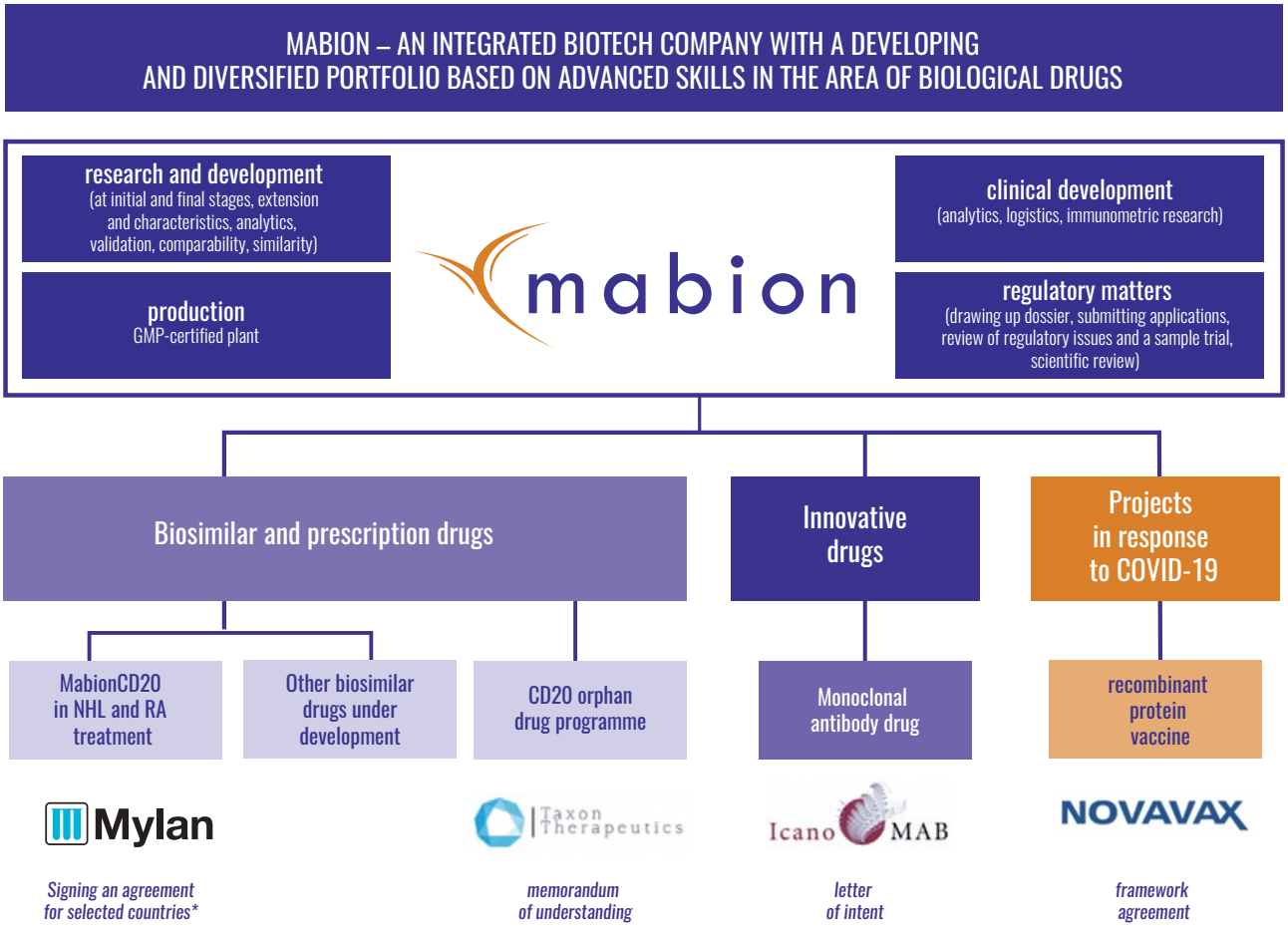
» Signing a letter of intent with IcanoMAB GmbH regarding potential collaboration to conduct CMC (Chemistry, Manufacturing and Controls) type development and manufacturing of a human IL-1R7 mAb antibody under development by IcanoMAB as a potential drug to treat patients with COVID-19 infection (October 2020),

» signing of a Memorandum of Understanding with Taxon Therapeutics Ltd. regarding cooperation in the research, development, and commercialisation of MabionCD20 antibody drug in specific clinical indications in the area of rare diseases (October 2020);

» entering into a framework agreement together with the first order for contractual services with Novavax, Inc. under which the Company, with Novavax's participation, will undertake activities related to the transfer of the manufacturing process technology and antigen analytics of the vaccine candidate for COVID-19 under the working name of NVX-CoV2373 and will carry out technical trial runs of the process on a commercial scale at the Company's facility (March 2021).

Detailed information on the above projects can be found further on in this report.

Mabion S.A. product strategy – a summary.



* incl. Australia, New Zealand, Mexico, Central America, South Africa, Southeast Asia

R&D portfolio of Mabion S.A.

Diversified Mabion's R&D portfolio with a wide range of assets to be commercialized						
Mabion's role	molecule/drug	clinical indication	characteristics	status	commercialisation approach	partner
integrated developer and asset manufacturer	rituximab (MabionCD20)	oncology (NHL) and autoimmunology (RA)	biosimilar drug in approved therapies	at the registration stage in the EU and at the phase I clinical trial stage in the USA	active business development in the EU and US partnered for selected countries*	asset ready to partner in the EU and US Mylan
strategic co-manufacturer	rituximab (MabionCD20)	rare diseases (autoimmunology)	innovative therapy	product ready for the clinical stage	active business development	Taxon Therapeutics
strategic co-manufacturer / CMDO	vaccine	COVID-19	innovative therapy	framework agreement and first order for contracted services signed	memorandum of understanding	NOVAVAX
integrated developer and asset manufacturer	rituximab (MabionMS)	CNS disease (multiple sclerosis)	innovative therapy	product ready for the pre-clinical and clinical stage	partnering	partnering-capable asset
integrated developer and asset manufacturer	rituximab (MabionEGFR)	oncology (colorectal carcinoma, squamous cell carcinoma of the head and neck area)	biosimilar drug in approved therapies	cell line optimisation	active business development	partnering-capable asset
integrated developer and asset manufacturer	denosumab, omalizumab	autoimmunological diseases, metabolic diseases and oncology	biosimilar drug in approved therapies	active development of relevant cell lines	pre-commercial stage	possible partners identified
strategic co-manufacturer	mAb	TBA	innovative therapy	in negotiation	pre-commercial stage	Icano MAB

** incl. Australia, New Zealand, Mexico, Central America, South Africa, Southeast Asia*

MabionCD20 project

The Company's priority and most advanced project is MabionCD20, a proposed biosimilar to the reference drug MabThera/Rituxan (rituximab) (Roche). In 2018, the Company published the results of a clinical trial that confirmed the efficacy and safety of the therapy. The Company is preparing to submit a marketing authorisation application for MabionCD20 to the European Medicines Agency (EMA) and the US Food and Drug Administration (FDA).

In July 2020, preliminary framework assumptions were adopted on the scope and timing of the work required for the new registration application in which the EMA will assess the target (commercial) manufacturing scale of MabionCD20. The application will be submitted after completion of process validation and acquisition of analytical similarity data for the reference drug and comparability data for the process on the scale of 500L at which the drug was tested in previous clinical trials. Apart from generating a package of analytical data, it is the Company's intention to conduct, for the purposes of the registration dossier, also a smaller-scale bridging clinical trial, which, in the Company's opinion, is required to demonstrate comparability and, at the same time, will allow to reduce the regulatory risks and thus reduce the cost and duration of the preparation stage for the registration process. The Company has developed a draft protocol for the bridging trial (3-arm clinical trial) using MabionCD20 versus MabThera (the European reference product) and Rituxan (the US reference product).

With regard to the analytical data package, validation of the commercial-scale (5000L) MabionCD20 manufacturing process was completed in June 2020, based on three validation batches. Preliminary analytical testing demonstrates that the batches produced meet the assumptions for all quality attributes analysed at the DS (drug substance) level. In addition, the Company has launched product stability tests, and has planned tests for analytical similarity to the reference drug and comparability to MabionCD20 originating from the clinical scale (500L). In order to extend the analytical data presented in the registration

application, in November 2020, the Company conducted a Media Fill[1] test and also started to produce a post-validation batch of MabionCD20 so that the application could be based on data from more than 3 batches of the product manufactured on a large scale. In the Company's view, providing a broad package of analytical data will significantly mitigate regulatory risk. Already at this stage, the existing large-scale analytical data indicate a reproducible quality and high degree of biosimilarity, both to the reference products and to the product previously used for clinical trials. In the Company's opinion, this similarity is a significant step that allows the Company to waive, for the purposes of registration with the EMA, additional, clinical trials beyond the trial that the Company plans to conduct in the rheumatoid arthritis patient population, based on a product originating from a commercial manufacturing scale.

With respect to the bridging trial in rheumatoid arthritis, the Company has undertaken a number of activities to develop the internal quality systems required for the initiation of the clinical trial, including a number of procedures to allow for adequate control of the clinical trial, conducting a risk analysis taking into account both the potential risks specific to research in immunological diseases, observations from previous clinical work, as well as the current situation related to the coronavirus pandemic. The documents necessary for the launch of clinical trials were also drawn up, including the IMPD (Investigational Medicinal Product Dossier) and the IB (Investigator's Brochure). In October 2020, a contract was signed with one of the most experienced CROs on the market, i.e. Parexel, which is to co-lead the clinical trial. In parallel, advanced work has been carried out leading to the development of a logistical plan for the clinical trial. Work on the feasibility study of the clinical trial at selected clinical sites is being finalised. The suppliers of reference medicines for the trial (i.e. MabThera and Rituxan) were contracted and quality audits and qualification of both suppliers were carried out. Procurement of reference products has begun to secure the availability of drugs for the clinical trial.

In March 2021, the Company received recommendations from the EMA on the details of the RA clinical trial and began to implement these in the clinical trial protocol. To clarify the EMA's recommendation, the Company has initiated the procedure for a further advisory meeting with the German Paul Ehrlich Institut.

The Company's intent is to respond quickly and decisively to any needs arising from the registration process in order to mitigate regulatory risk while keeping the cost of the process at a level that can be financed by the Company and to carry out the product registration procedure as fast as possible. The above assumptions may be subject to change in the future, in particular due to the fact that they are based on a number of factors that may affect the timeframe, including factors beyond the Company's control such as the speed of clinical trial recruitment. Moreover, the assumptions made and actions performed do not guarantee the registration of the product with the EMA.

As regards the activities for the approval of the drug under the working name of MabionCD20 for marketing in the United States, the Company has received confirmation from the FDA of a number of clinical programme parameters proposed by the Company, including the possibility of using a significant portion of the data already generated to authorise MabionCD20 in the EU, as well as data from a planned bridging trial in RA patients for a commercially manufactured drug. This confirms the earlier consultation in which the Agency suggested that there was no need for a completely separate development programme to authorise MabionCD20 in the US. However, the Company stipulates that the data obtained from the bridging clinical trial for the registration application with the EMA will be of supportive nature for the application process before the FDA, which means that the data does not exhaust all of the Agency's expectations for the full range of data. The detailed scope is still being discussed with the Agency.

The Company has started to review, with the Agency, the feasibility of a novel regulatory strategy to allow for an earlier initial application for registration than originally anticipated and proposed by the Agency, only for the indication of rheumatoid arthritis. The Company accepted the Agency's suggestion to clarify the details of such an approach at the next meeting (held on 15 April 2021) and is awaiting a written summary of the meeting from the Agency. The current arrangements are non-binding on the Agency.

[1] The Media Fill test is carried out regularly to validate the process of aseptic filling of the product into glass vials of 10 ml and 50 ml. The process simulates sterile product filling using a fertile culture medium.

The US registration and marketing authorisation process for MabionCD20 is a complex process and it cannot be excluded that additional FDA approval requirements may arise in the future based on continuous communication with the Agency and review of documentation.

With respect to the ongoing activities aimed at the registration and marketing authorisation of MabionCD20, the Company emphasises that in order to commence the clinical bridging trial necessary for the authorisation of MabionCD20 in the EU in the first instance, the Company, based on the trial protocol, must obtain approvals from the relevant authorities and bioethics committees. At the same time, the Company must ensure that sufficient funds are allocated, which is a prerequisite for the commencement of the trial and thus determines its timing. Funds for the implementation of the above may come from a prospective partner, European Union funds, or other sources. Apart from the European market, the Company is also interested in commercializing the drug in other markets, including the USA.

To sum up, in the research and development work on MabionCD20, in Q1 2021 the following activities were successfully carried out in 2021 and until the date of publication of this report:

» verification of quality parameters of the antibody produced in the post-validation batch; physicochemical, biological and microbiological analyses conducted in accordance with the MabionCD20 manufacturing process control strategy;

» verification of the parameters of the antibody subjected to stability tests under routine storage conditions for the validation batches.

MabionMS

With regard to the MabionMS (multiple sclerosis, MS) innovative therapy project, the Company has so far submitted the following patent applications in this therapeutic area:

» In 2017 – European patent application (extended under PCT procedure in 2018) for legal protection for the invention called "Combination Therapy of Multiple Sclerosis comprising a CD20 Ligand". The subject of the patent application was an innovative therapy for the treatment of multiple sclerosis patients using the MabionCD20 antibody combined with other substances (MabionMS combination therapy project). In July 2020, the Company filed international patent applications for the above invention with selected patent offices, initiating a national and regional phase to obtain patent protection in dozens of countries. Based on statistics on multiple sclerosis in specific regions, as well as on the potential of specific markets, Mabion has filed patent applications with selected patent offices covering countries such as: USA, Canada, UK, EU and EFTA countries, Australia, New Zealand, Israel, Turkey, Russia and several others. The commencement of the national and regional patent application phase in each country is the next step to obtaining legal protection for this innovative therapy.

» In 2018, a European patent application (with the possibility of extension under the PCT procedure) in the area of application of MabionCD20 in the treatment of patients with multiple sclerosis, called "Low aggregate anti CD20 ligand formulation". This is the second patent application in the area of use of MabionCD20 for the treatment of multiple sclerosis, constituting an innovative indication for the molecule. This application concerns the use of MabionCD20 as a monotherapy.

Currently, the Company is looking for partners for further work related to the development of the above-mentioned therapy.

MabionEGFR

The MabionEGFR project concerns the development of a medicine to treat patients with metastatic colorectal cancer expressing the epithelial growth factor receptor (EGFR), wild-type RAS genes, and patients with squamous cell carcinoma in the head and neck region.

For this project, the Company is in the process of developing technological bases and analytical tools. Part of the expenditure related to the development of the drug is co-financed from EU funds. In Q1 2021, the Company proceeded as part of the project with activities related to:

» developing biological and physico-chemical analytical methods to characterise the protein obtained;

» preliminary optimisation of cell culture and antibody purification conditions.

NVX-CoV2373

On 3 March 2021, Mabion entered into a framework agreement with Novavax, Inc. based in the United States, pursuant to which the Company, with Novavax's participation, undertook activities related to the transfer of process technology for the production of a COVID-19 vaccine candidate antigen under the working name of NVX-CoV2373 and conduct technical trial runs of the process on a commercial scale at the Company's facility. The framework agreement will be in force until 31 December 2023.

With the conclusion of the framework agreement, the parties agreed on the scope and budget of the work contracted to the Company to carry out the technology transfer and technical batch production of the NVX-CoV2373 protein antigen. These are standard activities when starting cooperation in the field of contract manufacturing. The scope of contracted work under the first order includes technology transfer from Novavax to the Company. In addition, it includes: qualification of analytical methods after the transfer, together with implementation of the transferred methods and documentation related to the manufacturing process into the Company's quality system, production of one technical batch and one test batch confirming the repeatability in batch production of the product in the facility.

By the date of this report, as part of this project, the Company has conducted a detailed analysis of the documentation provided by Novavax Inc, ordered the equipment, materials, and reagents necessary to carry out laboratory-scale work, and commenced laboratory, analytical, and documentation tasks in accordance with the previously planned approach to the transfer of technology. As part of the project, a preliminary analysis of the manufacturing process of the active substance NVX-CoV2373 antigen has also been carried out to identify possible risks associated with the process using the Company's technological line, and actions have been proposed to minimise these risks.

Business development: Innovative antibody-based therapies

On 14 October 2020, the Company signed a letter of intent with IcanoMAB GmbH, based in Germany, regarding a possible collaboration with IcanoMAB in the scope of CMC development work and pharmaceutical GMP (Good Manufacturing Practice) compliant production of the human IL-1R7 mAb antibody being developed by IcanoMAB as a potential drug for patients with COVID-19 infection.

The letter of intent provided the basis for further negotiations between the parties with a view to concluding a final agreement, including the financial terms of cooperation between the parties, whereby entry into force of the agreement and collaboration will occur if and when IcanoMAB secures funding for the development programme in respect of the above antibodies.

As at the date of publication of these statements, despite the expiry of the letter of intent and the failure to secure funding for the programme to date, the parties are continuing discussions regarding the possibility of cooperation in the scope of IL-1R7 mAb antibody as well as other protein products owned by IcanoMAB.

Business development: products based on MabionCD20 antibody

On 21 October 2020, the Company signed a memorandum of understanding with Taxon Therapeutics Ltd. based in Israel regarding the parties' intention to work out the terms of a potential long-term collaboration for the research, development, and then worldwide commercialisation of medicinal products based on a monoclonal antibody recognising the CD20 receptor on human B lymphocytes ("Products") in specific clinical indications in the area of rare diseases.

Taxon Therapeutics is an Israeli biotechnology company focused on the orphan drug segment and rare conditions for which there are currently no registered medicines. Taxon Therapeutics is interested in developing the Products, registering and commercialising them on an exclusive basis worldwide, in one or more indications where reference medicines containing rituximab as their active substance (i.e. antibodies that recognise the CD20 receptor) are not currently registered in any market. To this end, Taxon Therapeutics is prepared to cooperate with the Company and conduct the pre-clinical and clinical trials required to register the Products for the above indications, which will be specified by the parties at a later date.

The memorandum was intentional and non-binding in nature. At the date of publication of this report, although the term of the memorandum had expired, further discussions and negotiations are taking place on the terms and conditions of cooperation between the Parties. Whether the cooperation is established depends on the positive conclusion of negotiations, including the elaboration of terms and conditions of cooperation satisfactory to the parties, in particular the scope of activities of individual parties and financial conditions, and on the conclusion of a final cooperation agreement.

3.2 Description of significant achievements and failures of the Company in Q1 2021 and after the balance-sheet date

Adoption of a long-term strategy for financing the Company's activities; the issue of U shares

On 27 January 2021, the Management Board of Mabion S.A., on the basis of an in-depth analysis of the Company's needs and estimated benefits, adopted a new long-term strategy for financing the Company's activities. The strategy covers the Company's overall capital needs which has to be fulfilled in order to carry out all activities which, in the opinion of the Company's Management Board, are necessary to complete the registration of MabionCD20 with the EMA and to start selling MabionCD20, which will allow the Company to generate operating cash flows. The arrangements for the Company's financing strategy were positively reviewed by the Company's Supervisory Board on the same date. The financial strategy provided for parallel processes: the initiation of activities to attract a strategic investor, and two share issues of the Company.

As part of the strategy, the following directional funding decisions were taken, and then the following activities were carried out to implement them:

1) decision to initiate the search for a strategic investor for the Company.

In order to effectively carry out this process, on 27 January 2021 the Company signed an agreement with the financial advisor Rothschild & Co. The scope of the advisor's responsibilities includes, inter alia, searching for a potential strategic investor, advising 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 publication of Current Report no. 3/2021 and as at the date of publication of this report, no decisions have been made regarding the type of investor, the expected level of capital commitment, or the transaction formula. These decisions will be made in the course of a process designed to select the most beneficial way for the Company to achieve its long-term business objectives.

2) decision to conduct an offering of the Company's shares in the first quarter of 2021 under the "accelerated bookbuilding" procedure, addressed to eligible investors who are shareholders of the Company and who are qualified investors or who acquire shares with a total value of at least EUR 100 thousand, as indicated by the Company's Management Board.

In order to put the above decision into effect, the Company's Management Board convened an Extraordinary General Meeting for 23 February 2021, which adopted Resolution no. 4/II/2021 on increasing the Company's share capital by an amount not less than PLN 0.10 and not more than PLN 243,055.40 by way of an 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 U series share issue was to generate the necessary financing for the Company's working capital, in particular for the development of MabionCD20 and activities aimed at carrying out the registration procedure at the EMA as soon as possible.

On 3 March 2021, the Company's Management Board adopted a resolution on determining the principles of the offering, the principles of bookbuilding, subscription, taking up and allotment of U shares, and the principles of conducting the bookbuilding process for these shares, adopting models of agreements for taking up U shares (subscription agreements for U shares) and consenting to the conclusion by Mabion S.A. of a placement agreement for the purposes of the offering and subscription of U shares.

On 4 March 2021, the Company and mBank S.A. ("Offering Manager") entered into a conditional share placement agreement ("Placement Agreement") and commenced a book-building process by way of a private placement of up to 2,430,554 U series ordinary bearer shares ("U Series Shares", "New Issue Shares") issued by the Company ("Offering"). Pursuant to the Placement Agreement, the Offering Manager has undertaken to provide services to the Company for the purposes of the placement of the New Issue Shares on the terms and conditions set out therein, in particular to exercise due diligence to solicit potential investors and to ensure that such investors subscribe for and pay for the shares. The Placement Agreement contained standard conditions precedent to the Offering Manager's obligations included in agreements of this type, such as conditions relating to the occurrence of force majeure events and the occurrence of a material adverse change in the Company's condition. As part of the Placement Agreement, the Company has undertaken that, without the consent of the Offering Manager, it will not issue, sell, or offer shares during the period of 120 days following the date of the first listing of the rights to the U Series Shares ("Rights"), except for standard exemptions and the issue of up to 10,500,000 V series ordinary shares of the Company assumed pursuant to section 3 referred to below. Additionally the following shareholders of the Issuer – Twiti Investments Limited, Polfarmex S.A. and Glatton sp. z o.o. – have undertaken not to sell or offer the shares acquired by them in the Offering of New Issue Shares during the period of 120 days from the date of the first listing of the Rights without the consent of the Offering Manager. However, this obligation does not apply to transfers within a given shareholder group, transfers required by law or pursuant to competent authorities' decisions as well as to possible sale of the Company's shares to a strategic investor as part of the contemplated process of attracting such an investor.

The book-building process was carried out from 4 to 9 March 2021. Following the completion of the accelerated book-building process for the U Series Shares on 9 March 2021, the Company's Management Board resolved that the issue price of the U Series Shares shall be PLN 55.00 per New Issue Share and the Company shall make offers to investors to acquire a total of 2,430,554 U Series Shares. The issue of the U Series Shares was effected upon the execution of agreements for the taking up of all the U Series Shares and upon payment in full of the contributions to cover the U Series Shares (no allotment of shares within the meaning of the Commercial Companies Code was necessary). The process of concluding the take-up agreements for the U Shares was completed on 12 March 2021. Contributions for the U Series Shares were made in full by 15 March 2021. 2,430,554 U Shares were taken up, as a result of which the Company leveraged PLN 133.7 million.

The U shares were offered by way of private placement within the meaning of the Act of 15 September 2000 – Commercial Companies Code in a public offering on the basis of the exceptions from drawing up and publishing a prospectus referred to in Article 1(4)(a) and (d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the "Prospectus Regulation"). The New Issue Shares have been offered exclusively to: (a) qualified investors as referred to in Article 1(4)(a) of the Prospectus Regulation; or (b) investors who acquire securities with an aggregate value of at least EUR 100 thousand per investor as referred to in Article 1(4)(d) of the Prospectus Regulation, including Eligible Investors (as defined in Resolution No. 4/II/2021 of the Extraordinary General Meeting of the Company of 23 February 2021). The Company's Shareholders meeting the criteria indicated in the aforementioned Resolution No. 4/II/2021 of the Extraordinary General Meeting of the Company ("Eligible Investors"), who participated in the book-building process, were entitled to priority take-up of the New Issue Shares under the principles set out in the Resolution. Pursuant to the Resolution, upon meeting the requirements set forth therein, the Eligible Investors were entitled to priority take-up of the New Issue Shares in a number allowing them to maintain a share in the total number of votes at the General Meeting of the Company not lower than the share held at the end of the day on the date of adoption of the Resolution. Moreover, under the terms of the Resolution, the Eligible Investors, being Qualified Investors, holding, at the end of the preference day, shares in the Company with an aggregate nominal value of at least 0.5% of the Company's share capital, were given a pre-emptive right to acquire U Series Shares before the other investors.

The issue price of the New Issue Shares was determined by the Company's Management Board based primarily on the results of the book-building process among institutional investors and taking into account all circumstances with a bearing on the determination of the issue price, including in particular the macroeconomic and economic environment, the current situation on the capital markets at the time of the book-building process for the New Issue Shares, the Company's financial standing at the time of the public offering of the New Issue Shares, current events and their impact on the Company's business prospects, as well as based on the recommendations of the Offering Manager engaged in the book-building process for the New Issue Shares.

As part of the issue of the U Series Shares, the Company entered into agreements with investors to take up all (i.e. 2,430,554) S series ordinary bearer shares of the Company. The required cash contributions to cover all U Series Shares were made in entirety, whereby the Company made: (i) a contractual set-off of the entire claim against Glatton sp. z o.o. for payment of the issue price of the U Series Shares against Glatton Sp. z o.o.'s claim under the borrowing agreement concluded with the Company on 12 August 2020, up to a total of PLN 4,999. 995.00; and (ii) a contractual set-off of a part of the claims against Twiti Investments Limited for payment of the issue price of the U Series Shares against the claims of Twiti Investments Limited under the borrowing agreements concluded with the Company on 12 August 2020 and 5 February 2021 up to the total amount of PLN 11,199,980.00, whereby the remaining part of the issue price of the U Series Shares subscribed for by Twiti in the amount of PLN 4,999,995.00 was paid by Twiti in cash. The shareholding of the managing and supervising persons did not change since the date of the previous interim report, i.e. the annual report for 2020, published on 30 April 2021.

The Company's share capital increase through the issue of U Series Shares was registered with the National Court Register on 2 April 2021.

Immediately after the issue was placed, the Company took steps to apply for the admission and introduction to trading on the regulated market of the Warsaw Stock Exchange ("WSE") the rights to 2,430,554 U series shares ("RTS"). On 19 March 2021, the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A., "KDPW") issued a statement on conditional registration in the depository of securities, under ISIN PLMBION00057 code, of 2,430,554 rights to U series ordinary bearer shares with a par value of PLN 0.10 each. The condition for the registration of the rights to U series shares was their admission to trading on the regulated market. On 23 March 2021, the WSE's Board adopted a resolution on the admission and introduction to trading on the WSE's Main Market of rights to U series ordinary bearer shares of the Company, pursuant to which the Board stated that 2,430,554 rights to U series ordinary bearer shares of the Company, with a par value of PLN 0.10 each, are admitted to trading on the primary market as of the date of registration of these rights to shares by the KDPW. At the same time, the WSE Board decided to introduce, as of 25 March 2021, the above mentioned RTS to trading on the primary market, provided the KDPW's registration of the RTS on 25 March 2021 at the latest and assigned it with code "PLMBION00057". Additionally, the WSE's Board has decided to list the RTS in the continuous trading system under the abbreviated name "MABION-PDA" and the designation "MABA". On 23 March 2021, the KDPW published a notice on the registration, as of 24 March 2021, in the depository of securities under ISIN PLMBION00057 code, of 2,430,554 rights to U series ordinary bearer shares of the Company with a par value of PLN 0.10 each. Thus, the condition for the introduction of the RTS to trading on the WSE primary market on 25 March 2021 was fulfilled.

Then, the Company took steps to apply for the admission and introduction of 2,430,554 U series shares of the Company to trading on the regulated market. On 14 April 2021, the KDPW issued a statement on the conditional registration in the securities depository under ISIN code PLMBION00016 of 2,430,554 U series ordinary bearer shares of the Company. The condition for the registration of the U shares was their introduction to trading on the regulated market. On 14 April 2021, the WSE's Board adopted a resolution on the admission and introduction to trading on the WSE's Main Market of U series shares of the Company, pursuant to which the Board stated that 2,430,554 U series ordinary bearer shares of the Company, with a par value of PLN 0.10 each, are admitted to trading on the primary market. At the same time, the WSE's Board decided to introduce, as of 19 April 2021, the above mentioned Company's shares to trading on the primary market, provided that the KDPW has registered these shares on 19 April 2021 and assigned it with code PLMBION00016. On 15 April 2021, the KDPW published a notice on the registration, as of 19 April 2021, in the depository of securities under ISIN PLMBION00016 code, of 2,430,554 U series ordinary bearer shares of the Company with a par value of PLN 0.10 each. Thus, the condition for the introduction of the shares to trading on the WSE primary market on 19 April 2021 was fulfilled.

The U series shares were registered with the KDPW in connection with the closure of the accounts maintained for the aforementioned rights to shares. On 14 April 2021, the WSE' s Board adopted a resolution on determining the last day of listing, on the WSE Main Market, the rights to U series shares of the Company, pursuant to which it determined that 2,430,554 rights to U series ordinary bearer shares of the Company, designated by the KDPW with the code PLMBION00057, will be listed on 16 April 2021 for the last time. The admission of shares and the rights to U series shares to trading on the regulated market did not require the Company to make a prospectus, or any other information or offering document within the meaning of the relevant legal regulations, available to the public.

3) decision on the intention to make a prospectus-based offer of the Company's shares within the meaning of the relevant legislation.

To implement the above decision, concurrently with the issue of U shares, the Company started preparations related to the prospectus and the offering of the Company's shares on the basis of the prospectus, the parameters of the offering, and its schedule. The prospectus-based issue, subject to the approval of the prospectus by the Polish Financial Supervision Authority and the fulfilment of other legal requirements, is planned to be carried out in no less than several months.

On 22 February 2021, the Company's Management Board convened an Extraordinary General Meeting for 22 March 2021 to adopt a resolution on increasing the Company's share capital by an amount not less than PLN 0.10 and not more than PLN 1,050,000 by way of an issue of at least one and not more than 10,500,000 V series ordinary bearer shares with a par value of PLN 0.10 each.

On 16 March 2021, the Management Board of the Company announced the cancellation of the Extraordinary General Meeting of the Company which was to be held on 22 March 2021. The decision of the Management Board of the Issuer to cancel the General Meeting resulted from the need to verify available sources of funding necessary to cover financing needs, inter alia, following the successful issue of U shares and the conclusion of a framework agreement together with the first order for contractual services with Novavax, Inc. regarding the COVID-19 vaccine programme. The Management Board pointed out that raising funds from the issue of U series shares and the conclusion of an agreement with Novavax Inc. will enable the Company to potentially access additional, not yet fully available sources of financing, including potential debt financing from Polski Fundusz Rozwoju S.A. (PLN 30,000 thousand), a granted and unused subsidy from the European Regional Development Fund (approximately PLN 63,000 thousand) and potentially a loan from the European Investment Bank (up to a total of EUR 30,000 thousand, i.e. approximately PLN 138,000 thousand), with which the Company continues its talks. In the financing strategy initially adopted in January 2021, the Company did not take into account the potential operating flows related to the collaboration with Novavax, Inc. which, if a certain scenario is materialised (including the initial stage currently being implemented, i.e., inter alia: effective technology transfer, production of one technical batch and one test batch, followed by another stage of continued collaboration on a commercial basis), may bring additional operating flows to the Company. Accordingly, decisions on updating the Company's initially adopted financial strategy, including a decision on whether or not to carry out the subsequent share issue referred to in point 3, will be made following detailed analyses, taking particular account of the factors mentioned above.

In line with the assumptions adopted in January 2021, actions 1)-3) referred to above, depending on their success, was aimed at providing the Company with the financing necessary to complete the registration process and commercialisation of MabionCD20. In addition, the Company holds letters of support received from the Company's key shareholders referred to in the financial statements for 2020, whose contents indicate that these shareholders are willing and able to continue their 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 these financial statements.

At the same time, in January 2021 the Company informed that it also does not exclude the use of other sources of financing such as external debt financing, grants, subsidies from EU funds, earmarked funds for the implementation of new projects, or other sources depending on the needs and capabilities of the Company. As at the date of the current report and the date of publication of this report, the Company's Management Board is in the process of negotiating agreements with several biotechnology companies that could potentially bring the Company profits from cooperation in the area of development and production of biological drugs or vaccines. The Company is also continuing talks with the European Investment Bank to align the terms of the financing agreements with the current regulatory strategy for MabionCD20.

The Company informed about the above events in Current Reports no. 3/2021 and no. 4/2021 of 27 January 2021, no. 11/2021 of 22 February 2021, no. 12/2021 of 23 February 2021, no. 19/2021 of 4 March 2021, no. 20/2021 of 8 March 2021, no. 21/2021 of 9 March 2021, no. 23/2021 of 15 March 2021, no. 25 of 16 March 2021, no. 26/2021 and no. 27/2021 of 22 March 2021, no. 28/2021 and no. 29/2021 of 23 March 2021, no. 31/2021 of 2 April 2021, no. 33/2021 of 14 April 2021, and no. 34/2021 of 15 April 2021.

Conclusion of a borrowing agreement with Twiti Investments Limited

On 5 February 2021, the Company entered into a borrowing agreement with Twiti Investments Ltd. – a related party and shareholder holding 17.33% of the Company's share capital ("Lender"), for the total amount of up to PLN 10,000 thousand. The Company's Supervisory Board approved the conclusion of the Borrowing Agreement. The borrowing may be disbursed in tranches, in amounts and on dates agreed by the parties in a separate disbursement schedule, with the Lender required to disburse each tranche upon written request by the Company. The borrowing agreement does not specify the purpose of the funds, and it was the Company's intention to use the funds raised to cover current expenses. The interest rate on the Borrowing has been agreed on an arm's length basis as a variable interest rate based on WIBOR 3M plus a margin. The principal receivable under both of the above borrowing was repaid in March 2021 in a portion amounting to PLN 1,200 thousand by way of conversion into U series ordinary bearer shares issued by the Company pursuant to a resolution of the Extraordinary General Meeting of 23 February 2021. To this end, the Company performed a contractual set-off of part of the claim against Twiti Investments Limited for payment of the issue price for the U series shares subscribed for by Twiti Investments Limited as part of the issue with the claim of Twiti Investments Limited under the said borrowing agreement. On 15 April 2021, the Company settled the remaining unpaid liabilities under the above-mentioned agreement, i.e. the amount of PLN 2,300 thousand of principal and interest, and therefore the borrowing was repaid in full as used. The borrowing represented a further step in the implementation of the declaration of support for the Company by key shareholders made to the Company in letters of support. At the date of publication of the report, the Company is not utilising the borrowing.

The Company informed about the events in Current Reports no. 5/2021 of 5 February 2021, no. 20/2021 of 8 March 2021, and no. 23/2021 of 15 March 2021.

Adoption of resolutions on the continued existence of the Company pursuant to article 397 of the CCC and on extending the Company's scope of business

On 23 February 2021, the Extraordinary General Meeting of Mabion S.A. adopted Resolution No. 3/II/2021, according to which, in connection with the occurrence of the circumstances provided for in Article 397 of the CCC, the General Meeting of the Company decided on the continued existence of the Company. Pursuant to Article 397 of the Commercial Companies Code, "[i]f the balance sheet drawn up by the management board shows a loss exceeding the aggregate of the supplementary and the reserve capitals and one third of the share capital, the management board shall immediately convene the general assembly so that a resolution on the continued existence of the company can be adopted". Due to the fact that as at 30 September 2020 the Company has met the aforementioned prerequisite, the Management Board of the Company has included in the agenda of the forthcoming General Meeting an item providing for the adoption of a resolution concerning the Company's continued existence, pointing to circumstances indicating material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern, at the same time justifying that the main reason for the negative financial result for the financial year 2020 is the lack of realised sales revenue, the high costs of research and development, as well as the general and administrative expenses incurred and their increase resulting from growth and changes in the structure of employment. The Extraordinary General Meeting of Mabion S.A. unanimously decided on the continued existence of the Company.

On 23 February 2021, the Extraordinary General Meeting of Mabion S.A. also adopted Resolution No. 5/II/2021 on amending the Company's Articles of Association by changing the Company's scope of business. As a result of the Company's analysis of opportunities to increase the efficiency of its operations using its resources, particularly within its available transport network, the Company has considered additional operations through the provision of new services. The change concerned the extension of the Company's scope of business to include freight transport by road (PKD 49.41. Z) and other postal and courier activities (PKD 53.20. Z), which will allow the Company to undertake operations in additional and complementary areas, and thus will

not have a material impact on the Company's main business; therefore, the General Meeting resolved to implement the change without redeeming the shares of shareholders who do not agree to such change. The amendment of the Company's Articles of Association in the above scope was registered with the National Court Register on 2 April 2021.

The Company informed about the event in Current Reports no. 12/2021 of 23 February 2021 and no. 31/2021 of 2 April 2021.

Conclusion of a framework agreement with the first order for contractual services with Novavax, Inc. for the COVID-19 vaccine programme

On 3 March 2021, the Company entered into a framework agreement ("Framework Agreement") with Novavax, Inc. of the United States ("Novavax"), pursuant to which the Company, with Novavax's participation, will undertake activities related to the transfer of process technology for the production of a COVID-19 vaccine candidate antigen under the working name of NVX-CoV2373 and conduct technical trial runs of the process on a commercial scale at the Company's facility. The Framework Agreement shall be in force until 31 December 2023.

With the conclusion of the Framework Agreement, the parties agreed on the scope and budget of the work contracted to the Company to carry out the technology transfer and technical batch production of the NVX-CoV2373 protein antigen. These are standard activities when starting cooperation in the field of contract manufacturing. The scope of contracted work under the first order includes technology transfer from Novavax to the Company. In addition, it includes: qualification of analytical methods after the transfer, including implementation of the transferred methods and documentation related to the manufacturing process into the Company's quality system, production of one technical batch and one test batch, being a confirmation of repeatability in batch production, of the product in the Company's plant. The Company estimates that no significant expenditure is required to complete the first order. The production of the technical batch will be funded by the non-refundable consideration the Company will receive from Novavax in connection with the first order.

It is the intention of the parties to the Framework Agreement that, if the manufacturing collaboration continues, the Company's facility may be integrated into the Novavax manufacturing chain for the commercial production of the active substance of the vaccine for Novavax. This will require additional agreements on technical, financial, quality and timing issues.

The Framework Agreement does not specify minimum order quantities, but defines the scope of work established under the first order. At the same time, Novavax retains the right to terminate the Framework Agreement in whole or in part, at any time without giving a reason. Moreover, pursuant to the Framework Agreement, the Company's undertaking of potential cooperation with other entities in the area of COVID-19 vaccine manufacturing will require prior approval from Novavax.

Based on the Framework Agreement, at this stage it is too early to determine the target scale of the cooperation initiated with Novavax and the target scope of work that will ultimately be performed, and thus to estimate the impact of the cooperation with Novavax on the Company's financial results. Such an estimate will be possible once the partners have agreed on the terms of the commercial agreement. In the opinion of the Management Board, the Company has the right team, production experience, knowledge and technology together with the production line to carry out the work commissioned by Novavax. Based on the conditions set out in the Framework Agreement, in the opinion of the Management Board the work performed by the Company will have a moderately positive impact on the Company's results as well as support the implementation of the Company's strategic plans.

Novavax is a biotechnology company focused on delivering new products that use its proprietary, innovative, patented recombinant nanoparticle vaccine technology to prevent a wide range of infectious diseases.

On 25 March 2021, the Company received the first payment from Novavax, Inc. as part of the fulfilment of the aforementioned order placed under the framework agreement.

The Company informed about the events in Current Reports no. 15/2021 of 3 March 2021 and no. 30/2021 of 25 March 2021. The funds received represent an advance on remuneration and an advance on materials and reagents.

Conclusion of an agreement with Polski Fundusz Rozwoju S.A.

On 3 March 2021, the Company entered into an agreement with Polski Fundusz Rozwoju S.A. ("PFR") regarding the entry conditions for PFR's investment of up to PLN 40,000 thousand ("PFR's Investment" and "Agreement") for the purpose of increasing the Company's production capacity, in particular for the Company's potential broader cooperation with Novavax, Inc. regarding serial production of the vaccine for COVID-19, which is currently pending registration with the European Medicines Agency. More information on signing a framework agreement with Novavax, under which the Company, with the participation of Novavax, will undertake activities related to the transfer of process technology for the production of a COVID-19 vaccine candidate under the working name of NVX-CoV2373 and conduct technical trial runs of the process on a commercial scale at the Company's facility, are presented above in this section.

The parties' intention is to implement the PFR Investment in the form of (i) an interest-bearing three-year loan (or bond issue) granted to the Company up to the amount of PLN 30,000 thousand ("Debt Investment") and (ii) subscription for the Company's shares up to the amount of PLN 10,000 thousand under the issue of U series shares made pursuant to the resolution of the Extraordinary General Meeting of the Company dated 23 February 2021 ("Equity Investment"). The Equity Investment has been completed in line with the intention of the parties. The Debt Investment in turn, pursuant to the Agreement, is conditional upon the Company's execution of a manufacturing agreement with Novavax, Inc. providing for certain net revenues to the Company from the performance of the agreement and, in addition, the Debt Investment will be implemented if the conditions precedent are met including, among other things, the raising of additional financing from the issuance of the Company's U shares (the condition was met in March 2021), the preparation and agreement by the parties as to the terms of the transaction documentation and the establishment or filing of applications for the establishment of potential collateral. The Company has stipulated that the agreement is non-binding in nature, does not create obligations for any of the parties thereto and that the PFR's Investment is conditional and requires the negotiation and execution of appropriate transaction documentation.

The Company informed about the event in Current Report no. 16/2021 of 3 March 2021.

Mabion signs an annex to the cooperation agreement with Mylan Ireland Ltd.

On 29 April 2021, the Company signed an annex ("Annex") to the cooperation agreement ("Agreement", "Development and Commercialization Agreement"), of which the Company informed in Current Report no. 31/2016 of 8 November 2016. Under the Annex, the parties decided to continue cooperation, but the territorial scope of the agreement will change. Mylan will remain Company's non-exclusive distribution partner for MabionCD20 in selected countries in regions such as, in particular, Australia, Nowa Zelandia, Meksyk, Ameryka Środkowa, południowa Afryka, południowo-wschodnia Azja. At the same time, it was decided that Mylan's exclusive right to sell MabionCD20 in the European Union and the Balkan countries, as well as Mylan's priority right to enter into a commercialization agreement for MabionCD20 in the United States (USA), shall expire. The change in the scope of cooperation with Mylan will enable the Company to acquire a new partner or partners interested in commercializing MabionCD20 on the European and American markets and to establish cooperation taking into account the potential of MabionCD20 and the current market conditions. Importantly, the Annex in force does not affect the activities currently carried out by the Company in order to obtain the marketing authorisation for MabionCD20 from the European Medicines Agency, or their schedule. At the same time, the parties have agreed that the Company will reimburse to Mylan part of the advances, in an amount lower than the advance payments received by the Company under the Agreement before the date of the Annex, constituting repayable advances for distribution rights, which is tantamount to the final settlement of all payments made so far between the Parties. Owing to the Annex, the Company has obtained the necessary flexibility in the commercialization of MabionCD20 in its key markets in Europe and in the United States (USA).

The Company informed about the above event in Current Report no. 35/2021 of 29 April 2021.

3.3 Description of factors and events, including of unusual nature, having a significant impact on the condensed financial statements

In Q1 2021, there were no factors or events, including those of an unusual nature, other than those indicated in the other sections of the report, which would have a significant impact on the Company's condensed financial statements. Information on the impact of the SARS-CoV-2 coronavirus pandemic on the Company's operations are presented in section 3.4 of this report.

3.4 Factors to affect the results to be achieved within at least the next quarter

The main factors to affect the Company's performance in the coming quarters are:

- the scope and timing of the work required to conduct the bridging clinical trial and submit a new marketing authorisation application (MAA) for MabionCD20 on the basis of the Scientific Advice procedure with the EMA;
- implementation of the work related to product stability tests and similarity and comparability tests for the product originating from the large-scale validation batches and achievement of the expected results;
- costs of ongoing research and development for MabionCD20 and other medicines in the Company's pipeline;
- results of work related to the transfer of manufacturing process technology for the vaccine candidate antigen for COVID19 under the working name of NVX-CoV2373 and the possibility of commercial manufacturing for Novavax at the Company's facility;
- the implementation of the Company's financing strategy adopted on 27 January 2021, including the possibility of acquiring a strategic investor and/or conducting a prospectus issue;
- possibility of establishing cooperation with new partners for the development of the Company's current or future therapeutic projects;
- possibility of acquiring a distribution partner or partners for the EU and US markets for MabionCD20;
- proceeds from the assistance granted from European funds and the possibility of obtaining additional funds from the EU;
- untimely disbursement of funds by state institutions dealing with the distribution of means under projects co-financed from EU funds;
- staff costs and general administration costs of the Company;
- completion of research and development work on and registration of MabionCD20 on key markets: European and American;
- to finance the planned increase in production capacity, taking into account the intensification of activities related to the new production plant construction project;
- exchange differences resulting from changes in foreign currency exchange rates;
- renegotiating the change in the conditions for disbursement of loan tranches by the European Investment Bank.

Receipts/refunds of costs incurred may be affected by possible delays in ongoing discussions or unforeseen departures from the schedules of agreements already signed.

In light of the continuing epidemiological emergency related to the coronavirus (SARS-CoV-2), there risk of delays in the schedule of work or suspension of work for an unspecified period of time due to the possible or actual restrictions, as indicated below, remains valid:

» reduced staff availability (quarantine, childcare in case of school closures, risk of falling ill);

» limiting the mobility of the Company's employees - suspension of the participation of the Company's representatives in meetings and conferences, both foreign and domestic;

» suspension of meetings with external companies, including consultants;

» delays in deliveries resulting in the inability to conduct certain processes in the Company;

» delays in the acceptance and commissioning of the ordered equipment due to limited possibilities for external representatives to calibrate the equipment;

» problems with securing all the resources required for research as a result of the reduction in production and the depletion of stocks of external companies cooperating with the Company;

» the possibility of plant closure in order to limit the possibility of virus spread;

» the possibility of restrictions imposed by national government administrations hindering the launch of a clinical trial or affecting the modalities of its organisation and duration.

» potential impact on the conduct of the clinical trial, e.g. through prolonged recruitment time of patients with rheumatoid arthritis, potentially greater drop-out of patients from the clinical trial due to contracting COVID-19 or difficulties in contacting clinical sites, possible longer time to obtain clinical trial approvals from the competent authorities, possible logistical problems due to difficult access to specific materials, medicines, limitations in international transport, possible limited access to certain clinical sites and possibilities to organise monitoring visits or site meetings.

All the above mentioned phenomena may have a direct impact on the financial situation of the Company. In order to prevent the aforementioned risk, the Management Board monitors the global situation on an ongoing basis, trying to adapt the Company's strategy to changes in the threats in the areas described above in advance.

The Management Board has taken steps to significantly reduce the risk both through the education of employees and the implementation of solutions to protect workers' health (inter alia, a resolution was adopted on the introduction of countermeasures, together with later updates). The Management Board is monitoring the situation on an ongoing basis and in the event of significant new circumstances related to SARS-CoV-2 coronavirus pandemic and affecting the Issuer's operations, the Company will introduce appropriate solutions, adapting to administrative decisions

3.5 Transactions with related parties

In Q1 2021, the Company did not enter into transactions with related parties on terms other than arm's length.

3.6 Sureties and guarantees granted

In Q1 2021, the Company did not provide any loan or borrowing sureties or guarantees in aggregate to any one entity or its subsidiary where the total value of the existing sureties or guarantees would be significant for the Company.

3.7 Proceedings pending before a court, an authority competent to conduct arbitration proceedings, or a public administration body

In Q1 2021, no material proceedings concerning the Company's liabilities or receivables were pending before any court, arbitration authority, or public administration authority.

3.8 Position of the Management Board on the feasibility of previously published forecasts

The Company has not published financial result forecasts for 2021.

4 Other information relevant to the assessment of the Company's condition

The Company's future success depends, in particular, on securing the funds necessary to finance its operations and its ability to register and commercialise medicines.

As at 31 December 2020 and in the preceding periods, the Company's equity showed a loss exceeding the sum of its supplementary capitals and reserves and one third of the share capital. The negative equity is due to the nature of the Company's business and is typical of research and development companies.

The Company's biotechnology business is marked by consistently high research costs with no sales revenue until the project is commercialised, and, as a result, the Company incurs losses from operations and generates negative cash flows from operations. It is expected that such a situation may reoccur in the foreseeable future. On 23 February 2021, the Extraordinary General Meeting of the Company adopted Resolution No. 3/II/2019 concerning further existence of the Company under Article 397 of the Code of Commercial Companies.

As at 31 March 2021, the equity as shown in the Company's balance sheet was positive. The share capital increase through the issue of U shares was registered with the National Court Register after the balance-sheet date, i.e. on 2 April 2021.

Following the analyses, as at the date of this report, no uncertainties as to the going concern were identified. The Company actively monitors its environment as part of the prospects for obtaining new financing opportunities to cover expenses related to its basic R&D and investment activities.

The funds raised in March 2021 from the issue of U series shares and the fact of concluding an agreement with Novavax Inc. enabled the Company to potentially access additional, not yet fully available sources of financing, including potential debt financing from Polski Fundusz Rozwoju S.A. (PLN 30,000 thousand), a granted and unused subsidy from the European Regional Development Fund (approximately PLN 63,000 thousand). The Company is also holding talks with the European Investment Bank to amend the terms and conditions of the agreement and on the possibility of releasing funds as part of individual tranches up to a total of EUR 30,000 thousand, i.e. approximately PLN 138 000 thousand. The collaboration with Novavax, Inc., under a certain scenario (including the initial stage currently being implemented, i.e., inter alia: effective technology transfer, production of one technical batch and one test batch, followed by another stage of continued collaboration on a commercial basis), may bring additional operating flows to the Company, while the Company's current financial condition is not based on and does not depend on the success of this project.

In April 2021, the Management Board received, from Polfarmex S.A. (6 April 2021), Glatton Sp. z o.o. (27 April 2021) and Twiti Investments Ltd. (23 April 2021), the major (founding) shareholders ("Shareholders") of the Company, support documents pursuant to which the Shareholders declared their financial support for the Company for a period of at least 13 months from the date of the support document. In the Company's opinion, the declaration of the major shareholders regarding the recapitalisation confirms and provides important support in terms of the possibility to implement the adopted registration strategy for the key project.

At the same time, in accordance with the long-term financing strategy for the Company's activities as adopted in January 2021, the Company is taking steps to attract a strategic investor and also does not exclude conducting a prospectus-based share offering within the meaning of the relevant legislation. The Company's Management Board assumes that these actions, depending on their success, will provide the Company with the financing necessary to complete the registration process and commercialisation of MabionCD20.

In addition, the necessary funds can be also ensured through the change in the terms of the currently binding debt financing agreements and further leveraging of financing available on the market, including financing available from EU projects and projects supporting research and development, and exclusive agreements with future distribution partners or support from shareholders (both strategic and stock market participants). The Company is also taking steps to acquire a distribution partner for the EU and US market and other markets not covered by existing agreements. Current activities are also focused on leveraging support from the National Centre for Research and Development in the planned bridging clinical trial.

In connection with the WHO (World Health Organization) announcement of the COVID-19 coronavirus pandemic worldwide, additional financial risks have been identified in relation to the liquidity disruption in the markets resulting from the spread of the COVID-19 virus and the consequent possible restriction of the Company's access to funding. Potential shifts in administrative processes also cannot be ruled out, including both in the area of decisions of the authorities regulating the authorisation of medicinal products and in the area of decisions of public authorities awarding and accounting for grants and subsidies or VAT refunds. At the time of submission of the report, no information on the redeployment of ongoing processes was received from these authorities. The persisting state of pandemic, including, among other things, passenger traffic limitations, may also contribute to the temporary need to reduce the Company's marketing activity in business development area, as well as the suspension of key business decisions as part of the conducted talks.

The above-mentioned risks in individual areas remain particularly relevant in view of the third wave of the epidemic. To prevent or minimise the above-mentioned risks, the Company's Management Board has continuously monitored and continues to monitor both the global situation and the course of cooperation with counterparties as well as the Company's internal situation, trying to adapt the Company's plans and strategy to the epidemic situation and the risks and their evolution occurring in the areas described above. In the event of significant new circumstances related to SARS-CoV-2 coronavirus pandemic and affecting the operations, the Company will introduce appropriate solutions, also complying with all applicable administrative decisions.

Other events that occurred in Q1 2021 include:

» termination of the collaboration with Vaxine Pty Ltd. under a Memorandum of Understanding ("MoU") entered into in September 2020 to work out arrangements in relation to the process development, manufacturing and commercialisation of Covax-19™, a potential vaccine for COVID-19 disease. During the period of validity of the MoU, the parties worked on agreeing the terms of the possible agreements, as a result of which in January 2021 the Company prepared and sent to the partner a cooperation offer fulfilling the provisions of the memorandum. Despite the expiry of the offer, Vaxine Pty Ltd. has not taken any further steps in relation to the above offer. Therefore, having regard to the purpose of the MoU as set out above, the Company assumed that the other party to the MoU did not consider it appropriate to enter into agreements relating to the Covax-19™ with Mabion, which was permissible under the MoU.

» On 31 March 2021, the Company has received a lawsuit filed by Altiora d. o.o., based in Zagreb ("Altiora"). As set out in the statement of claim, Altiora seeks an award against the Company of the amount of EUR 359 thousand in respect of the remuneration charged by Altiora in connection with one of the agreements between the parties concerning the performance of clinical trials ("Master Service Agreement" of 18 July 2013, hereinafter "Agreement") which, according to the statement of claim and the opinion of Altiora, is still in force. In the opinion of the Company, the disputed value is not significant and, moreover the agreement is not strategically important to the Company as there are other CRO companies that can provide such services. Possible litigation costs have been appropriately recognised in the financial statements of the Company drawn up as at 31 March 2021, therefore the litigation is not expected to have a negative financial impact on the Company. The Company contests the claim both in principle and in amount. The Company is of the opinion that the action filed against it is groundless and the claims submitted therein have no legal or factual basis. The Company filed a response to the lawsuit,

in which it presented claims and evidence together with allegations proving that the lawsuit is groundless. The Company also intends to take its own claims held against Altiora for compensation for damages caused by the improper performance of the Agreement to court;

» in January 2021, a scheduled GMP inspection conducted by the Chief Pharmaceutical Inspectorate was held at the Company's premises to verify the compliance of the manufacturing conditions of the medicinal products under the trials and to assess the Company's activities with respect to the extended scope of the Authorisation to Manufacture and Import Tested Medicinal Products. The inspection concluded with a positive recommendation for certification of the Company in both areas. On 13 April 2021, the Company received a GMP certificate covering the manufacture and import of studied medicinal products.

As of the date of this report, there is no other information that is relevant for the assessment of the staff, property, financial condition, financial result and changes thereof, as well as information that is relevant for the assessment of the possibility of Mabion S.A. fulfilling its obligations.

5 Contact details

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Management Board of the Company

Krzysztof Kaczmarczyk
President of the Management Board

Sławomir Jaros
Member of the Management Board

Grzegorz Grabowicz
Member of the Management Board

Adam Pietruszkiewicz
Member of the Management Board

Konstantynów Łódzki, 20 May 2021