PHILOGEN S.p.A.

THE BOARD OF DIRECTORS APPROVES THE NET FINANCIAL POSITION FOR THE FIRST QUARTER OF 2021 IN THE AMOUNT OF 104,668 THOUSAND EURO, AND ACKNOWLEDGES THE PROGRESS OF THE MAIN CLINICAL TRIALS ON NIDLEGY™ AND FIBROMUN IN LINE WITH THE EXPECTED TIMELINES

Siena (Italy), May 12, 2021 - In compliance with the disclosure commitments undertaken by the Company as part of the recent listing process, as indicated in the Registration Document available on the Company's website (www.philogen.com, section "Investor, IPO"), the Company announces that the Board of Directors of Philogen S.p.A. (the "**Company**" or "**Philogen**" and, together with its Swiss subsidiary Philochem, the "**Group**"), which met today, approved the Group's net financial position as of March 31, 2021 and noted the progress of the main clinical trials with *Nidlegy*™ and Fibromun.

NET FINANCIAL POSITION AS OF 31 MARCH 2021

The Group closed the first quarter of 2021 with cash of €122,414 thousand compared to €61,943 thousand at December 31, 2020 and a positive net financial position of €104,668 thousand, an increase of more than 130% compared to December 31, 2020.

The change mainly reflects the capital raised during the IPO, amounting to approximately €65,500 thousand, net of the commissions paid to the consortium for the institutional placement.

In the first quarter of 2021, the Group also had cash receipts of approximately €1,000 thousand due to cash flows from existing contracts and the completion of the merger with the company Palio Ordinarie S.p.A..

Following the listing process, in the first quarter of 2021, extraordinary costs of approximately €1,100 thousand were incurred, attributable (i) in part to assistance services provided in the listing process, and (ii) in part to the payment, based on commitments made by the Company prior to the listing process, of an extraordinary *bonus* to a member of the Board of Directors for his operational commitment to the development of the most advanced products in the Group's *pipeline.*

Furthermore, in line with the expectations of the business plan, investments continue for the new GMP plant at the Rosia (Siena) site, with costs incurred in the first quarter of 2021 amounting to approximately €1,400 thousand.

The cash absorption for the Group's core business in the first quarter of 2021 amounts to approximately €4,200 thousand.

Financial indebtedness, amounting to approximately €12,000 thousand, is attributable to notional debts related to real estate lease contracts for the three company sites, represented according to international accounting standards (IFRS 16).

Details of the Group's net debt as of March 31, 2021 and December 31, 2020, prepared in accordance with Consob Communication DEM/6064293 of July 28, 2006, are provided below.

Figures in thousands of euros			Change	
Net financial debt	**March 31, 2021**	**December 31, 2020**	**Change**	**Var %**
(A) Cash	2	2	(1)	(22.8)%
(B) Other liquid assets	73,637	11,956	61,680	515.9%
(C) Securities held for trading	48,776	49,984	(1,208)	(2.4)%
(D) Liquidity (A+B+C)	**122,414**	**61,943**	**60,471**	**97.6%**
(E) Current financial receivables	**-**	**-**	**-**	**-**
(F) Current bank debt	36	15	21	142.1%
(G) Current portion of non-current debt	1,290	1,079	211	19.5%
(H) Other current financial liabilities	722	711	11	1.5%
(I) Current financial debt (F+G+H)	**2,048**	**1,805**	**243**	**13.4%**
(J) Current Net Financial Indebtedness (Surplus) (I-E-D)	**(120,363)**	**(60,137)**	**(60,229)**	**100.2%**
(K) Non-current bank debt	4,426	4,629	(203)	(4.4)%
(L) Bonds issued	-	-	-	-
(M) Other non-current payables	11,272	11,270	2	0.0%

(N) Non-current financial debt (K+L+M)	**15,698**	**15,899**	**(201)**	**(1.3)%**
(O) Net debt (surplus) (J+N)	**(104,668)**	**(44,238)**	**(60,430)**	**136. 6%**

(*) Net debt is an alternative performance indicator, not identified as an accounting measure under IFRS, and therefore should not be considered as an alternative measure to those provided in the Group's financial statements for the purpose of assessing the Group's financial position,

(**) The change in securities held in the portfolio is attributable to the disposal of securities in the first quarter of 2021 for approximately € 1,700 thousand, and to the positive change in *fair value* compared to the comparison period for approximately € 517 thousand,

PROGRESS STATUS OF MAIN CLINICAL TRIALS *Nidlegy*™ and Fibromun

The most advanced programs are on track to meet the expected timelines. Specifically:

- Nidlegy™, which is the product currently at the most advanced stage of development, is progressing on schedule for its Phase III study in locally advanced Stage IIIB,C melanoma in Europe. 164 patients of the 214 planned patients have been treated. Clinical trials in melanoma in the U.,S. are also continuing, as well as a study in non-melanoma skin cancers that was recently begun in Europe, for which the first results were announced at the World Melanoma Congress (April 14-17, 2021);
- The progress of Fibromun in patients with soft tissue sarcoma and in patients with brain tumors continues according to plan, The number of clinical centers and countries involved in the trial is increasing, in part as a result of promising clinical data that recently published [Weiss et al, (2020) Sci, Transl, Med,, 12, eabb2311; Schliemann et al, (2021) Eur, J, Cancer, 150, 143],

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Dario Neri, Chief Executive Officer and Chief Scientific Officer of Philogen S,p,A,, commented, *"We are pleased to report for the first time since the Company's Initial Public Offering in March 2021 on the progress of our late-stage and early-stage product candidates. With the proceeds from the IPO, Philogen intends to bring Nidlegy™ and Fibromun to registration and initiate direct commercialization in certain countries as envisioned in the Business Plan. In addition, we have observed extremely interesting clinical and preclinical results for the OncoFAP platform, which targets various types of metastatic tumors with very high efficacy and selectivity; early results were recently published in the prestigious journal Proceedings of the National Academy of Sciences U.S.A., [Millul et al, (2021) Proc, Natl, Acad, Sci, U,S,A,, 118, e2101852118]. The construction of a second GMP plant in Rosia (Siena), which is nearing completion, will further enhance in-house production capabilities in anticipation of commercialization activities."*

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The director responsible for drafting of the corporate accounting documents, Laura Baldi, hereby declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

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Philogen Group Description

Philogen is an Italian-Swiss company active in the biotechnology sector, specialized in the research and development of pharmaceutical products for the treatment of highly lethal diseases. The Group primarily discovers and develops targeted anticancer drugs, exploiting high-affinity ligands for tumor markers (also called tumor antigens). These ligands - human monoclonal antibodies or small organic molecules - are identified using *Antibody Phage Display Libraries* and *DNA-Encoded Chemical Libraries* technologies,

The main therapeutic strategy of the Group for the treatment of these diseases is represented by an approach referred to as *tumor targeting*. This approach is based on the use of ligands capable of selectively delivering very potent therapeutic active ingredients (such as, for example, pro-inflammatory cytokines) to the tumor mass, sparing healthy tissues. Over the years, Philogen has primarily developed monoclonal antibody-based ligands that are specific for antigens expressed in tumor-associated blood vessels, but not expressed in blood vessels associated with healthy tissues. These antigens are usually more abundant and more stable than those expressed directly on the surface of tumor cells. This approach, which is called *vascular targeting*, is used for most of the projects pursued by the Group.

The Group's objective is to generate, develop, and market innovative products for the treatment of diseases for which medical science has not yet identified satisfactory therapies. This is achieved by leveraging (i) proprietary technologies for the isolation of ligands that react with antigens present in certain diseases, (ii) expertise in the development of products targeted at the tissues affected by the disease, (iii) experience in drug manufacturing and development, and (iv) an extensive portfolio of patents and intellectual property rights.

Although the Group's drugs are primarily oncology applications, the *targeting* approach is also potentially applicable to other diseases, such as certain chronic inflammatory diseases.

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FOR MORE INFORMATION:

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