POLISH FINANCIAL SUPERVISION AUTHORITY

Current report: no. 7/2023
Date of preparation: 2023-04-18
Abbreviated name of the Issuer: MABION S.A.

Subject matter: Mabion S.A. adopts the Company Strategy for 2023–2027 and discloses delayed confidential information on the adoption of the strategy's initial framework assumptions

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

Content of the Report:

The Management Board of Mabion S.A. ("Company", "Mabion") hereby informs that as of today, it has passed a resolution to adopt the Mabion S.A.'s Company Strategy for 2023–2027 ("Strategy"). Details of the Strategy can be found in the presentation enclosed with this current report. Below, the key provisions of the Strategy are outlined.

The Strategy is based on the expertise and resources accumulated over the years, enabling the Company to seize the market opportunity and start to transform into a fully integrated CDMO (Contract Development and Manufacturing Organization)) in 2021.

The Company's strategic vision

As a fully integrated CDMO focused on biologics, Mabion provides a complete spectrum of services for small to medium-sized projects, from early discovery to commercial manufacturing phase, for clients at various stages of development.

As a fully integrated CDMO, the Company intends to offer a full range of services to its clients, namely process development, preclinical and clinical analytics, manufacturing for both clinical and commercial stage, finished product manufacturing, medicinal product characterisation and batch release, regulatory advice. The Company has the ability to implement projects at different stages of development, as well as the ability to address only selected stages along the CDMO service value chain.

As part of the Strategy, the Company plans to deliver the following main strategic objectives in the different years:

2023–2024:

Business model – shift of the Company's business model from products to services (including the marketing of MabionCD20 by acquiring a licensee and possibly acting as a CMO - Contract Manufacturing Organisation for MabionCD20), and completion of work on the Company's own portfolio of other products;

Transformation – Completing the Company's transformation into a fully integrated CDMO (maximising expenditure and investment for the development of innovative services); Upgrade and scale-up – upgrading the existing facility and laboratories to adapt the facility to the CDMO profile, achieve technological diversification and develop a plan for Mabion II facility with a view to providing services as a CDMO, and selecting an appropriate structure and securing funding for the investment;
Recognisability – gaining recognition in the sector of companies providing CDMO services to global clients, and client portfolio diversification;
A self-funded entity – by seizing the income potential, Mabion will be a self-funded entity for its ongoing operations; the process of securing a strategic investor remains open for discussions with prospective partners. However, transformation to a CDMO becomes a priority.

2025–2027:
Market positioning – Mabion becomes a recognisable business partner for international clients in the CDMO segment;
Diversification – achieving attractive business diversification in terms of services on offer and client portfolio;
Mabion II – implementation of the new facility investment, its qualification and validation. Use of optimal sources of investment funding
Scale-up – reaching full operational and organisational readiness to scale up the business on the basis of Mabion II.

Then, from 2028 onwards:
Mabion II is fully operationally ready to render CDMO services; New production lines and a significant increase in production capacity are in place.

The assumed effects of the Strategy's implementation in the horizon of the first 5 years of the investment will comprise, *inter alia*, an upgraded existing facility of the Company and a higher production capacity, a change in the profile of the manufacturing facility from a single-product plant to one enabling different processes to be carried out at the same time, stabilisation of income and ongoing cash flows allowing the Company to self-finance until the investment in Mabion II is commenced.

The Strategy also defines the plan and conditions for the further development of the MabionCD20 project and its commercialisation. In line with the Strategy, the Company anticipates further development of the project in a model involving licensing to an external partner who will carry out the registration of the medicine and will be responsible for sales and distribution. The Company's function in such a model would be to contract manufacture the medicine (CMO) for the licensee. The Company alone will not incur significant development expenditure on the project.

As regards the Company's other existing product projects, in view of the assumed continuation of the transformation of the Company's profile from products to services, the Strategy provides for discontinuation of work on the Company's own product portfolio and limitation of expenditures

on early-stage projects (including denosumab, omalizumab, MabionMS, MabionEGFR) to the extent necessary to maintain the projects and possibly commercialise them.

A detailed description of the Strategy's assumptions, stages of implementation, and benefits for Mabion, as well as a description of the market for CDMO services, are included in the presentation forming an integral part of this Current Report.

The Strategy also comprises the Company's objectives and the actions planned to be taken in the field of sustainability and ESG (Environmental, Social, and Governance).

At the same time, the Company informs that the Strategy adopted today has been developed as a result of work conducted over the past months, including a review of development opportunities and analysis of ongoing and planned projects, about which the Company has informed in current and periodic reports over 2022. Following the arrangements made on the basis of the foregoing, on 31 March 2023 the Management Board of the Company adopted by resolution the initial framework assumptions of the Strategy ("Initial Strategy Assumptions"). Nevertheless, due to the necessity to develop a coherent holistic approach, i.e. to agree and systemically develop all the necessary elements of the Strategy, the information on the adoption of the Initial Strategy Assumptions has been delayed on the basis of Article 17(4) of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, until the final comprehensive Strategy has been completed and formally adopted by the Company's Management Board.

The decision to delay the publication was made to protect the Issuer's legitimate interests, i.e. the risk of a negative impact of the information being made public at that stage on the possibility of undisrupted completion of all the necessary work on the Strategy, i.e. free from external factors and the influence of third persons, and of presenting it in a complete manner that does not mislead the public and allows a correct assessment of the full Strategy ultimately adopted for implementation.