

PRESS RELEASE



FOR IMMEDIATE RELEASE

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Kansas Gov. Laura Kelly Announces Partnership to Build Large Biomanufacturing Facility Near Manhattan

MANHATTAN, Kan. — Kansas Gov. Laura Kelly and a panel of federal, state, local and Kansas State University officials today announced a planned development partnership with Scorpion Biological Services Inc. to support the construction of a new biodefense-focused biomanufacturing facility to be built in Pottawatomie County near Manhattan.

“We are thrilled and excited that Scorpion has chosen Kansas for this game-changing facility that will have a massive positive impact in our state,” Gov. Kelly said. “Being in the center of the country, with quick access to either coast, there is no better state for Scorpion to locate in order to address potential threats to public health.”

Scorpion Biological Services Inc. (Scorpion) is a subsidiary of Heat Biologics Inc., a clinical stage biopharmaceutical company that develops novel biodefense assets and first-in-class therapies to modulate the immune system. The company intends to use the new 500,000-square-foot facility for large molecule and biologics manufacturing, with a particular focus on biodefense.

Once fully operational, Manhattan’s Scorpion facility is expected to employ more than 500 people. The initial average starting salary for employees is anticipated to be more than \$75,000 per year, and the total capital investment is projected to be \$650 million.

“The COVID pandemic and recent geopolitical events have compounded the urgent need for rapid response to potential biological threats, natural or man-made,” Jeff Wolf, Heat Biologics’ chief executive officer, said. “Today’s announcement is a major milestone for our company, for Scorpion, for Manhattan and for the nation, enhancing our domestic production of vital biologics to protect Americans from deadly disease. We appreciate the tremendous bipartisan support for this initiative,

and we are extremely grateful to the State of Kansas and their officials for their hard work in bringing this to fruition.”

Scorpion’s President David Halverson said there is strong global demand for world-class biomanufacturing, and that the new facility will help Scorpion — which also has a facility in San Antonio — fill that demand. “We’re looking forward to rapidly growing and expanding Scorpion and Manhattan is the perfect location for our newest facility.”

Halverson pointed to the congruence of biodefense assets in Manhattan as key to the selection of the region as the location for their new facility. Manhattan, home to K-State and its Biosecurity Research Institute (BRI), is also the site of the nearly completed USDA National Bio and Agro-Defense Facility (NBAF). The city is adjacent to the U.S. Army’s Fort Riley military installation, home to the 1st Infantry Division and approximately 15,000 active duty service members and their families.

Sen. Jerry Moran (R-Kan), Lt. Gov. David Toland and K-State President Richard Linton, as well as other state, county and local officials, attended the announcement at the Manhattan Convention Center.

K-State President Richard Linton said Scorpion plans to begin research ahead of the facility’s completion in collaboration with faculty who work in the BRI. Scorpion has also indicated they plan to recruit much of its workforce from K-State and Manhattan Area Technical College graduates, as well as veterans exiting the military from Fort Riley.

“This project aligns perfectly with our statewide economic prosperity plan to leverage K-State’s strengths, address our state’s economic needs and build prosperity in Kansas,” Linton said. “We couldn’t be happier to announce this new partnership with Scorpion and forthcoming opportunities for the people of Kansas, K-State and our region.”

The deal is still pending local, county and state approvals for incentive packages. At the April 19 Manhattan City Commission meeting, commissioners will consider a resolution of intent to commit to the project, which is anticipated to include island annexation of the proposed site at the northeast corner of Excel Road and Highway 24. Sale of the property, currently owned by Midwest Concrete Materials Inc., is still pending approvals. Representatives of Scorpion plan to attend the commission meeting Tuesday evening to discuss the project.

City of Manhattan Mayor Linda Morse said the selection of Manhattan as the site for this project is the culmination of more than two decades of effort by the City, the Manhattan Area Chamber of Commerce (MACC), Pottawatomie County Economic Development (PCEDC) and K-State to build the biodefense ecosystem in the region.

“Many, many hours have been put into bringing this project home,” Morse said. “It’s a great day for the future of our region. And I’m thrilled to see so many new, high-paying jobs will be coming here.”

Pottawatomie County Commission Chair Pat Weixelman said the project will not only bring new jobs to the fastest growing county in Kansas per capita, but it will eventually expand the county's commercial tax base.

"This is exactly the type of project we've been hoping to bring to the area," Weixelman said. "We're very proud Scorpion chose to build the facility in Pottawatomie County."

MACC and PCEDC have worked closely with K-State, the City of Manhattan, Pottawatomie County, and the Kansas Department of Commerce throughout the proposal process. Since 2018, MACC and PCEDC have been marketing the region collectively as the Greater Manhattan Economic Partnership (GMEP). Regional economic development staff work as a team to recruit new businesses and talent to the area.

"When we formed GMEP, this is the type of project our Chamber was hoping to attract to the region," MACC President and CEO Jason Smith said. "When we first saw the request for proposals, we couldn't believe how well we fit what the company was looking for. It builds upon our already existing assets in biodefense and biosecurity, draws upon the strengths of our local talent, and will create new, high-paying jobs for our residents. It was like they wrote the prospectus specifically for us."

PCEDC Executive Director Jack Allston agreed. "We've been looking for the right anchor tenant for this property on Highway 24 for some time, and the Scorpion facility couldn't be a better fit. The site is near highway and interstate access, plenty of high-quality housing, K-State, NBAF, and both downtown Manhattan and Wamego. It's an economic developer's dream."

Daryn Soldan, director of economic development for the MACC, said the Scorpion facility is anticipated to be fully operational in about five years. An official incentive package that combines tools available at the city, county and state levels will be made public soon.

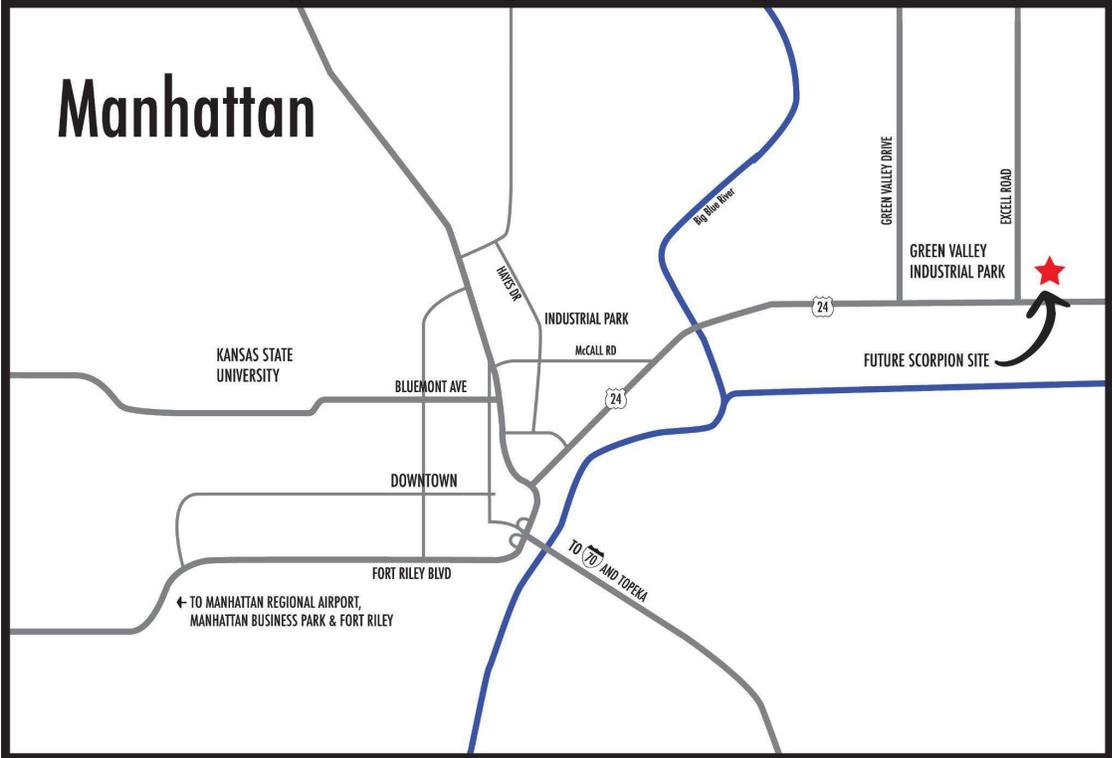
"There's still work to be done, but ever since NBAF was announced in 2008, we've been building and marketing our region's portfolio of biosecurity and biodefense assets in hopes of attracting a business like this to Manhattan," Soldan said. "We're thrilled to finally be able to share this good news with everyone."

Background information about Heat Biologics and its subsidiary, Scorpion Biological Services, can be found at heatbio.com and scorpionbio.com. More information about GMEP is available at greatermanhattan.org.

The April 18 event was live streamed and is available at:
<https://www.kansascommerce.gov/projectannouncement-4-18-22>

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Proposed Site Location



Scorpion Facility Rendering

