PHILOGEN S.p.A.

THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL REPORT AS OF JUNE 30, 2024

- **Revenues from contracts with customers amounting to 779 thousand euros** (21,625 thousand euros in 2023)
- **EBITDA negative in the amount of 15,249 thousand euros** (positive in the amount of 8,632 thousand euros in 2023)
- **Negative EBIT** of **17,046 thousand** (positive 6,928 thousand in 2023)
- **Negative net result of 15,516 thousand Euro** (positive net result of 7,672 thousand Euro as of June 30, 2023**)**
- **Positive net financial position of 50,696 thousand Euro** (positive 60,430 thousand Euro as of December 31, 2023)

Siena (Italy), Sept. 25, 2024-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 under the chairmanship of Dr. Duccio Neri, approved the condensed consolidated half-year financial statements as of June 30, 2024, prepared in accordance with IAS/IFRS.

Dario Neri, CEO of Philogen, commented on the results for the year and the evolution of the business:

"We are pleased to announce the submission of our first marketing authorization application for Nidlegy™ for the treatment of melanoma to the European Medicines Agency (EMA). We are particularly pleased to have met the timeline previously communicated to the financial community; we have worked hard to achieve this milestone, which brings us ever closer to transitioning from a company focused on drug R&D to a Product company. The results of the Phase III study in melanoma were successfully presented at ASCO on May 31, 2024, one of the most prestigious events in the field of oncology, sharing data for the first time with an audience of specialists.

In addition, we look forward to the final results of the Phase III registrational study of Fibromun in soft tissue sarcoma. The interim analysis, which was communicated to the market in February 2024, provided positive indications on the progress of the study, as the independent scientific committee, which is responsible for evaluating the progress of the clinical trial, recommended that the trial be continued according to the protocol guidelines.

In the past few months, we have also submitted applications to start three new clinical trials on three new radioactive small organic molecule-based experimental drugs: (1) 177Lu-OncoFAP-23 for solid tumor therapy, (2) 68Ga-OncoACP-3 for prostate cancer imaging, and (3) 68Ga-OncoCAIX for kidney cancer imaging. We expect to enroll the first patients in these studies by the end of the year. Regarding OncoFAP-GlyPro-MMAE (non-radioactive drug), we are observing excellent results in a clinical trial in which the drug is administered to animal patients with spontaneous tumors without therapeutic alternatives.

Given these promising results, we expect that Philogen's small-molecule organic-based drugs will form the basis for development of the company's future pipeline.

The Group, pending the hoped-for granting of the marketing authorization (MA) for Nidlegy™, continues its R&D projects on its own and/or in partnership, and closes the first half of 2024 with a low cash burn and a solid equity and financial position.

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

To date, the Group does not have a steady revenue stream as it currently has no products on the market that generate revenue. Revenues are derived from *milestones* attributable to *partnership* agreements, progress on R&D projects, third-party production, and income in the form of operating grants from subsidized projects.

Total Group Revenues as of June 30, 2024 amounted to 1,710 thousand euros, a decrease of approximately 92.4% compared to the period ended June 30, 2023.

Total revenue consists of (i) Revenue from contracts with customers amounting to 779 thousand Euro and (ii) Other Income amounting to 931 thousand Euro.

Revenues for the first half of 2024 derive from customer contracts and factor in a first *tranche of* sales to SUN to support pre-marketing plans.

The negative change from the six-month period 2023 is mainly attributable to the achievement last semester of a *milestone* related to a new marketing, licensing and supply agreement that was added to the revenues generated from *partnership* and GMP contract manufacturing agreements signed in previous years.

The Group is also actively engaged in a strategic path of enhancing and growing one of its products whose testing is at an advanced stage.

Operating costs mainly include costs for production materials, costs for clinical and preclinical services, personnel costs, and other operating costs and showed an increase of approximately 22.1% compared to the previous period, rising from €13,891 thousand as of June 30, 2023 to €16,958 thousand as of June 30, 2024. This change is mainly attributable to (i) the increase in costs for materials and services related to the Group's *core business* activities, and (ii) the increase in personnel costs related to the hiring plan aimed at structuring the workforce of the new GMP *facility* (at the Rosia site) and strengthening management and staff functions.

As a result of the decrease in revenues and the increase in operating costs, EBITDA went from a positive value as of June 30, 2023 of 8,632 thousand euros to a negative value as of June 30, 2024 of 15,249 thousand euros.

Depreciation and amortization showed a slight increase of about 5.5 percent compared with the period ended June 30, 2023, from 1,704 thousand euros as of June 30, 2023 to 1,798 thousand euros as of June 30, 2024.

EBIT, calculated as the difference between EBITDA and depreciation and amortization, showed a negative balance of 17,046 thousand euros as of June 30, 2024 (positive 6,928 thousand euros as of June 30, 2023).

Net financial management for the period ended June 30, 2024 showed a net positive result of €1,538 thousand (positive for €1,330 thousand in the period ended June 30, 2023). The net result can mainly be attributed to (i) net valuation gains of Euro 686 thousand related to changes in the *fair value* of the securities portfolio, (ii) net income on the securities portfolio of Euro 605 thousand given by net capital gains on realization, coupon and dividend collections, (iii) interest income collected of Euro 235 thousand of which Euro 196 thousand related to *time deposits* collected at maturity and the remainder related to the extinguishment of the derivative on outstanding loans; (iv) interest expense and other financial expenses of Euro 252 thousand; and (v) net foreign exchange gains of Euro 264 thousand.

Taxes amounting to 8 thousand euros are represented by deferred taxes mainly attributable to the reversal of the tax effects recognized upon transition to IAS/IFRS. It should be noted that the item shows a decrease of approximately 98.7% compared to the period ended June 30, 2023 due to the negative result of the current period.

As a result of the above, the Group, for the period ended June 30, 2024, shows a net loss of 15,516 thousand euros (as of June 30, 2023, a positive net result of 7,672 thousand euros had been recorded).

As of June 30, 2024, the Group closes with a positive net financial position of 50,696 thousand euros, compared to a net financial position, also positive, of 60,430 thousand euros as of December 31, 2023.

Below is a table of the Group's Net Financial Debt as of June 30, 2024, 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**	**June 30 2024**	**March 31, 2024**	**December 31, 2023**
(A) Cash and cash equivalents	12,264	6,960	10,635
(B) Cash equivalents to cash and cash equivalents.	-	5,000	5,000
(C) Other current financial assets	52,345	57,040	59,709
(D) Liquidity (A+B+C)	**64,609**	**69,000**	**75,344**
(E) Current financial debt	74	60	22
(F) Current part of non-current financial debt	1,884	1,865	1,868
(G) Net current financial debt (E+F)	**1,958**	**1,925**	**1,890**
(H) NET CURRENT FINANCIAL DEBT (G-D)	**(62,651)**	**(67,075)**	**(73,455)**
(I) Non-current financial debt	11,955	12,327	13,025
(J) Debt instruments	-	-	-
(K) Trade and other current payables.	-	-	-

(L) Non-current financial debt (I+J+K)	**11,955**	**12,327**	**13,025**
(M) NET FINANCIAL DEBT (H+L)	**(50,696)**	**(54,748)**	**(60,430)**

Between the first and second quarters of 2024, the positive net financial position shows a percentage decrease of about 7.4%, from €54,748 thousand as of March 31, 2024 to €50,696 thousand as of June 30, 2024. During the same period, liquidity decreased from Euro 69,000 thousand as of March 31, 2024 to Euro 64,609 thousand as of June 30, 2024, showing a decrease of approximately 6.4%. The latter change is mainly attributable to (i) collections from contracts with customers in the amount of Euro 1,398 thousand, (ii) vat credit reimbursement in the amount of Euro 2,543 thousand, (iii) outgoings for core operations in the amount of approximately Euro 9.017 thousand, (iv) *capex* approximately Euro 399 thousand, of which approximately Euro 160 thousand for the construction of the new office building at the Rosia (Siena) site, Euro 217 thousand for investments in new machinery and equipment and the maintenance of plants at the Group's production sites and Euro 21 thousand relating to specific plants); (v) positive change in financial management of approximately Euro 1.084 thousand, given by Euro 310 thousand related to the collection of coupons occurred in the second quarter of 2024, Euro 627 thousand related to the change in the *fair value* of the held securities portfolio, Euro 150 thousand related to the interest income collected at the maturity of the term current accounts and Euro 3 thousand related to the negative change in the *market to market* of the hedging derivative on the outstanding loans.

Current and noncurrent financial debt decreased from €14,252 thousand as of March 31, 2024 to €13,913 thousand as of June 30, 2024, showing a decrease of approximately 1.30% resulting from the progress of existing amortization schedules. It should be noted that about Euro 11,462 thousand of the financial debt derives from the real estate leases for the three company sites, which are represented in accordance with international accounting standards (IFRS 16). The remainder, amounting to Euro 2,451 thousand, relates to the residual portion of the loan stipulated to partially finance the expansion project of the Rosia (Siena) production site.

FORESEEABLE DEVELOPMENT OF OPERATIONS

The status of various industrial programs can be summarized as follows:

- Nidlegy™ - a biopharmaceutical product designed for the treatment of skin cancers

Following the submission of the *Marketing Authorization Application* documents to the *European Medicines Agency* (EMA), Philogen has already received from EMA the first round of supplementary applications on the submitted registration *dossier*.

The process of EMA's review of the entire *dossier* is expected to be completed by mid-2025.

Patient enrollment in the U.S. Phase III trial in stage IIIB/C melanoma continues in line with company expectations. To date, 33 clinical trials have been opened at various centers.

Two Phase II studies are ongoing in "*High-Risk Locally Advanced*" Basal Cell Carcinoma (BCC) and other non-melanoma skin cancers. The Group accelerated activities in BCC based on the high rate of durable complete remissions (clinical and/or pathological CR) observed in patients treated with Nidlegy™. As of today's date, 85 patients have been enrolled in the ongoing Duncan study in Switzerland, Poland and Germany. Discussions are underway to finalize an industrial development plan to bring the drug to registration. The two clinical trials also allow Nidlegy™ to be investigated in other non-melanoma skin cancers (e.g., squamous cell carcinoma, *Merkel Cell Carcinoma).*

- Fibromun - a biopharmaceutical product, proprietary to Philogen, designed for the treatment of soft tissue sarcoma (STS) and Glioblastoma

In the European Phase III study in the first-line STS in combination with doxorubicin, all 118 patients under the protocol were enrolled. The study was conducted in Germany, Italy, Spain, Poland and France. Patients are randomized 1:1. Fifty percent of patients are treated with doxorubicin (control arm) and the other 50 percent of patients are treated with doxorubicin in combination with Fibromun (experimental arm). The study, whose primary *endpoint* is *Progression Free Survival* (PFS), was designed to observe at least 80% improvement in the experimental arm versus the control arm. Based on historical data, the *median* PFS of doxorubicin alone is expected to be around 4.6 months.

The U.S. Phase IIb study in first-line leiomyosarcoma in combination with doxorubicin is ongoing at 7 clinical centers in the United States. Leiomyosarcoma is the most common subtype of STS.

The randomized phase of the European Phase II trial in the third-line STS in combination with dacarbazine continues. The *trial* has enrolled 83 patients of the 92 planned by protocol.

Regarding the Phase I/II Study in second-line Glioblastoma in combination with lomustine, Phase I is completed with 15 patients divided into 3 cohorts and Phase II is ongoing. As of the date of this Report, 98 of the 158 patients scheduled for Phase II of the study have been enrolled. The study is currently ongoing in Switzerland, Italy and Germany. Philogen is working with the aim of opening additional centers in major European countries.

The Phase I/II/IIb trial in first-line Glioblastoma in combination with radiotherapy and temozolomide continues at the University Hospital of Zurich. The last of the 5 cohorts planned in the Phase I *trial* is currently underway.

- OncoFAP-small organic molecule with high affinity for Fibroblast Activation Protein (FAP). FAP is highly expressed in more than 90% of epithelial tumors. The Company is to date developing several pharmaceutical derivatives based on the OncoFAP ligand.

68Ga-OncoFAP (radio-diagnostic derivative) has completed Phase I clinical *trial* in patients with solid tumors. Blue Earth Diagnostic (Bracco), to whom the product was licensed, is planning the Phase II study.

The *company-sponsored* clinical study of 177Lu-OncoFAP-23 derivative (radio-therapeutic derivative) is scheduled to begin in 2024. Submission of the study was made on May 25, 2024.

Experimental data obtained in several preclinical models with OncoFAP-GlyPro-MMAE (a nonradioactive derivative of OncoFAP conjugated to cytotoxic drugs) have shown an excellent ability to block the growth of several tumor types. To date, the drug is undergoing a clinical trial in dogs with spontaneous neoplasia at University of Milan. The results observed so far are excellent. The start of GMP production of OncoFAP-GlyPro-MMAE, preparatory to clinical trials in human patients, is also planned.

- OncoACP-3 and OncoIX - small organic molecules with high affinity for Acid Phosphatase 3 (ACP-3) and carbonic anhydrase IX (CAIX), two markers for prostate and kidney cancer, respectively.

Two *company-sponsored* clinical trials of 68Ga-OncoACP-3 and 68Ga-OncoIX derivatives (diagnostic derivatives) are scheduled to begin in 2024. Submissions of the studies have been made.

- Products in *partnerships*

Partnerships continue on (i) Dekavil (Pfizer) and (ii) small molecule organics (Janssen and Bracco) and (iii) Nidlegy™ (Sun Pharma and MSD).

- New GMP Plant Rosia (Siena)

Philogen owns two GMP production facilities in Rosia (Siena) and Montarioso (Siena). The Rosia site is finalized for production of commercial and investigational drugs. The Montarioso (Siena) site will continue to be dedicated to the production of experimental drugs, both by the Group and for third parties.

The Rosia production site currently has the following approvals from AIFA:

- GMP MED Authorization 09.11.2023 (N°aM- 149/2023):

  1. Production Authorization for Commercial Products (Filling in asepsis);
  2. Production Authorization for Clinical Products (Filling in asepsis)

- API GMP Authorization 12.06.2024 (No.API- 133/H20204)

  1. Production authorization of Active Substances for both marketing and Phase I, II and III clinical trials.

- Montarioso production site

  1. Renewal of Authorization for the Production of Active Substances for Experimental Use (GMP API 28.08.2023 N°aAPI- 100/2023);

2. Renewal of Authorization for the Production of Experimental Medicines (GMP MED) n - aM 29/2024 dated 13/02/2024 (GMP CERTIFICATE No:IT/38/H/2024).

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Pursuant to Article *154-bis*, paragraph 2, of Legislative Decree No. 58/1998, the Financial Reporting Officer, Laura Baldi, declares that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

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In line with the recommendations contained in the ESMA/2015/1415 guidelines of October 5, 2015, it should be noted that within the scope of this press release there are some indicators that, although not envisaged by IFRS, are derived from financial quantities envisaged by IFRS. These indicators - which are presented in order to allow a better assessment of the Group's operating performance - should not be considered as alternatives to those provided for by IFRS and are consistent with those reported in the Report and Financial Statements as of December 31, 2020. It should also be noted that the methods for determining these indicators applied therein, since they are not specifically regulated by the relevant accounting standards, may not be homogeneous with those adopted by other issuers and, therefore, these indicators may not be adequately comparable. In compliance with Consob Communication No. 9081707 of Sept. 16, 2009, it should be noted that the alternative *performance* indicators have not been audited by the external auditing company, as have the accompanying financial statements.

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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-human monoclonal antibodies or small organic molecules-are identified using *Antibody Phage Display Libraries* and *DNA-Encoded Chemical Libraries* technologies.

The Group's main therapeutic strategy for the treatment of such 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, 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:

Philogen - Investor Relations

IR@philogen.com - Emanuele Puca | *Investor Relations*

Philogen Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS OF JUNE 30, 2024

Figures in thousands of euros and in percent	As of June 30				Variations	
	2024	**%**	**2023**	**%**	**2024 vs. 2023**	**%**
Revenue from contract with customers	779	100.0%	21,625	100.0%	(20,846)	(96.4)%
Other income	931	119.6%	898	4.2%	33	3.7%
Total Revenues	**1,710**	**219.6%**	**22,522**	**104.2%**	**(20,813)**	**(92.4)%**
Operating costs (*)	(16,958)	(2178.0)%	(13,891)	(64.2)%	(3,068)	22.1%
EBITDA (**)	**(15,249)**	**(1958.4)%**	**8,632**	**39.9%**	**(23,881)**	**(276.7)%**
Depreciation	(1,798)	(230.9)%	(1,704)	(7.9)%	(93)	5.5%
EBIT	**(17,046)**	**(2189.3)%**	**6,928**	**32.0%**	**(23,974)**	**(346.1)%**
Financial income	3,571	458.6%	3,119	14.4%	452	14.5%
Financial charges	(2,033)	(261.1)%	(1,790)	(8.3)%	(243)	13.6%
Earnings before taxes	**(15,509)**	**(1991.8)%**	**8,257**	**38.2%**	**(23,765)**	**(287.8)%**
Taxes	(8)	(1.0)%	(585)	(2.7)%	**578**	(98.7)%
Profit (Loss) for the period	**(15,516)**	**(1992.8)%**	**7,672**	**35.5%**	**(23,188)**	**(302.3)%**

(*) Operating Costs are given by the sum of the following balance sheet items: purchases of raw materials and consumables, costs for services, costs for use of third-party assets, personnel costs, and other operating costs.

(**) EBITDA is earnings before taxes before depreciation, amortization and financial income and expenses. EBITDA is a measure defined and used by the Group to monitor and evaluate the Group's operating performance, but it is not defined in the IFRS framework; therefore, it should not be considered as an alternative measure for evaluating the Group's operating performance. The Company believes that EBITDA is an important metric for measuring the Group's performance because it allows the Group's margins to be analyzed by eliminating the effects arising from nonrecurring economic elements. Since EBITDA is not a measure whose determination is regulated by the reference accounting standards for the preparation of the Group's consolidated financial statements, the criterion applied to determine EBITDA may not be homogeneous with that adopted by other groups, and therefore may not be comparable.

Philogen Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2024

Figures in thousands of euros and in percent	As of June 30	As of December 31	Variations	
	2024	2023	2024 vs. 2023	%
Assets				
Property, plant and equipment	16,067	15,912	155	1.0%
Intangible assets	1,216	1,245	(29)	(2.3)%
Activities by right of use	9,392	9,963	(571)	(5.7)%
Other non-current assets	2,768	2,790	(22)	(0.8)%
Deferred tax assets	8	123	(115)	(93.5)%
Employee benefits	(1,122)	(1,202)	80	(6.7)%
Other non-current liabilities	(130)	(236)	106	(44.8)%
Deferred tax liabilities	(1,307)	(1,507)	200	(13.3)%
Net Fixed assets (*)	**26,893**	**27,088**	**(196)**	**(0.7)%**
Inventories	2,937	2,248	689	30.6%
Activities arising from contract	417	1,350	(933)	(69.1)%
Trade receivables	657	1,281	(624)	(48.7)%
Tax credits	5,366	8,176	(2,809)	(34.4)%
Other current assets	1,336	837	499	59.7%
Trade payables	(8,923)	(7,799)	(1,124)	14.4%
Liabilities arising from contract	(667)	(466)	(202)	43.3%
Tax debts	(148)	(239)	91	(37.9)%
Other current liabilities	(2,736)	(2,317)	(419)	18.1%
Net Working capital (*)	**(1,760)**	**3,071**	**(4,831)**	**(157.3)%**
Invested capital (*)	**25,132**	**30,159**	**(5,027)**	**(16.7)%**
Liabilities				
Shareholders' Equity	75,829	90,589	(14,761)	(16.3)%
Net financial debt (*)	(50,696)	(60,430)	9,734	(16.1)%
Total sources	**25,132**	**30,159**	**(5,027)**	**(16.7)%**

(*) Net fixed assets, net working capital, net invested capital, and net financial debt are alternative performance indicators that are not identified as accounting measures under IFRS and, therefore, should not be considered alternative measures to those provided by the Group's financial statement formats for assessing the Group's financial position.

Philogen Group

CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2024

Figures in thousands of Euros	Period ended June 30			
	2024	*Of which with related parties*	**2023**	*Of which with related parties*
Cash flow from operating activities				
Result for the period	(15,516)	*(1,720)*	7,672	*(2,707)*
Adjustments for:				
Depreciation of tangible and intangible assets	1,798	*(433)*	1,704	*(798)*
Net financial income/(expense)	(1,538)	*(433)*	(1,330)	*(344)*
Provisions for funds and employee benefits	122		113	
Provisions for group incentive plans.	1,016		122	
Income taxes	8		585	
Other non-cash adjustments	(115)		(431)	
Variations of:				
Inventories	(693)		(610)	
Activities arising from contract	933		1,514	
Trade receivables	572	*4*	9	*(642)*
Liabilities arising from contract	202		372	
Trade payables	1,159	*(76)*	1,612	*(3)*
Other assets and liabilities (*)	2,555	*(7)*	(747)	*124*
Use of funds and employee benefits	(180)		(22)	
Interest paid	(356)		(259)	
Income taxes paid	-		-	
Cash flow generated/(absorbed) from operations (A)	**(10,036)**	***(2,663)***	**10,305**	***(4,369)***
Cash flow from investing activities				
Interest collected	962		733	
Proceeds from the sale of financial assets	19,591		5,162	
Purchase of property, plant and equipment	(1,423)		(1,518)	
Purchase of intangible assets	(78)		(160)	
Purchase of other financial assets	(11,459)		(302)	
Cash flow generated/(absorbed) from investing activities (B)	**7,592**	**-**	**3,935**	**-**
Cash flows from financing activities				
Proceeds from the issuance of shares	-		-	
Receipts from the assumption of financial liabilities	-		-	
Repayment of financial liabilities	(411)		(409)	
Payment of lease liabilities	(491)	*(435)*	(480)	*(410)*
Purchase of own shares	-		(1,196)	
Cash flow generated/(absorbed) from financing activities (C)	**(902)**	***(435)***	**(2,085)**	***(410)***
Total cash flow (A + B + C + D)	**(3,345)**	***(3,099)***	**12,155**	***(4,778)***
Beginning cash and cash equivalents	**15,635**		**24,436**	
Change in cash and cash equivalents for the period	(3,345)		12,155	
Translation effect on cash and cash equivalents	(25)		1	
Closing cash and cash equivalents	**12,264**		**36,592**	

(*) Includes: other non-current assets, other current assets, other non-current liabilities, other current liabilities, tax payables and receivables.