

Konstantynów Łódzki, May 14, 2024

Press Release

Growing pipeline of submitted bids and another period of solid results and operating cash flow for Mabion in Q1 2024

- > **Mabion released its financial results for Q1 2024, once again achieving significant revenue and results generated from Contract Development and Manufacturing Organization (CDMO) services with a high EBITDA margin of 47% (excluding materials)**
- > **In Q1 2024, Mabion earned:**
 - 33.1 million PLN in revenue (excluding revenue from purchase of materials)
 - 15.5 million PLN EBITDA
 - 13.5 million PLN EBIT
 - 17.5 million PLN net profit
- > **Solid net profit and tenth consecutive quarter of stable operating income generation as a result of high-margin contract services for U.S. partner Novavax**
- > **More than PLN 24.0 million of net cash flow from operations contributed to increasing the cash balance at the end of Q1 2024 to PLN 48.8 million. In addition, after the balance sheet date to the date of the report, the Company received further payments from Novavax in the amount of \$3.5 million, which secures the planned activities related to the implementation of the Strategy in 2024**
- > **As of the publication date of the Q1 2024 report, Mabion's financial position allows it to operate and settle its liabilities for at least the next 12 months, and the Company does not identify the need to raise additional external financing**
- > **Continued increased activity in the Business Development area with a direct bearing on the growing value of active offerings, which as of the date of the report amount to \$298 million, including the service part (\$230 million) and the material part (\$68 million)**
- > **Significant reinforcements and assumption of key positions by experienced managers with international experience: Marty Henehan as BD Director for North America and Dr. Nigel Stapleton as BD Director for Europe**
- > **Positive result of audits and obtaining renewal of GLP (Good Laboratory Practice) and GMP (Good Manufacturing Practice) certificates for the laboratory in Łódź and the plant in Konstantynów Łódzki, respectively**

"We successfully executed CDMO services, commercializing the high competencies built at Mabion, resulting in another consecutive solid quarter at the level of generated results. We achieved high revenues despite the pressure of the USD/PLN exchange rate, and cost discipline and high management efficiency, again translated into very good profitability at all performance levels, including an EBITDA margin of 47%. The published results, as well as strong operating cash flow and further inflows from Novavax after the balance sheet date, in line with earlier assumptions, secure our financial position and allow us to continue to achieve the strategic goals set in the near term. Activities in the area of Business Development and the consistent growth of submitted bids currently under adjudication are a priority for us. We are operating in a well-coordinated team under the leadership of very experienced managers in our key destinations: North America and Europe, and we believe that the desired effect of the

in the form of diversifying our revenue base is a matter of time. We are working vigorously to translate the growing pipeline of submitted bids, which has already reached nearly \$300 million, into signed contracts," **comments Krzysztof Kaczmarczyk, Chief Executive Officer of Mabion S.A.**

Q1 2024 financial results

For another consecutive quarter, Mabion generated significant sales revenues including the leasing portion (i.e., excluding revenues from material purchases), which amounted to PLN 33.1 million in Q1 2024. The company maintained very good profitability at all performance levels, achieving 79.8% gross margin on sales (excluding materials), 46.8% EBITDA margin (excluding materials) and 40.9% EBIT margin (excluding materials). At the EBITDA level, Mabion recorded a result of PLN 15.5 million, and operating profit amounted to PLN 13.5 million. The company generated a high quarterly net profit of PLN 17.5 million.

During Q1 2024, Mabion received contract performance payments from Novavax in the amount of \$9.7 million, and received another \$3.5 million after the balance sheet date through the date of publication of the financial statements. From the beginning of the cooperation with Novavax until the date of publication of the financial statements, payments received from Novavax amounted to more than \$88 million.

"The high efficiency in business process management and the ongoing contract for Novavax again translated into our very strong financial performance. We achieved a solid level of net profit from the recurring CDMO business, and recorded high positive cash flows of +PLN 24.0 million. As a result, our cash balance at the end of March this year increased compared to the balance at the end of 2023, and amounted to PLN 48.8 million, which - together with Novavax payments received after the balance sheet date in the amount of USD 3.5 million - secures our financial position and, for today, allows us to implement the upcoming plans related to the Strategy implemented by Mabion," **comments Grzegorz Grabowicz, Chief Financial Officer at Mabion S.A.**

The cooperation with Novavax initiated in October 2021 was extended by an annex from 2022 to the end of 2026, with a guaranteed part until the end of May 2024, for which Mabion provides services on the basis of a production contract and accompanying ancillary orders in the area of performing analytics and logistics services.

"In the coming months, we will continue to provide Novavax with selected additional services, while declaring to our American partner our readiness for further cooperation in the manufacturing of biological products. We are bound by the relationship we have been building for over 3 years, which we are very satisfied with," **adds Adam Pietruszkiewicz, Chief Commercial Officer at Mabion S.A.**

Business development activities and activity at industry trade shows

Mabion continued intensive business development activities in Q1 2024, including expansion of sales structures in key markets: the US and Europe, as well as participation in major industry conferences and trade shows, in order to increase the visibility of the Company and its CDMO service offerings internationally and diversify revenues in the form of winning new contracts in the contract manufacturing area.

The Business Development (BD) team - directly responsible for the implementation of Mabion's sales strategy - now includes eight high-caliber experts, including two recently hired managers with international experience: Marty Henehan, who assumed the position of Business Development Director for North America in February, and Dr. Nigel Stapleton, who was hired as Business Development Director for Europe in April. The addition of BD managers in key CDMO industry destinations is important to the process of acquiring new clients, as they have an extensive network of contacts and are recognized in the industry community, which improves outreach to key people in international pharmaceutical companies responsible for selecting CDMO service providers for which Mabion can become a business partner.

Mabion's active participation in trade fairs and industry conferences is also an important element of business development, as it enables Mabion to establish direct relationships with potential customers and present the Company's wide range of CDMO services. In 2024, Mabion is scheduled to participate in a number of industry conferences and trade shows in numbers significantly higher than in 2023. This year, the Company's representatives were present at major events such as Biotech Showcase and JP Morgan Healthcare, held in San Francisco, DCAT in New York, Bio Europe

Spring and Bioprocessing Summit Europe in Barcelona, the American Biomanufacturing Summit in San Francisco and CPHI North America in Philadelphia. The company also has a packed calendar when it comes to participating in other key international industry events this year in both the United States and Europe.

"We can see that our business development activities are already bearing fruit in the form of a growing pool of bids submitted and considered for CDMO services, the cumulative value of which currently stands at \$298 million (this value includes both the value of services and materials and raw materials required for implementation). By comparison, in November 2023, when we published our Q3 2023 results, the bid value of the Company's services was just under \$30 million. We currently have 34 sales processes open, and we estimate that the average time observed in the industry from the start of bidding to proposal resolution is about 12 months. We are also already after the first visits to our modernized plant in Konstancin Łódzki by representatives of companies interested in cooperation, and we have more planned in the next few weeks. We are convinced that our activity at international fairs and conferences this year and the effectiveness of our employed Business Development Directors for North America and Europe will soon translate into new contracts and ultimately diversification of our revenue stream," **says Adam Pietruszkiewicz, Chief Commercial Officer at Mabion S.A.**

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

Data in million PLN	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
Total revenue (of which)	38,6	43,9	38,5	42,9	39,5	36,0	29,6	46,5	34,0
Sales revenue	22,3	17,5	14,1	36,7	38,2	34,3	28,0	39,9	32,2
Lease income	1,8	1,4	1,3	1,1	1,2	1,1	0,0	0,3	0,9
Income from purchase of materials	14,5	25,0	23,1	5,1	0,2	0,6	1,6	6,3	0,9
Cost of sales and purchased materials	-21,8	-33,3	-29,9	-13,0	-9,1	-8,6	-6,4	-13,0	-7,5
Gross profit on sales	16,8	10,7	8,6	29,9	30,5	27,4	23,2	33,5	26,4
Gross margin on sales excluding material revenues	69,7%	56,2%	55,7%	79,2%	77,5%	77,5%	82,8%	83,4%	79,8%
Gross margin on sales	43,5%	24,3%	22,3%	69,7%	77,0%	76,1%	78,3%	72,1%	77,8%
R&D and general and administrative expenses	-9,7	-8,0	-14,3	-11,8	-12,5	-10,2	-12,3	-11,5	-12,5
Impairment of property, plant and equipment	-	-	-	-	-	-	-	-12,2	-
EBITDA	9,6	5,6	(4,4)	26,4	19,8	19,2	12,8	10,4	15,5
EBITDA margin excluding material revenues	39,9%	29,6%	n/a	69,7%	50,4%	54,2%	45,8%	25,9%	46,8%
EBITDA margin	24,9%	12,8%	n/a	61,4%	50,1%	53,3%	43,4%	22,4%	45,6%
Depreciation	2,5	2,5	2,0	1,9	1,8	1,7	2,0	1,7	2,0
EBIT	7,1	3,1	(6,4)	24,5	18,0	17,5	10,9	8,7	13,5
EBIT margin excluding material revenues	29,4%	16,3%	n/a	64,7%	45,9%	49,4%	38,8%	21,6%	40,9%
EBIT margin	18,4%	7,0%	n/a	56,9%	45,6%	48,5%	36,7%	18,7%	39,8%
Gross profit/loss	7,4	5,1	(5,1)	14,5	16,5	15,2	10,9	7,3	17,5
Income tax	-	-	-	1,2	-	-	-	(8,6)	-
Net profit/loss	7,4	5,1	(5,1)	15,7	16,5	15,2	10,9	(1,3)	17,5

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Information about Mabion S.A.

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

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