PHILOGEN S.p.A.

THE BOARD OF DIRECTORS APPROVES THE NET FINANCIAL POSITION FOR THE THIRD QUARTER OF 2022, WHICH IS POSITIVE AND AMOUNTS TO 76,229 THOUSAND EUROS, AND NOTES THE PROGRESS OF THE MAIN TRIALS WITH NIDLEGY™ AND FIBROMUN, WHICH ARE IN LINE WITH THE PLANNED TIMELINES

Siena (Italy), Nov. 09, 2022 - In compliance with the disclosure commitments made by the Company as part of the listing process, 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 September 30, 2022 and noted the progress of the main trials with Nidlegy™ and Fibromun.

Dario Neri, CEO and Chief Scientific Officer of Philogen S.p.A., commented:

"The clinical programs of our two most advanced products are progressing in line with our expected timelines. After having reached the 214 patients foreseen in the protocol, we expect the read-out of our European Phase III study of Nidlegy™ in melanoma to occur in 2023.

Enrollment of patients in the Fibromun Phase III sarcoma study is proceeding on schedule, and we expect to complete enrolment of 118 patients by the end of 2023. Moreover, the emerging data from the non-melanoma skin cancer and glioblastoma studies are very encouraging. We expect the Phase I/II combination study of Fibromun and lomustine in glioblastoma at first progression to move to the randomized Phase II part in the first half of 2023.

Finally, as previously communicated, we are confident that the new GMP plant in Rosia can also be authorized in 2023."

NET FINANCIAL POSITION AS OF SEPTEMBER 30, 2022

The following is a table of the Philogen Group's Net Financial Debt as of September 30, 2022, prepared in accordance with ESMA Guideline 32-382-1138 of March 4, 2021 and Consob's Attention Reminder No. 5/21:

Figures in thousands of euros **Net financial debt**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**
(A) Cash and cash equivalents	5,400	11,465	2,852	8,880
(B) Equivalents to cash and cash equivalents.	-	-	-	-
(C) Other current financial assets	86,932	86,874	89,741	92,797
(D) Liquidity (A+B+C)	**92,332**	**98,339**	**92,593**	**101,677**
(E) Current financial debt	20	24	12	9
(F) Current part of non-current financial debt	1,656	1,631	1,816	1,799
(G) Net current financial debt (E+F)	**1,677**	**1,655**	**1,827**	**1,808**
(H) NET CURRENT FINANCIAL DEBT (G-D)	**(90,656)**	**(96,684)**	**(90,766)**	**(99,870)**
(I) Non-current financial debt	14,427	14,570	14,421	14,685
(J) Debt instruments	-	-	-	-
(K) Current trade and other payables.	-	-	-	-
(L) Non-current financial debt (I+J+K)	**14,427**	**14,570**	**14,421**	**14,685**
(M) NET FINANCIAL DEBT (H+L)	**(76,229)**	**(82,114)**	**(76,345)**	**(85,184)**

(*) Net financial 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 by the Group's financial statement for assessing the Group's financial position.

The Group ended the third quarter of 2022 with liquidity of 92,332 thousand euros compared to 101,677 thousand euros as of December 31, 2021, and a positive net financial position as of September 30, 2022 of 76,229 thousand euros compared to a net financial position, also positive, of 85,184 thousand euros as of December 31, 2021 (showing a percentage decrease of approximately 10% compared to December 31, 2021).

Between the second and third quarters of 2022, the positive net financial position shows a percentage decrease of about 7% from 82,114 thousand euros as of June 30, 2022 to 76,229 thousand euros as of September 30, 2022. In the same period, liquidity decreased from 98,339 thousand euros as of June 30, 2022 to 92,332 thousand euros as of September 30, 2022, showing a decrease of approximately 6%. The latter change was mainly attributable to (i) collections from contracts with customers in the amount of 1,672 thousand euros, (ii) costs from ordinary operations in the amount of approximately 6,042 thousand euros, (iii) capital expenditures for the equipment of the new GMP plant in Rosia (Siena) in

the amount of approximately 1,180 thousand euros, (iv) the purchase of treasury shares in the amount of 164 thousand euros, and (v) the net negative change in the *fair value* of the securities portfolio in the amount of approximately 292 thousand euros.

Current and noncurrent financial debt decreased from 16,225 thousand euros as of June 30, 2022 to 16,103 thousand euros as of September 30, 2022, showing a decrease of approximately 122 thousand euros resulting from the progress of existing amortization schedules. It should be noted that the financial indebtedness derives, for approximately 12,066 thousand euros, from the real estate leases for the three company sites, represented in accordance with international accounting standards (IFRS 16). The remaining part, amounting to 4,037 thousand euros, relates to two outstanding loans stipulated to partially finance the expansion project of the Rosia (Siena) production site.

PROGRESS STATUS OF THE MAIN TRIALS WITH Nidlegy™ and Fibromun

The most advanced programs are on schedule. Specifically, as of September 30, 2022:

(i) Nidlegy™, Philogen's most advance product, is progressing according to the expected timeline in the European Phase III study in Stage IIIB,C melanoma. Specifically:
- 214 patients foreseen by the protocol have been treated, as stated in the prospectus published in March 2021. As of the date of this release, the 95 events, which according to the protocol will allow the final data read-out (an event consists of disease progression or death of a patient), have not yet accrued. The read-out of the study is expected in 2023;
- Clinical trials in melanoma in the United States are also continuing, as well as a study in non-melanoma skin cancers in Europe;

(ii) Fibromun, the second most advanced product after Nidlegy™, is proceeding according to the expected timeline for ongoing clinical trials in the following areas:
- Soft tissue sarcoma:
  - 45 patients have been treated in the European Phase III study to date, with the goal of enrolling 118 patients. Fifteen centers have been opened, with the goal of expanding to approximately 25 by the first half of 2023. Philogen is confident of completing enrollment by the end of 2023.
- Glioblastoma (the most lethal brain tumor):
  - In the Phase I/II trial to treat patients with glioblastoma at first progression, the first two cohorts of Phase I have been completed. The third and final cohort is expected to begin later this year. The study will then transition to the randomized Phase II. Patients in this study are receiving Fibromun in combination with lomustine. To date, durable antitumor responses have been observed in the first two cohorts, which is typically never observed with lomustine alone.

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The manager responsible for preparing the Company's financial reports, Laura Baldi, declares pursuant to paragraph 2 Article 154 bis of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

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Philogen Group Description.

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

The Group's main therapeutic strategy for the treatment of these diseases is the so-called 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) at the tumor mass while sparing healthy tissues. Over the years, Philogen has mainly 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, so-called vascular targeting, is used for most of the projects pursued by the Group.

The Group's goal is to generate, develop, and commercialize 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 specific diseases, (ii) experience in developing products targeted to the tissues affected by the disease, (iii) experience in drug manufacturing and development, and (iv) the Group's 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 some chronic inflammatory diseases.

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FOR MORE INFORMATION:

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