

Konstantynów Łódzki, 11 July 2023

Press release

Mabion signs contract to purchase new bioreactors, diversifies technology and opens to new customers

- **On July 11th, 2023, Mabion concluded an agreement with Global Life Sciences Solutions Polands Sp. z o.o., a Cytiva group company for the purchase of a set of Xcellerex XDR bioreactors with conventional mixing technology. The contract is valued at EUR 3.2 million**
- **The vendor will manufacture and install a set of bioreactors in Mabion's facility in Konstantynów Łódzki, Poland, delivery of which is scheduled for Q3 2023, followed by installation, commissioning, qualification testing and acceptance of the equipment**
- **The Xcellerex XDR bioreactor suite is based on technology using a conventional mixing system, as opposed to Mabion's current orbital shaking technology, which will allow the Company to achieve technological diversification, as outlined in the 2023-2027 Strategy in earlier this year**
- **The expansion of the panel of available bioreactor technologies will result in greater flexibility for Mabion in discussions with potential customers as part of the CDMO services offered, which will translate into a strengthening of the Company's competitive position and enable it to reach new potential customers**
- **Mabion intends to complete the modernisation of its existing plant in Konstantynów Łódzki, Poland by the end of the year, which will result in increased production capacity and enable different processes to be run at the same time, as well as increasing the flexibility of its offering**
- **Estimated CAPEX in 2023 will amount to approximately PLN 60 million (EUR 13.5 million) utilized for the modernisation of the main production plant, the source of financing will be current cash balance (the balance of cash on hand at the end of Q1 2023 amounted to PLN 69.5 million, EUR 15.6 million), current operating cash flow and the USD 15 million credit facility from EBRD signed in February this year**

*"The signing of the contract for the supply of a set of bioreactors with conventional mixing technology is a significant milestone and another element of the implementation of the 2023-2027 Strategy which we announced in April this year. The agreement is intended to increase Mabion's technological diversification, allowing us to target a wider range of potential customers interested in our CDMO service offering. We are actively working to acquire new business partners, and the broader panel of available bioreactor technologies together with the planned modernisation of the existing plant in Konstantynów Łódzki, Poland, significantly support this direction of our activities. We have secured the funds necessary for the purchase of bioreactors and the modernisation of the plant, which we are carrying out on schedule - by the end of the year we will have completed the process and commissioned the new bioreactors. We are maintaining our estimate of this year's CAPEX of approximately PLN 60 million (EUR 13.5 million), and in the coming weeks we intend to start using debt financing from the loan agreement which we concluded with EBRD at the beginning of the year. At the same time, we want to expand the available financing options and have submitted an application in the second quarter of this year under the European Funds for a Modern Economy (FENG) programme" - **comments Krzysztof Kaczmarczyk, President of the Management Board of Mabion S.A.***

Mabion unveiled its long-term Strategy 2023-2027 in April this year, which describes the plan to transform Mabion into a fully integrated biologics CDMO and build its position as a recognisable player in the global contract drug development and contract manufacturing market.

One of the key elements of the Strategy is the technological diversification of the existing plant in Konstaktyńów Łódzki, Poland, and retrofitting it with a set of bioreactors using conventional mixing technology, as part of the modernisation which has already begun. The aim is to increase the attractiveness of the CDMO's service offering by providing greater flexibility and a more complete fit with the needs of potential clients, who will be able to use both the Company's bioreactors with orbital shaking technology and the new bioreactors with conventional mixing technology.

The contract with Global Life Sciences Solutions Poland Sp. z o.o., a group company of the globally recognised and established Cytiva brand, is for the manufacture, sale, delivery and installation of a set of bioreactors using conventional mixing technology for Mabion's existing plant in Konstaktyńów Łódzki, Poland. The ordered set of bioreactors includes seven units with a total capacity of 4.510 litres, with the two largest units having a capacity of 2.000 litres each. According to the contract, the bioreactors are to be delivered in the third quarter of this year. The net value of the contract is EUR 3.2 million.

Currently, Mabion has two bioreactors in orbital shaking technology with a capacity of 2.500 litres each at the Konstaktyńów Łódzki, Poland plant. According to an addendum concluded on 22 May 2023 with Adolf Kühner AG of Switzerland, the partner will supply Mabion with two state-of-the-art bioreactors using orbital shaking technology with a capacity of 2.500 litres each in the third quarter of this year, which will replace the bioreactors used to date. The value of the contract with Adolf Kühner AG is EUR 1.8 million. By the end of the year, the Company will therefore have four modern commercial-scale bioreactors with a total capacity of nearly 10.000 litres: two orbital shaking bioreactors and two bioreactors with conventional mixing technology.

"The orbital shaking technology we have used so far has a lot of advantages and has allowed us to build a wide range of CDMO services that we can provide to many customers. The retrofitting of the plant with new bioreactors and the technological diversification into stirred bioreactors, will significantly increase our flexibility in terms of the CDMO services we provide, especially since the bioreactors from both technologies are single-use. The direction of this technological diversification is in line with our internal analyses and the feedback we received, during meetings with potential business partners at the BIO International Convention in Boston, USA. We attended this largest and most important event in the biotechnology industry with a strong team of 8 people attending our booth, holding a total of over 100 business meetings, which we evaluate very positively" - **says Adam Pietruszkiewicz, Chief Commercial Officer of Mabion S.A.**

Funding for the plant upgrade is ensured through cash holdings, which amounted to PLN 69.5 million (EUR 15.6 million) on 31.03.2023, current cash flows from operations and a loan agreement signed on 6 February 2023 with the European Bank for Reconstruction and Development (EBRD) for USD 15 million, the first tranche of which will be released in the coming weeks.

In line with Mabion's Strategy 2023-2027, the Company is focusing only on CDMO activities, where it has identified the greatest potential for business and financial growth. Mabion has a team of specialists and a state-of-the-art facility to meet the needs of small and medium-sized companies. The complete range of services offered by Mabion, from the development as well as structural and functional characterisation of the product and process through fully GMP-compliant commercial scale production, makes Mabion an ideal partner for potential clients that do not have in-house expertise and assets necessary to carry out product development and commercial scale production.

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Information on Mabion S.A.

Mabion S.A. (WSE: MAB) is a Polish biopharmaceutical company founded in 2007, which is undergoing a transformation into a fully integrated contract development and manufacturing organisation (CDMO) providing a broad spectrum of services in the segment of small and medium-sized projects at various stages of development (from early stage discovery to commercial manufacturing). Mabion's competencies include the selection of protein expression technologies, their purification, GMP-standard manufacturing activities (obtaining Active Substances "Drug Substance" and Finished Products "Drug Product"), the development of analytical tools (for structural, functional, physicochemical characterisation), clinical development, clinical analytics and a full range of regulatory activities in the development and operational areas. The company signed a record contract with Novavax in October 2021 for the commercial production of antigen for the COVID-19 vaccine, which it has since steadily expanded through further services under the Statement of Work (SOW) and annexes signed, adding, among other things, another vaccine product based on the Omicron variant. In line with the Strategy announced in April 2023, the Company's objective is to establish itself as a recognisable player in the global contract manufacturing and contract drug development market and to complete the full transformation of Mabion into an integrated biologics CDMO company. Mabion is a public Company, listed on the Warsaw Stock Exchange.

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