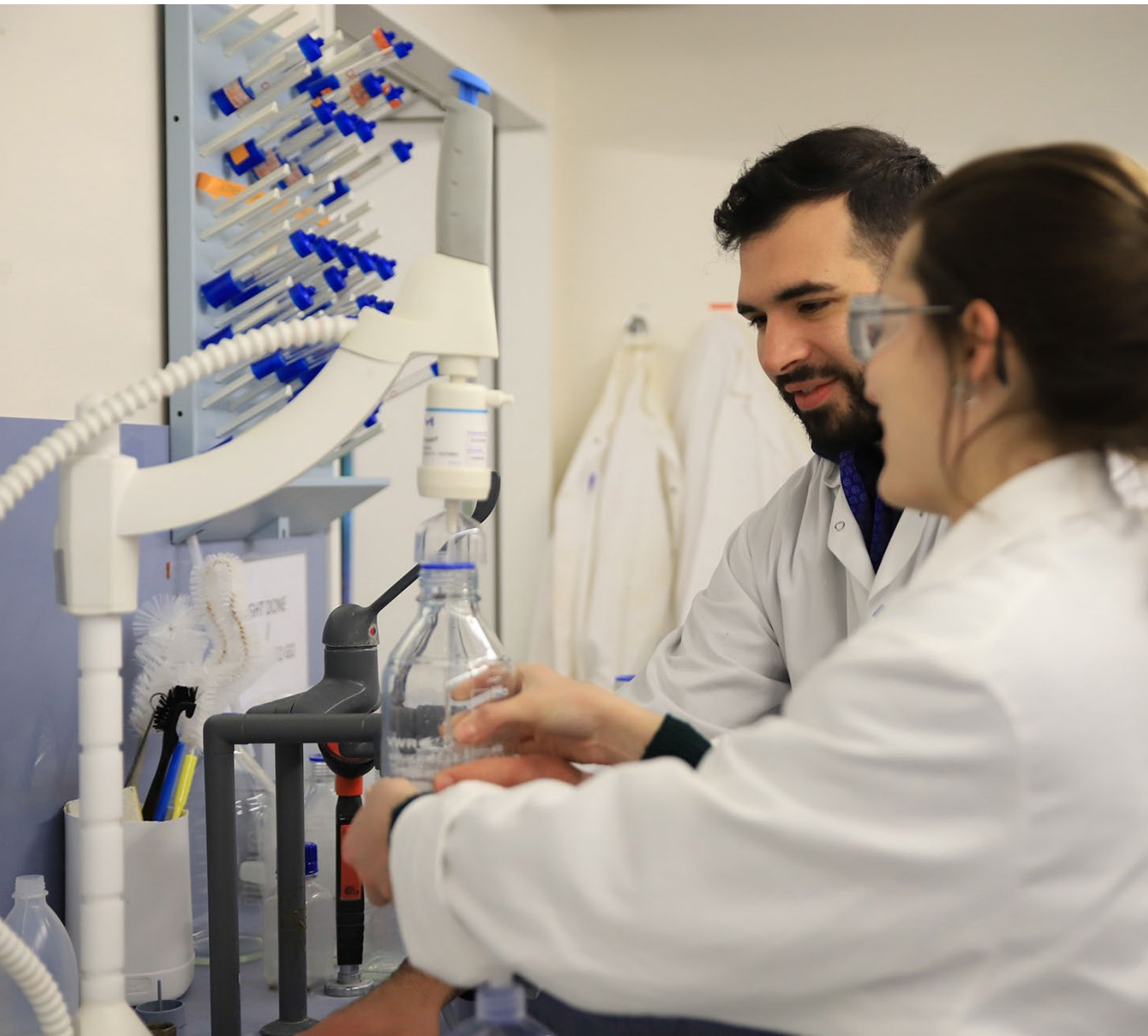
SUSTAINABILITY REPORT 2024

COURTESY ENGLISH TRANSLATION



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Letter to Stakeholders

Dear Shareholders and Stakeholders,

we are pleased to share with you the third Sustainability Report of the Philogen Group (the "Group"), within which we have highlighted the progress we have made and confirmed our sustainability philosophy based on concrete choices, made up of actions and projects aimed at leading the Group towards a sustainable, solid and quo future in which we will continue to generate value for investors, patients and all our stakeholders.

This year we acted on the conviction that only by respecting and implementing the principles of sustainability is it possible to cope with the significant uncertainties present worldwide, attributable to international conflicts and geopolitical tensions, which have contributed to increased social and economic instability. Today, more than ever, we are aware that our commitment to finding cures for our patients, which is our "core business," must be guaranteed regardless of the contingent situations around us.

Therefore, we are proud to inform you that our Company has reached an important milestone in its research and development journey: in June 2024, the authorization process at the European Medicines Agency (EMA) for the product Nidlegy™ was in fact undertaken, aimed at obtaining marketing authorization for this innovative new drug. The initiation of the authorization process represents years of dedication and commitment by our R&D and clinical teams; its approval will not only strengthen our position in the market, but more importantly it will also offer new hope and therapeutic solutions to patients in need.

In addition to the above, among the main achievements this year, we would like to highlight:

1. ***New drugs in clinical trials**: We have initiated clinical trials of very promising new drugs that could revolutionize therapeutic treatment for some diseases;*
2. ***Strategic Collaborations**: We have formed partnerships and collaborations with leading international pharmaceutical companies to accelerate the development of new therapies and related commercialization activities.*
3. ***Investment in technology**: We are implementing cutting-edge technologies to improve the efficiency of our research and development processes.*

We believe that this progress represents a significant step toward achieving our long-term goals. We will continue to work with dedication and passion to advance our mission of innovation and care.

For these achievements we have to thank the talent and dedication of our people who have always been at the center of our growth strategy. Our people are important, which is why we put their safety first and promote programs to continually improve standards for growth without neglecting their protection and prevention at our GMP-authorized production sites.

We want the best talents with us, which is why we invest in their professional development and training. In our strategic sustainability plan, we consider it a priority to build a serene and inclusive environment in which people can express their potential and be valued and rewarded according to their commitment and talent and are incentivized to contribute to the achievement of the company's success; and it is with these aims in mind that we designed and built a new building at the Philogen Group headquarters, within the GMP-authorized production facility in Rosia (Siena), which became operational in May 2024.

With the construction of this new site, we have also reaffirmed our commitment to reducing our impact on the climate by using electricity from renewable sources through the construction of two new photovoltaic systems within the aforementioned site. Regarding the production process of experimental drugs we also require our raw material suppliers to meet our quality standards on sustainability. In fact, our strategy also includes the increasingly active and responsible involvement of the various parties included in our supply chain by involving them in a process of evaluating and improving their performance in environmental, social and business ethics.

We also believe that the commitment to an equitable and sustainable future should extend to the social sphere as well: in fact, we are intensifying our relationships with institutional bodies with whom we collaborate assiduously, transferring this new approach to universities and academia as well.

We continue our path of growth by creating a "governance" that can guide the Philogen Group towards sustainable success, raising our employees' awareness of sustainability issues through the direct support and involvement of the Board of Directors, the active participation of our Management and the internal ESG operations team that has been in place since 2022. It is a challenging path that we will face as always with determination and enthusiasm to adapt to a changing future, continuing the value creation process that has characterized us since the beginning of our adventure.

Today, more than ever, we realize that the Group's mission is to provide excellent therapeutic solutions to our patients with the aim of improving the quality of human life. This is what drives us as a pharmaceutical company and will always be at the core of our activities. We are aware that the difficult times we find ourselves in are driving us to face unprecedented challenges that require new behaviors, new practices, and a new mindset for the creation of smart and "humane" and, as such, sustainable solutions.

As a Group, we have always applied our concept of responsibility to the products we make, in the processes we put in place, in the value chain we manage, and in the corporate culture we build every day on this model. We are convinced that this progress represents a significant step toward achieving our long-term goals. We will continue to work with dedication and passion to advance our mission of innovation and care.

We thank you for your continued support and belief in our mission to improve global health through scientific innovation and passion for science.

Siena, March 27, 2025

Duccio Neri Dario Neri
Executive Chairman Chief Executive Officer
Philogen S.p.A. Philogen S.p.A.

Highlights 2024

The following are some key *highlights* on the sustainability results and performance that were achieved during 2024 by the Philogen Group.

From research to

In 2024 Philogen:

- **Collaborated with 130 clinical centers** (**21** in **Italy**, **109** between **Europe** and the **U.S.**
- **opened 20 new clinical centers**
- **treated 328 new patients**

It should be noted that the Group operates in accordance with current regulations and is guided by industry principles, including:

The principles of Good Laboratory Practices define a management system to outline the conditions under which a preclinical study is planned, carried out, monitored, recorded, reported and archived.

The international principle of the **3Rs** (Replacement, Reduction, Refinement) requires that animal experimentation be used only when it is not strictly impossible to do otherwise, and always with a view to minimizing the number of animals involved in experimentation

The principles of Good Manufacturing Practices define a Management System to ensure that the production of drugs takes place according to appropriate quality *standards*

The principles of Good Clinical Practices compose an international *standard* of ethics and scientific quality for designing, conducting and reporting clinical trials involving human subjects.

The Group protects the results of research and development activities by making use of a large international portfolio of patents for inventions for industrial use and pending patent applications, consolidating a patent position in the field of vascular *targeting*.

December 31, 2024,

- **Philogen SpA** holds:
  - **124** patents granted/applications accepted and
  - **56** patent applications*
- **Philochem AG** holds:
  - **16** patents granted/applications accepted and
  - **45** patent applications*

* Patent Cooperation Treaty (PCT) is also considered in the count.
- 158 states participating in the treaty to date.

Economic performance

Determining the economic value directly generated and distributed represents a central element for the Philogen Group, through which it can express and concretize, in monetary terms, the wealth produced and distributed in the territory and thus to its *Stakeholders*.

The amount of **economic value generated** expresses the value of wealth produced,
Consistent with international reference standards

In 2024, the Group generated a value of **80.4 million euros**, an increase of **188%** over the previous year's value (**27.9 million euros**)

The economic value distribution of **39.6 million** **in 2024** represents the preeminent impact of the Group's activities for the benefit of the main *Stakeholder* categories, of which **operating costs**, **employee wages and benefits**, **payments to the public administration** and **capital suppliers**

The Group's activities include all stages of the drug development process, including discovery, basic research, preclinical, clinical development, and manufacturing activities. To date, research and development is the Group's main activity, pending EMA approval on the first product to be launched on the market.

Research and development costs recognized in the income statement increased from the year previous. Specifically, these costs amounted to **22.9 million euros** as of **December 31, 2024** compared to
To **20.8 million** as of **December 31, 2023**

Below are the relative incidences:

- **Impact on total contract revenue** of **31.0%** in **2024** and **90.1%** in **2023**
- **Impact on total operating costs** of **63.6 percent** in **2024** and **68.7 percent** in **2023**

Social responsibility

Constant investment in people's professional and human progress is the basis of the Philogen Group's key figure *retention* strategy.

Resources

In 2024 Philogen:

- **employed 183 employees**, including:
  - **61%** women
  - **88%** permanent contract
  - **43** hires in 2024

The number of employees in the Group **increased by 10 percent** from the previous year

Personnel hired during the year ended December 31, 2024 were as follows.
Highly qualified, being composed for the:

- **56%** from **Graduates**
- **23%** from **PhDs**

Trainin

The Group has implemented several training courses for its employees in the
During 2024 reaching **2130 total hours**, of which:

- **1237 hours** of training related to courses in technical fields
- **894 hours** in health and safety

Environmental Responsibility

In light of commitments at the international and European level, such as the 2015 Paris Agreement and the European Climate Act, as well as the numerous interventions on the subject in recent years, the Company recognizes the importance of combating climate change and is committed to contributing positively to environmental protection through the development of strategies and initiatives aimed at encouraging the minimization of environmental impacts related to the conduct of business activities.

Energy and emissions

In 2024, the Group consumed:

- **18,072 GJ of energy** with a 12% decrease from 2023
- **2.**78% **renewable energy**

intensity

Energy intensity expresses the energy required to generate the Group's revenues

In 2024, energy intensity is **0.23 GJ/thousand**, which corresponds **to the ratio** of **total energy consumption** (all sources) to the **Group's revenues** (which are mainly derived from revenues from contracts with customers).

The Group **reduced its energy intensity by 69%** from the previous year (**0.75 GJ/thousand**)

note

This document represents the third Sustainability Report of the Philogen Group (hereinafter also "Group" or "Philogen"). Its publication was preceded by the preparation and publication of the Sustainability Brochure 2021 and the Sustainability Reports 2022 and 2023. The purpose of the document is to communicate in a structured way the Group's approach to sustainability and its performance in environmental, social and economic areas.

The reporting activity, dictated by a desire for transparency towards the Group's stakeholders and the growing impetus from the market and regulators, will continue in the coming years with a view to continuous improvement. Reporting represents a further step in the sustainability journey undertaken by the Group, aimed at a progressive improvement of governance and management aspects of sustainability areas, as well as an evolution of the Group's own strategic approach to these issues.
The drafting of this document involved multiple business functions of the Group, demonstrating how sustainability is a cross-cutting issue that needs corporate collaboration at all levels.

Reporting period
The Annual Report (hereinafter also referred to as "Report") contains information, initiatives, and data for the fiscal year 2024 (January 1, 2024 to December 31, 2024). The reporting period coincides with that of the Philogen Group's Consolidated Financial Statements.

Reporting perimeter
The scope of data and information corresponds to that of the Group's Annual Financial Report as of December 31, 2024. To enable a comparison of the data collected over time and to assess the performance of the Group's activities, the year 2023 was taken as the period of comparison. To ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if any, are appropriately reported and based on the best available methodologies. Any restatements of data from previous years are clearly indicated as such.

The reporting standards
The Sustainability Report, which will be annual, has been prepared in accordance with the "*GRI Sustainability Reporting Standards"* published by the Global Reporting Initiative (GRI), as shown in the "GRI Table of Contents," which highlights the coverage of GRI indicators reported in this document. The Group constantly monitors the evolution of sustainability regulations to identify the most significant impacts on its business.

The data collection process and the structure of the Sustainability Report
The process of collecting data and information for FY2024 involved the "ESG Working Group" and some specific business functions. Data were calculated in a timely manner based on the findings of the general accounting and other information systems used. Disclosure is made according to a materiality analysis. The topics covered in the Sustainability Report 2024 are those considered "material" (relevant) because they reflect the environmental, social and economic impacts of the activities and sectors in which the Group operates, or influence the decisions of its stakeholders.

These material ESG aspects were identified through a structured materiality analysis described in the section of the Report entitled "Group Stakeholders and Materiality Analysis."

The Report is divided into four main Chapters:

- The Philogen Group
- From research to drug
- Social responsibility
- Environmental responsibility

These Chapters are preceded in the initial part of the Report by the Letter to Stakeholders and the following Sections: Highlights 2024 and this Methodological Note.
The Budget was approved by the Board of Directors at its meeting on March 27, 2025.
Please note that this Sustainability Report has not been subjected to external assurance.

For more information and suggestions regarding Philogen's Sustainability Report, you can write to . esg@philogen.com

The document is also available on the website www.philogen.com in the sustainability section at the following link: https://www.philogen.com/governance/sustainability-esg/

1. The Philogen Group

1. The Philogen Group

1.1 The story

Philogen S.p.A. ("Philogen" or the "Company") was founded in 1996 by the insight and will of the three Neri brothers and is the head of an Italian-Swiss Group with headquarters in Siena, Italy.

Figure1 - The Philogen Group

Philogen Group S.p.A. ("Group") was listed on the Electronic Stock Market ("EXM") operated by Borsa Italiana (Reuters: PHIL) on March 3, 2021 and is active in the biotechnology sector, specializing in the discovery and development of biopharmaceutical products for the treatment of highly lethal diseases.

Figure2 - First day of listing, March 2021

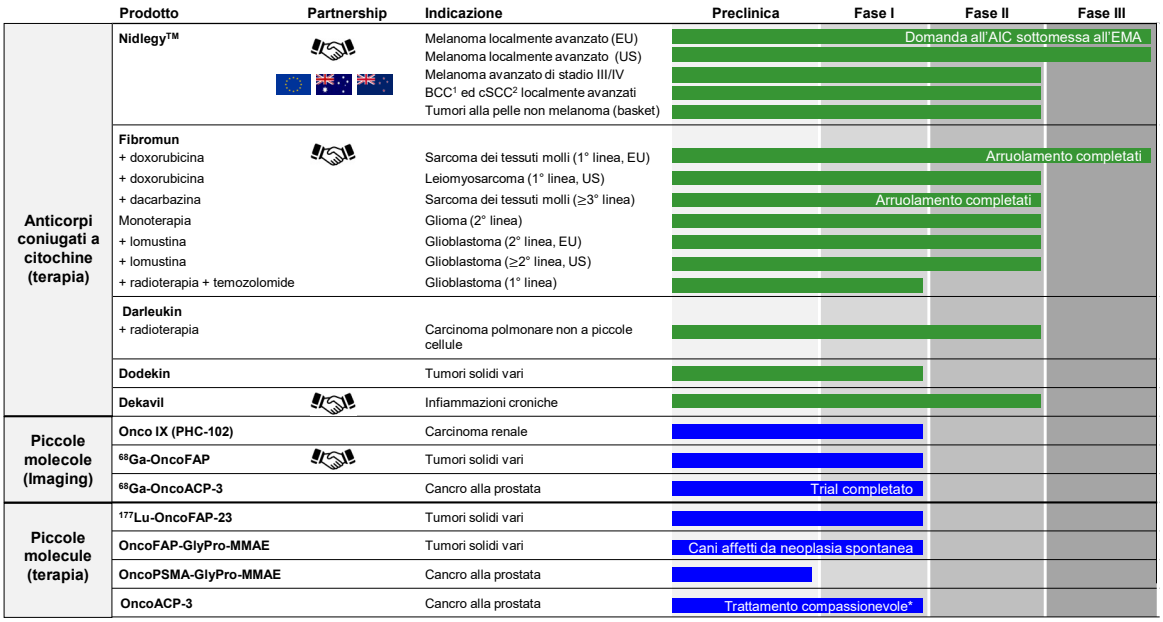
In particular, the Group is a *leader* in identifying ligands (human monoclonal antibodies and small organic molecules) with high affinity for tumor antigens (i.e., proteins expressed in tumors, but not in healthy tissues). These ligands are mainly used for the purpose of delivering an active ingredient (e.g., cytokines, radionuclides, cytotoxics) selectively to the diseased area.

The Group's focus is mainly related to oncology drug development, although the company has also brought products for the treatment of chronic inflammatory diseases to the clinic.

In recent years, Philogen has consolidated and expanded its *Pipeline*, both by bringing new drugs into the clinic and by initiating experimental studies in new indications with products already in development.

Currently, the Group holds a diversified Pipeline by conducting numerous clinical trials.

Pipeline clinica



* **AMG §13.2b in Germania; trials company-sponsored in preparazione**

In particular,
Nidlegy™ : The Company together with Sun Pharma announced on June 4, 2024, in a special press release that it had submitted an application to the European Medicinal Agency (EMA) for marketing authorization of the drug Nidlegy™ , an application that was subsequently validated by EMA on June 20, 2024 as per the special press release issued on July 4. A decision on the matter by EMA is expected in 2025.

Fibromun: October 1, 2024, Philogen Group announced a global licensing agreement with Sun Pharma to commercialize Fibromun (L19TNF), an innovative cancer immunotherapy currently being tested in clinical trials by Philogen for the treatment of soft tissue sarcoma and glioblastoma. Sun Pharma will have exclusive commercialization rights to Fibromun worldwide. Philogen will complete clinical trials, pursue marketing authorization with regulatory authorities, and manufacture commercial lots. Sun Pharma will be responsible for commercialization activities.

Progress in the field of small organic molecules that characterize the pipeline of subsidiary Philochem is also highlighted.

The Philochem team has isolated high-affinity small-molecule organic ligands from DNA-encoded Chemical Libraries against various tumor-associated antigens. Through conjugation of these ligands to potent payloads such as cytotoxic drugs or radionuclides, it has developed a series of promising diagnostic and therapeutic small-molecule compounds.

Philochem has successfully completed two Phase I clinical trials with novel small molecule radio ligands and plans to initiate three more in the same area this year. The company's success was made possible by the group's extensive experience in DNA-encoded chemical libraries and clinical trial management.

Dr. Samuele Cazzamalli, Chief of Chemistry at Philochem was honored in 2024 with the EFMC Award, an annual recognition for young chemists who have made outstanding achievements in industry. Dr. Cazzamalli was honored for his achievements in the discovery of novel small-molecule ligands against tumors via DNA-encoded Chemical Libraries.

The Group also carries out collaboration, licensing and service provision activities (including GMP activities) for pharmaceutical and biotechnology companies, entities and institutions operating in the field of biotechnology research. It has established partnerships with numerous renowned entities, including

Figure3 - Collaborations

In addition, the company believes in cooperating with industry associations at the local and national levels and is a member of various bodies and associations such as:

Figure4 - Collaborations with industry associations.

1.2 The structure of the Group

The Group has a research and development facility in Zurich (through its subsidiary Philochem AG), where new experimental drugs are discovered.

The most promising prototypes (in terms of biochemical characteristics, safety, and efficacy based on preclinical tumor models) are then transferred to Siena where they are produced at the company's GMP (*Good Manufacturing Practice*) facilities.

Philogen has a GMP facility in Montarioso (Siena) approved by the Italian Medicines Agency (AIFA) for the production of experimental, antibody drugs in mammalian cells. It recently purchased an adjacent area for potential expansion.

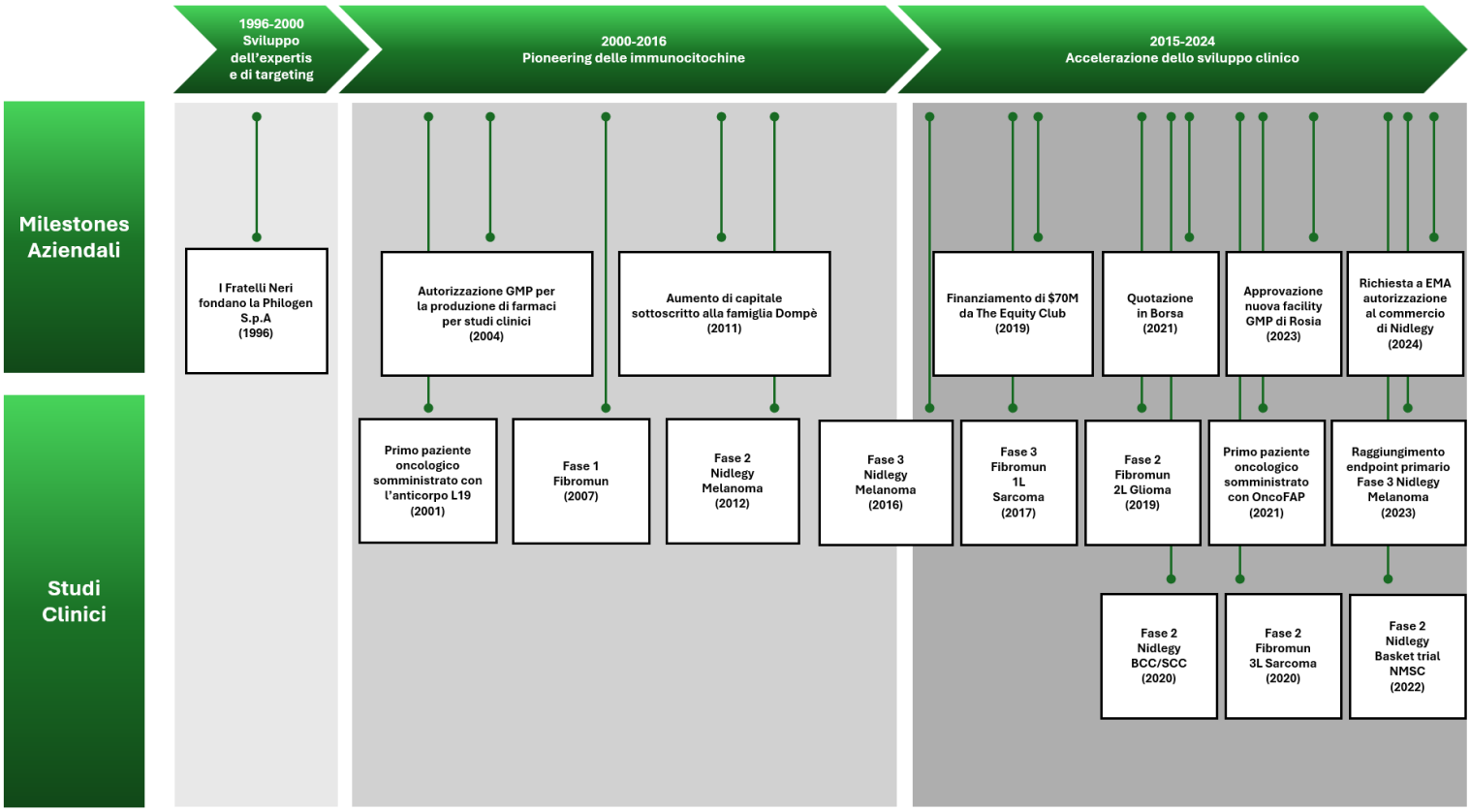
A second GMP production facility was also built at the Rosia site aimed at producing both commercial drugs and clinical trials.

This new facility received certification from AIFA's GMP MED office in 2023. The certification is valid in Europe, the United States, Switzerland, England, Canada, Japan, Australia, New Zealand, and Israel (*see Mutual Recognition Agreements of the European Medicines Agency).*

The Rosia site, thus authorized by AIFA, will be able to produce therapeutic proteins for both clinical trials and commercial purposes.

In fact, this important innovation will ensure that the Group will be able to produce drugs not only for experimental purposes but also for the market, representing a fundamental step for the Company and the entire Group in its transformation from a research company to a commercial company (from *biotech company* to *product company*).

The depiction below shows the three main phases of the Philogen Group's history from 1996 to 2024, with the major Milestones achieved.



Note: 1L first-line treatment (i.e., newly diagnosed patients); 3L third-line treatment (i.e., patients who have failed 2 lines of therapies); . NMSC: nonmelanoma skin cancer.

1.3 The Group's goals and strategy

The Group aims to develop innovative products for medical areas without satisfactory therapies.

Philogen is a vertically integrated biotechnology company, covering all phases of drug development: research, GMP manufacturing, and clinical development. With research facilities in Zurich and a GMP site in Montarioso (Siena), the Group has expanded production with a new GMP facility in Rosia (Siena) for future product commercialization.

In pursuit of our mission to ensure sustainability and well-being, the Philogen Group has outlined a set of ambitious ESG (Environmental, Social, and Governance) goals that will guide its operations in the coming years.

Environmental Goals

- Reducing CO2 emissions: Implementing cutting-edge technologies and using energy from renewable sources to reduce the energy consumption of our production activities.
- Energy Efficiency: Upgrading photovoltaic systems in our plants and promoting energy-saving practices to improve overall efficiency.

- Water resource management: Optimizing water use in our operations and implementing water recycling and reuse systems.
- Waste Reduction: Improved waste and paper management practices through recycling, reuse and reduction of unnecessary materials in our production processes.

Social Goals

- Employee health and safety: Promotion of safe and healthy work environments with ongoing health and safety training programs and implementation of preventive measures at our production sites.
- Diversity and Inclusion: Creating an inclusive work environment that values diversity and promotes equity, with the goal of attracting and retaining talent from diverse backgrounds and experiences.
- Engagement with local communities: Active collaboration with the communities in which we operate to support local initiatives and contribute to their socio-economic development.
- Staff development: Continuous investment in the training and professional development of our employees to ensure their growth and well-being.

Governance Goals.

- Transparency and accountability: Implementation of transparent and accountable governance practices that ensure stakeholder trust and compliance with applicable regulations.
- Ethical integrity: Promotion of a corporate culture based on ethical values and responsible behavior, with the adoption of strict codes of conduct.
- Stakeholder Engagement: Constant and proactive dialogue with all stakeholders to understand their needs and expectations and integrate their feedback into our business strategies.

1.4 Intellectual property

The Group protects the results of research and development activities by making use of a large international portfolio of patents for inventions for industrial use and pending patent applications, consolidating a patent position in the field of vascular *targeting*.

The function of patents and patent applications is to protect market exclusivity for product candidates, the technical processes required for their production, or related protocols for medical treatment.

The Group has more than one hundred national patents filed in different countries.

The Group's patents mainly include (i) patents on "vascular *targets*," relating to certain ligands with affinity for *markers* of angiogenesis in certain indications; (ii) "technology" patents relating to key enabling technologies used in the Group's activities; (iii) "product" patents, that is, patents relating to product candidates for preclinical and clinical development and their constituent elements; and (iv) "combination" patents relating to the combination of patented product candidates with off-patent therapeutic agents.

As of Dec. 31, 2024, Philogen has a GMP facility in Montarioso (Siena, Italy) approved by the Italian Medicines Agency (AIFA) for the production of experimental, antibody drugs in mammalian cells.

A second GMP production facility was also built at the Rosia site aimed at producing both commercial drugs and clinical trials.

This new facility received certification from AIFA's GMP MED office in 2023. The certification is valid in Europe, the United States, Switzerland, England, Canada, Japan, Australia, New Zealand, and Israel (*see Mutual Recognition Agreements of the European Medicines Agency).*

The Rosia site, thus authorized by AIFA, will be able to produce therapeutic proteins for both clinical trials and commercial purposes.

In fact, this important innovation will ensure that the Group will be able to produce drugs not only for

1.5 Group *Stakeholders* and Materiality Analysis

In light of regulatory and market requirements, especially following the Company's listing, the process of integrating sustainability principles into the Group's growth strategy has been constant and systematic. This has led to the implementation of several activities.

Categories ESG actions

An ESG *assesment* was conducted in 2022 to identify the Group's positioning against *best practices* and the industry *benchmark*. This identified a number of areas in which to strengthen efforts and improve management.

A list of actions to be taken was shared with the Audit Risk and Sustainability Committee, the Board of Statutory Auditors, and the Internal Auditor to define priorities.
Actions are divided into three categories: (i) short term, (ii) medium term and (iii) long term.

(i) The "short-term" actions.

The first category (i) includes those activities that, considered of primary importance by *management* as well as of rapid implementation, were immediately put in place by the Company following the completion of the positioning analysis.

Some of them are listed below: the appointment of the ESG Working Group, the creation of the "*Sustainability*" section on the company *website*, and periodic information to investors and *Stakeholders* regarding ESG issues within *webinars*.

(ii) The "medium" term actions.

Actions in the second category (ii), i.e., "*ongoing and short-term*" actions, are those currently under the attention of the Company's *management*, which is focused on their implementation. One example is the digitization of certain business processes.

(iii) The long-term actions.

Long-term implementable actions (iii) are those actions that, as a result of internal evaluations, have been deemed relevant but not a priority by the Company and that, given their complexity, require a longer time horizon for their evaluation and implementation, such as, for example, the possible obtainment of some certifications such as SA8000, ISO 37001, ISO 45001 and the possible extension of ISO 9001 also to the Montarioso plant and the new GMP in Rosia that, however, are *compliant* with the *standards* required by AIFA.

Materiality analysis

In parallel with the analysis of Philogen's positioning and the related goal plan implemented, the Group has embarked on a structured and organic path of reporting on sustainability issues in order to transparently communicate to *Stakeholders* its sustainability *performance* and results achieved annually.

Consistent with the GRI Standards, Philogen Group conducted the materiality analysis in order to identify its significant impacts on the economy, environment and people, as well as to delve into the needs and expectations of its *Stakeholders*.

During 2024, the materiality analysis was updated and revised with a special focus on enhancing relations with *Stakeholders* by directly involving them in the identification of the Group's material impacts (*"Stakeholder engagement"*).

Specifically, the materiality analysis, implemented during 2022 and updated in 2023 and 2024, was carried out through the following steps:

1. Understanding and assessment of the context in which the Group operates (industry, socio/political environment, *business* relationships, geographical areas of operation, etc.), carried out through analysis of key sustainability-related information on Philogen and through *benchmark* analysis based on a *panel* of companies in the industry. In addition, the main sources of literature and international publications in the field of sustainability were considered[1] . It should be noted that relevant *Stakeholders* were also identified at this stage;
2. Identification of current and potential positive and negative impacts that the Group generates through its activities or could generate on the economy, the environment and people. In conducting this analysis, impacts on people's human rights within the scope of the organization's own *business* activities and relationships were also considered;
3. Evaluation of impacts through the involvement of *top management* as well as *Stakeholders* deemed most significant (suppliers and employees);
4. Prioritization of impacts and aggregation into material themes.

[1] GRI Standards, The Sustainability Yearbook 2022 (S&P) for the Biotechnology Industry sector, SASB Standards for the Biotechnology & Pharmaceuticals sector, Datamaran for the Biotechnologies, Life Sciences and Pharmaceuticals sector, and from the UNEP FI Sector/Impact Map for the Manufacture of pharmaceuticals, medicinal chemicals and botanical products sector

The Group has identified its Relevant *Stakeholders*, i.e., those individuals or groups of individuals who influence or are influenced by the Company, its activities, products or services, and related *performance* results.

Below are the 8 categories of *Stakeholders* identified as significant:

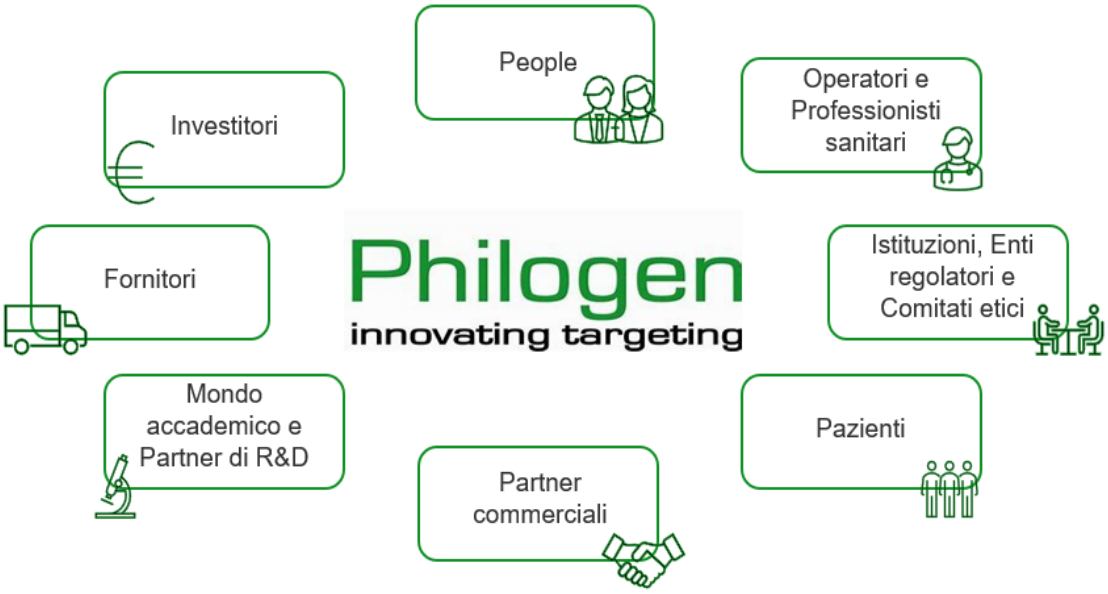


Figure5 - Stakeholder Categories

According to the GRI Standard's methodology, a sustainability issue is material if it is related to significant impacts of the organization (*impact materiality*) - negative or positive, actual or potential - on the economy, the environment and/or people, including their human rights, caused by the organization's activities and investments, its products and/or services or its value chain, in the short, medium and long term. The significance of impacts is measured by considering their severity as well as their likelihood of occurrence.

Regarding the year 2022, the Company's *management* and the ESG Working Group held a dedicated "materiality *workshop*" in December 2022, where they assessed the significance of the sustainability impacts previously identified.

During 2024, on the other hand, the analysis of impacts was also conducted with the direct involvement of *Stakeholders*, in order to collect and map their expectations, perceptions and priorities on the impacts generated by the Philogen Group with reference to sustainability issues. An *online survey* was then conducted, the participation of which was significant, with a 100% response rate (39 total responses out of a sample of 39 stakeholders involved).

La survey si è svolta dal 6 dicembre 2024 al 2 gennaio 2025 attraverso una **specifica piattaforma online** (Google Moduli) che ha permesso di raccogliere i risultati degli stakeholder e di mappare le loro percezioni rispetto alla rilevanza degli impatti per il Gruppo Philogen.

Di seguito si riportano le categorie di stakeholder coinvolte attraverso la survey e la numerosità del campione.

Categoria di stakeholder	Campione	Risposte	% di risposta
Dipendenti	30	30	100%
Fornitori	9	9	100%
TOTALE	**39**	**39**	**100%**

Figure6 - Stakeholders involved through the survey

The significance of each impact was then assessed by the Company and the two categories of *Stakeholders* involved (suppliers and employees), considering the scale, scope and likelihood of the individual impacts. Following the collected assessments, the impacts were then prioritized and, those found to be most significant, were aggregated into material issues.

Compared to the materiality analysis of the previous year (year 2023), the theme "Animal Welfare" was found to be material as the related impacts were deemed significant by the *Stakeholders* involved. Similarly, the theme "Inclusiveness in Experimentation Pathways" is no longer found to be material.

The issues that were found to be material for the Philogen Group as a result of the materiality analysis conducted are summarized in the following table. The first column shows the material theme that was the subject of the analysis. Next, the individual impacts generated by that theme are explained, specifying whether they have a positive or negative reputational value. Finally, the table includes the scope of the theme and the actors involved.

Results Materiality Analysis 2024				
Material theme	**Impacts generated**	**Nature of Impacts (Outcome)**	**Group involvement**	**Perimeter**
Ethics and *compliance*	Unethical *business* conduct	Negative	Caused by the Group	Group
	Non-compliance with laws, regulations, and *standards*	Negative	Caused by the Group	Group
Contribution to public health	Contribution to public health	Positive	-	Group and patients
Patient health and safety	Impact on patient health and safety	Negative	Caused by the Group and related to business relationships	Group, Clinical Centers and Patients
Attracting, developing and retaining workers	Employee satisfaction and well-being	Positive	-	Group
	Training and growth of workers	Positive	-	Group
	Fair remuneration of staff	Positive	-	Group
	Talent attractiveness and youth growth	Positive	-	Group
Waste Management	Generation of waste	Negative	Caused by the Group	Group
	Biological contamination from special waste	Negative	Caused by the Group	Group
Animal Welfare	Violation of animal welfare	Negative	Caused by the Group	Group
Worker health and safety	Workplace accidents	Negative	Caused by the Group	Group and outside workers[2]
Economic performance and value distribution	Generation and distribution of economic value	Positive	-	Group
	Failure to pay taxes and fees in the countries where the Company operates	Negative	Caused by the Group	Group
Data Privacy	Breach of *privacy*, loss of patient data, and *cybersecurity*	Negative	Caused by the Group and directly related to business relationships	Group and Clinical Centers
Local communities	Local development and community relations	Positive	-	Group

[2] Outside workers include interns and the consultant CMO (chief medical officer).

Results Materiality Analysis 2024				
Material theme	**Impacts generated**	**Nature of Impacts (Outcome)**	**Group involvement**	**Perimeter**
Diversity and Equal Opportunity (DEI)	Discrimination and non-inclusive practices in the workplace	Negative	Caused by the Group	Group
Energy consumption and emissions	Energy consumption	Negative	Caused by the Group	Group
	Generation of direct and indirect energy GHG emissions (*Scope* 1 and 2)	Negative	Caused by the Group	Group
Responsible supply chain management	Human rights violations in the supply chain	Negative	Caused by the Group and directly related to business relationships	Group
	Inadequate working conditions and remuneration among suppliers	Negative	Caused by the Group and directly related to business relationships	Group

1.6 *Governance* Structure

The Group's governance structure follows the traditional model by providing among the corporate bodies: the Shareholders' Meeting ("Shareholders' Meeting"), the Board of Directors ("BoD"), and the Board of Statutory Auditors ("CS") in addition to the company in charge of the statutory audit ("Auditor" or "Auditing Company").

In line with the recommendations on *corporate governance* contained in the *Corporate Governance* Code of Borsa Italiana, which the Group reviews annually based on the guidelines provided by the Chairman of the Corporate Governance Committee, the Board of Directors, in December 2020, resolved to establish the following endoconsiliar committees, whose members were confirmed at the Shareholders' Meeting of April 27, 2022, and did not change during 2024.

The endoconsiliar committees are:

- the Control, Risk and Sustainability Committee ("CCRS"), which also performs the functions of the Related Party Transactions Committee;
- The Nomination and Remuneration Committee ("COREM").

Rounding out the *governance* organization chart are also:

- the Internal Audit ("IA") function, with the task of verifying that the internal control and risk management system is functioning, adequate, and consistent with the guidelines set by the Board of Directors;

- the single-member Supervisory Board ("SB"), which verifies the efficiency and effectiveness of the 231 Model with respect to the prevention and commission of the crimes set forth in Legislative Decree 231/2001.

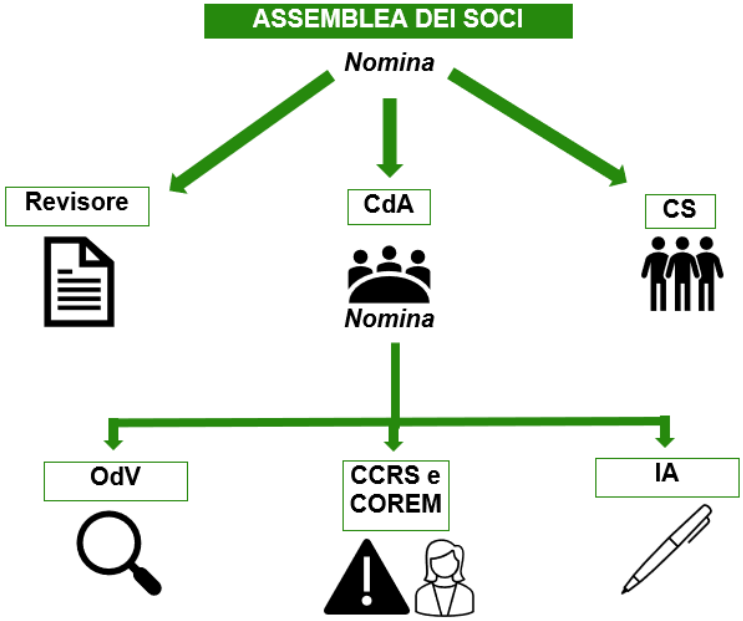


Figure7 - The corporate governance structure in Philogen

Composition of the highest governing body								
Member name	**Charge**	**Executive /Non-Executive**	**Independent**			**Date of first term**	**Genus**	**Competencies consistent with the impacts of the organization**
			TUF	**Code of *Corporate Governance***	**Other documents**			
Duccio Neri	**Chairman BoD.**	executive	No	No	No	30.05.1997	M	Experience as a certified public accountant, specializing in corporate finance
Dario Neri	**Chief Executive Officer**	executive	No	No	No	21.04.2004	M	Chemistry graduate, decades of research experience and Professor of Bio-macromolecules in the Department of Chemistry and Applied Biosciences at ETH Zurich.
John Neri	**Managing Director**	executive	No	No	No	21.04.2004	M	Ph.D. in biotechnology.
Sergio Gianfranco Dompé	**Administrator**	non-executive	No	No	No	25.05.2010	M	Entrepreneur in the pharmaceutical and biotechnology industry.
Nathalie Dompé	**Administrator**	non-executive	No	No	No	26.04.2016	F	Degree in *Business Administration*, with experience as a management consultant and executive.
Leopold Zambeletti	**Administrator**	non-executive	No	No	No	07.05.2019	M	Business graduate with experience within Investment Banks.
Maria Giovanna Calloni	**Administrator**	non-executive	No	No	No	27.04.2022	F	Bachelor's degree in *Business Administration* and Master's degree in *Business Administration* with experience within investment banks and current member of Boards of Directors of listed and unlisted companies
Roberto Ferraresi	**Independent Administrator**	non-executive	Yes	Yes	No	07.05.2019	M	Graduate in Finance and Administration,

Composition of the highest governing body								
								with experience within *private equity* firms.
Guido Guidi	**Administrator**	non-executive	No	No	No	07.05.2019	M	Medical graduate with experience in large groups in the pharmaceutical industry.
Marta Bavasso	**Independent director**	non-executive	Yes	Yes	No	16.12.2020	F	Lawyer, with experience within leading national and international law firms.

DISCLOSURE 2-9 Structure and composition of *governance*.[1]

The Board of Directors will serve for the three-year period 2022-2024, until the approval of the annual budget as of December 31, 2024.

In *accordance with* the GRI Standards (Disclosure 405-1), with this Report the organization is committed to reporting information on "Diversity in *governance* bodies and among employees." Specifically, the previously mentioned Board of Directors is composed as follows: 70% men and 30% women; 80% of the directors are over 50 years old, while 20% are in the 30-50 age group.

Composition (%) of the Board of Directors by gender.				
	to December 31, 2024		**to December 31, 2023**	
	Men	**Women**	**Men**	**Women**
Board Members.	70%	30%	70%	30%

DISCLOSURE 405-1 Diversity in *governance* bodies and among employees.

Composition (%) of the Board of Directors by age group.						
	to December 31, 2024			**to December 31, 2023**		
	<30 years old	**30-50 years old**	**>50 years old**	**<30 years old**	**30-50 years old**	**>50 years old**
Board Members.	0%	20%	80%	0%	20%	80%

DISCLOSURE 405-1 Diversity in *governance* bodies and among employees.

Directors on the Board of Directors are elected, as governed by the Articles of Association, by the Shareholders' Meeting, based on lists of candidates submitted by Shareholders, ensuring gender parity among members and their independence.

Once the Board of Directors has been elected, upon the proposal of the Chairman of the Board of Directors and after discussion among all the appointed directors, taking into account the expertise and possession of the independence requirements of each of the members, the endoconsiliar committees are appointed.

With reference to the skills of individual directors, it should be noted that, as required by the relevant regulations for the listing of companies, the skills of individual directors were evaluated by Consob through the completion of dedicated questionnaires.

In addition, on the occasion of the renewal of the Board of Directors in 2022, all directors were asked to complete a self-assessment questionnaire on the composition of the Board of Directors.

Based on the findings of the aforementioned questionnaires, a self-assessment report was prepared with the support of an external law firm, which was subsequently used in the process of appointing and renewing the Board of Directors at the Shareholders' Meeting held in 2022 .[3]

Board members were double-checked, including to prevent and mitigate possible conflicts of interest:

- at the time of the submission of the lists for the election of the new Board of Directors, each candidate issued a special declaration in which he/she attested that he/she was not in a situation of ineligibility, incompatibility or disqualification to hold the office of Board Member and that he/she was not in one of the situations referred to in Article 2390 of the Civil Code;
- following their appointment to the office of director, the same filled out a special questionnaire (pursuant to Article 8.4 of the RPT Procedure) in which the positions held respectively by all directors at other companies were indicated, including with reference to the position of their cohabiting family members.

On April 9, 2024, Dr. Duccio Neri, Prof. Dario Neri and Dr. Giovanni Neri resigned their executive positions effective May 7, 2024. The reasons for these resignations can be attributed to the need to ensure greater celerity in the corporate decision-making process and at the same time carry out a review of the management structure.

At the May 7, 2024, Board of Directors meeting, the Board of Directors reviewed the contents of the delegated powers given to the above executive directors.

The Group, aware of the role of sustainability and the increasing centrality that this concept is assuming over the years, has, following the listing process, embarked on a path to structure *governance* in this area

Control of the impacts caused by the organization on the economy, the environment and people is the responsibility of the Board of Directors. The latter is also entrusted with the task of reviewing and approving this document, as well as defining the Group's medium- to long-term sustainability goals.

The Audit Risk and Sustainability Committee reviews and expresses a preliminary opinion on the sustainability reporting document and, in general, supports and coordinates with the Board of Directors in the implementation of the above aspects.

Following the election of board members in April 2022, it should be noted that an advisor with expertise in environmental, social and governance (ESG) sustainability issues was identified from among the board members.

To complement the governance structure in ESG mentioned above, in July 2022 the CEO appointed the Company's internal "ESG Working Group," composed of the *CFO*, *Head of Legal Affairs*, and *Human*

[3] For further details about the manner and discipline of appointment of the Board of Directors, please refer to Philogen's Articles of Incorporation published on the Philogen/By-law website.

Resources Director. The Working Group collaborates directly with the Risk and Sustainability Control Committee and is responsible for coordinating and supervising activities in the areas of sustainability and non-financial *reporting.*

The Risk and Sustainability Control Committee (SRC) and the ESG Working Group are in constant contact, both with each other and with the business functions involved from time to time, in order to identify risks in the ESG area and report observations and reports, so that necessary improvements can be assessed and implemented within the company's business.

The Group is also committed to periodically providing information to its *Stakeholders* about the Companies' initiatives, including activities in the ESG sphere. the Philogen Group organizes *engagement* activities with investors and *Stakeholders* both through dedicated *webinar* meetings (*one to one*), during which investors are updated on the actions undertaken by the Company, including those related to the sustainability path undertaken by the Group. In particular, the Company has created within its *website* a dedicated section in which it is possible to consult *news* and/or documents regarding the initiatives undertaken by the Company in the ESG sphere. In addition, to ensure the active participation of *Stakeholders* in the Company's sustainable development, there is the possibility to send requests and/or make reports to the dedicated *e-mail* address: esg@philogen.com.

During 2024, no reports or critical issues related to sustainability issues were received and reported to the Board of Directors.

At present, the Company has not deemed it appropriate to have specific processes to evaluate the performance of the highest corporate governance body in supervising the management of the organization's impacts on the economy, environment and people. However, a control and verification activity on the way the Company operates is carried out by the Internal Audit Function and the Supervisory Board, which perform periodic *audits* on the various corporate functions. The role of Internal Auditor and Supervisory Board are both held by the same person, who is external to the company and has the necessary requirements of independence and professionalism

1.7 Recommendations of the Chairman of the Corporate Governance Committee in the area of Sustainability

On December 17, 2024, the Corporate Governance Committee released the Annual Report 2024, included in the "Report on the Application of the Corporate Governance Code" and the "Recommendations for 2025." The Recommendations highlight critical issues and suggest measures to improve adherence to the Code. The letter invites the Board of Directors to review the 2024 Report and Recommendations for gaps in corporate practices and incorporate them into the annual self-assessment.

Mentioned in the Recommendations is the new Format for the corporate governance report, updated to include ESG obligations. This format facilitates coordination between the corporate governance report and the new sustainability reporting.

Despite the progress made on ESG, some critical issues remain, particularly regarding the level of Board involvement in integrating sustainability factors into strategic planning.
The need to improve the "quality" of corporate governance is an increasing priority for listed companies, while representing a central element of assessment for ESG rating agencies in analyzing the sustainability of intermediaries.

The Group, following a self-assessment, has also revised the risk register for the year 2024 by including ESG risks that will be monitored in the new audit plan 2024-2027

Aree Auditabili	ESG Relevant
Accounting & Administration	✓
Gestione affari legali e societari (regolamenti e compliance)	✓
Gestione dei brevetti e della proprietà intellettuale	✓
IT & Cybersecurity	✓
Gestione della sostenibilità e degli obiettivi ESG	✓
Gestione delle relazioni esterne	✓
Gestione risorse umane	✓
Salute e sicurezza	✓
Procurement e Terze Parti	✓
Anti-frode, anti-corruzione e Codice Etico	✓
Assetto organizzativo	✓

1.8 Remuneration policies

The commitment to sustainable development is also reaffirmed in the 2024 Remuneration Policy approved by the Shareholders' Meeting on April 29, 2024, through which the Board of Directors has assigned ESG-related targets to the managing directors in their annual *Management By Objectives* ("MBO") variable incentive plans.

Beginning April 1, 2024, and ending March 31, 2025, executive directors and an Executive with Strategic Responsibilities are beneficiaries of an incentive plan, MBO, under which they may be entitled to receive an incentive, on an annual basis, the amount of which is commensurate with the achievement of corporate performance targets.

The specific objectives in the ESG area, identified for the period above, are:

- Maintaining the male/female balance in the talent pool of the R&D department.
- Fighting climate change by reducing emissions through the efficiency of air handling systems (AHUs) in the "QC" laboratory at the Philogen plant in Loc. Bellaria 35 - Rosia, Sovicille (SI).
- Reducing paper consumption by modifying current procedures.
- Entering into collaborative agreements (e.g., conventions) with Italian or foreign universities to fund scholarships and/or doctoral programs.

- Review and update of the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 and Philogen's Code of Ethics.
- Construction of photovoltaic shelters in the parking lot of the Philogen plant in Loc. Bellaria No. 35, Rosia, Sovicille (SI).
- Fighting climate change by reducing emissions by modernizing the company fleet through the purchase of a new vehicle with reduced pollutant emissions.
- Compliance with data protection regulations, with particular regard to the absence of employee complaints

In addition to this incentive compensation system for Executive Directors, directors receive fixed and variable compensation as resolved by the Shareholders' Meeting, depending on the powers delegated to them and/or for their roles in the various endoconsiliar committees.

The process for setting remuneration policies and determining remuneration involves multiple corporate bodies such as: the Shareholders' Meeting, the Board of Directors, the Nomination and Remuneration Committee, the Chief Executive Officer, and the Board of Statutory Auditors.

The remuneration setting process is overseen by the Nomination and Remuneration Committee, which assists the Board of Directors in the development of the Remuneration Policy and periodically evaluates its adequacy, overall consistency and proper application.

Shareholders have the opportunity to express their opinions regarding the Remuneration Policy at the Shareholders' Meeting to approve it, for example, at the April 29, 2024 Shareholders' Meeting, the Remuneration Policy was approved by shareholders with 85.05% of the total voting rights and 100% of the votes present or represented. For more details, please refer to the 2023-2024 Remuneration Policy available on the Company's website in the "*Shareholders'* Meetings section: https://www.philogen.com/governance/shareholders-meeting/ (Assembly 2024).

Also in the area of personnel incentives, with reference to the incentive plan called "*Stock Grant* Plan 2024-2026" reserved for certain Group employees, is hereby announced that the performance period of the I cycle of the aforementioned plan has been concluded, and on November 7, 2024, the Board of Directors with the support of the Nomination and Remuneration Committee completed the verifications regarding the achievement of the objectives assigned to the beneficiaries, and consequently proceeded to the allocation of the shares due.
In addition, during 2024, the Shareholders' Meeting held on April 29, 2024, approved the following incentive plans: (i) Incentive plan called "Stock Grant Plan 2027-2029" reserved for the group's employees and consultants; (ii) Incentive plan called "Directors' Stock Grant Plan 2024-2026" reserved for executive directors.

Please refer to the Company's website in the "*Incentive* Plan" section to view the Information Documents and related Regulations: https://www.philogen.com/governance/incentive-plans/

In accordance with the GRI Standards, following Disclosure 2-21 on "Total Annual Remuneration Report," with this Sustainability Report the Company has undertaken to report, in particular:

a. the ratio of total annual compensation for the highest-paid individual in the organization to the median value of total annual compensation for all employees (excluding the highest-paid individual);
b. the ratio of the percentage increase in total annual pay for the highest-paid individual in the organization to the median value of the total annual percentage increase for all employees

(excluding the highest-paid individual).

Below is the annual total compensation rate, which is the ratio of the annual salary of the highest paid individual to the median salary of employees (excluding the highest paid person)

Total annual salary ratio		
	As of December 31, 2024	**As of December 31, 2023**
Ratio of the annual total pay of the person receiving the highest pay to the median annual total pay of all employees (excluding the above person)	**6,99**	**15,10**
Ratio of the percentage increase in the annual total pay of the person receiving the highest pay to the median percentage increase in the annual total pay of all employees (excluding the above person)	**14,01**	**(14,22)**

DISCLOSURE 2-21 Annual total pay ratio.

The indicator aims to represent the difference in pay between the highest paid individual and the corporate population. Pay levels can be influenced by various factors such as size, industry, geographic area, and the Group's employment strategy.

As can be seen from the table above, the trend in the Total Annual Salary Ratio is clearly decreasing from 2023; this *trend* is explained by the fact that the highest-paid individual in 2023 resigned from the role of Strategic Executive and assumed in 2024 exclusively the position of CEO of the company, no longer being among the individuals considered for the purposes of this report.

The annual compensation of the highest-paid individual includes the ordinary salary and the monetary value of the corporate stock awarded according to the Stock Grant Plan. On the other hand, with regard to the median employee (excluding the highest paid individual), the following elements of compensation were considered: fixed pay (RAL) and variable pay, MBO Stock Grant, one-time *bonuses*, and other allowances, such as, *fringe benefits* and cafeteria replacement allowance.

1.9 Ethics and *Compliance*

The Philogen Group recognizes a role of primary importance to its ethical values and *compliance* objectives; for this reason, it has adopted an Organization, Management and Control Model (MOG)[4] which is periodically updated to ensure its compliance with the applicable reference legislation, in particular it should be noted that the MOG has been updated and revised and the current version was approved at the Board of Directors' meeting on November 7, 2024

The Group firmly believes that the Model is a valuable tool for raising awareness among employees, customers and its suppliers on key issues such as proper behavior that reflects the values of ethics and integrity.

[4] For further details about the Organization Management and Control Model pursuant to Legislative Decree 231/01 and the Group Code of Ethics, please refer to the relevant section of the Philogen website/Code of Ethics and Model 231.

The highest national and international organizational *standards* to which Philogen draws inspiration for its internal structure are detailed in the MOG, which also brings together all the different tools and safeguards adopted by the Group, such as: the Group Charter, the Code of Ethics, the Supervisory Board (SB) Regulations, and numerous procedures designed to govern every aspect of value creation within the company.

These procedures are exceedingly important in a business such as the Group, which is engaged in the development of multiple socioeconomic interests, to ensure the reliability, honesty, fairness and traceability of every step, in compliance with stringent regulations.

The Code of Ethics, also revised and updated on November 7, 2024, requires integrity and loyalty from every Philogen employee and collaborator. The purpose of the Code of Ethics is precisely to provide guidance on good practices to be adopted to best contribute to the Group's mission. In fact, this document is complementary to work procedures in that it describes the ethical and behavioral aspects that every worker, at all levels, is expected to observe in order to contribute to harmony and integrity in the workplace.

To safeguard the application of the Ethical Code of Conduct and internal regulations described by the MOG[5] , Group employees are periodically trained on the MOG and informed about any regulatory changes that are introduced with respect to the current MOG; in particular, employees have participated in update sessions, organized by the Supervisory Board. In addition, the latest versions of the MOG 231 and the Company's Code of Ethics are available in the personal area of the Zucchetti Portal for all employees and new hires, who are required to read them and declare their acceptance when accessing the company platform. The only exception is trainees, who receive the Code of Ethics and Model 231 by *e-mail*, but are still required to acknowledge receipt and acknowledgement of the above documentation in writing. In relations with suppliers, customers and consultants, communication and application of the Code of Ethics and Model 231 are ensured through the inclusion of a specific contractual provision to the application of the Code and Model.

In addition, the Supervisory Board is the body that oversees and verifies compliance with these provisions. In case employees want to report and/or request clarification regarding the company's behavior and/or conduct, it is possible to contact the SB anonymously (and not) through a specially created *e-mail* address:odv@philogen.com

In addition to the above address, the Group has installed a letterbox, located at the Rosia plant, through which reports and complaints can be deposited. Alternatively, it is also possible to use internal mail in a sealed envelope to be sent to the attention of the SB at Philogen's Corporate Secretary's Office.

As a testament to the great attention the Group has always paid to ethical and fairness issues in its business, the Company implemented on December 7, 2023 a specific procedure called "*Whistleblowing* Procedure" (hereinafter also "Procedure") that governs the process for reporting by its employees/collaborators, any violations of the law and/or the Organizational Model, crimes and/or other irregularities, which the aforementioned individuals have become aware of in the course of performing their work functions and/or in their relations with the Company.

Specifically, the Procedure governs the process by which such individuals (managers, employees, or external parties, such as self-employed workers, trainees, personnel under the direction of contractors and

[5] The documents are available on the corporate website *www.philogen.com* under governance/code-ethics-and-model-231.

suppliers) may report the relevant situations listed in the previous paragraph, either anonymously or overtly, to a specific person identified by the Procedure in the person of the Supervisory Board.

The purpose of the Procedure is to create an *ad hoc* system for handling reports that protects, through appropriate technical and organizational measures, the confidentiality of the identity of the person making the report, the person involved in the report, and any persons mentioned in the report. The Procedure is also intended to ensure that the entire process is based on the principle of confidentiality, which must be applied both to the individuals involved and to the content of the report and the related documentation transmitted to the Supervisory Board.

The Procedure has been implemented in accordance with the provisions of Law 179/2017, which expanded the application of the "*Whistleblowing*" discipline to the private sector as well (see Art. 6 of Legislative Decree 231/2001) and Legislative Decree No. 24/2023, by which EU Directive 2019/1937, published in the Official Journal of the European Union on November 26, 2019, was transposed into Italian law.

For the submission and management of reports, the Philogen Group has equipped itself with a dedicated IT platform - "*My Whistleblowing*" - which the Company has disseminated to its staff through a special communication on the Zucchetti platform. To complement the above, during 2024, the Philogen Group introduced a new reporting channel, for the greater protection of employees, through which it is possible to make reports by telephone or request meetings in person with the Supervisory Board.

The above-mentioned reporting channels are constantly monitored by the Supervisory Board, which is responsible for analyzing any communications. In this regard, it should be noted that no reports were received during 2024.

With regard to the protection of human rights, Philogen places human and worker rights at the basis of its management procedures. These principles are expressed within the Company's Code of Ethics and include the protection of human rights also along its supply chain and more generally within the context of the Group's activities.

There were no cases of non-compliance with laws and regulations during 2024, resulting in the absence of fines and non-pecuniary penalties. In addition, there are no pending or concluded prosecutions of anticompetitive behavior or established incidents of corruption and violations of antitrust and monopolistic practice regulations.

1.10 Economic performance and fiscal transparency

The Group's activities encompass all stages of the drug development process, including discovery, basic research, preclinical, clinical development, and manufacturing activities.

The Group operates through:

- Philogen S.p.A., which operates GLP-authorized laboratories, GMP-authorized production facilities (at the Montarioso and Rosia sites), and numerous clinical *trial* centers internationally through its in-house *Contract Research Organization* (CRO) and collaboration with some external CROs;
- Philochem AG, a 99.998% subsidiary of Philogen S.p.A., conducts research and development in the areas of selective discovery and therapeutic antibodies, as well as in the development of technologies such as antibody libraries and DNA-encoded chemical libraries, at its laboratories in Zurich.

Operational management

The following are the main economic items from operations that characterized FY2024.

Compared with the year ended December 31, 2023, which showed a loss of 6,161 thousand euros, the Group closed the year 2024 with a profit of 45,290 thousand euros.

Revenues from contracts with customers amounted to Euro 73,996 thousand in the year ended December 31, 2024) marking a considerable increase compared to the previous year of approximately 220% (Euro 23,130 thousand as of December 31, 2023) The origin of the exponential increase in these revenues can be traced back to the contract between Philogen and SUN Pharma, related to the product Nidlegy™.

Other income amounted to 3,657 thousand euros in the year ended December 31, 2024, showing an increase of approximately 83.7% compared to the previous year.This incremental change is mainly attributable to the significant increase in Tax credits benefited in FY2024, there is in fact an increase in operating grants from 1,536 thousand in FY2023 to 3,194 thousand in FY2024. They remain substantially in line with FY2023 in plant grants.Operating Costs mainly include production material costs, clinical and preclinical service costs, personnel costs, and other operating costs and show an increase of about 13.3 percent from the previous year.

This variance is mainly attributable to (i) the increase in raw material consumption for the year from Euro 3,852 thousand as of December 31, 2023 to Euro 4,045 thousand as of December 31, 2024 and the increase in service costs related to the Group's *core business* activities from Euro 13.9 90 thousand as of December 31, 2023 to Euro 16,483 thousand as of December 31, 2024, and (ii) to the increase in personnel costs related to the hiring plan aimed at structuring the workforce of the two GMP *facilities* and strengthening the management and *staff* functions, which increase from Euro 12,176 thousand as of December 31, 2023 to Euro 15,623 thousand as of December 31, 2024.

As mentioned above, research and development is the Group's main activity to date. The following infographic shows the research and development costs recognized in the income statement during the years ended December 31, 2024 and December 31, 2023, and their impact on the Group's total revenues from contracts with customers and total operating costs.

Research and development costs recognized in the income statement increased from the year previous. Specifically, these costs amounted to **22.9 million** as of **December 31, 2024** compared with **20.8 million** as of **Dec. 31, 2023**.

Below are the relative incidences:

- **Impact on total contract revenue** of **31.0%** in **2024** and **90.1%** in **2023**
- **Impact on total operating costs** of **63.6 percent** in **2024** and **68.7 percent** in **2023**

EBITDA shows an increase of approximately Euro 46,818 thousand, from a negative value of 5,199 thousand as of December 31, 2023 to a positive value of 41,618 thousand as of December 31, 2024.

EBIT, calculated as the difference between EBITDA and depreciation and amortization, shows a positive balance of 37,731 thousand euros for the year ended December 31, 2024.

Economic value generated and distributed

The most significant economic aspects for the organization are presented through the Income Statement reclassification statement. This reclassification aims to show the economic value directly generated by the Group and how this value is distributed among its *Stakeholders*, both internal and external.

Specifically, the statement below expresses the economic performance of the Philogen Group and the resources that are distributed to the entities of strategic interest to the company such as: suppliers, workers, investors, and public administration.

Statement of economic value generated and distributed[6]		
In euro thousands	2024	2023
Directly generated economic value (A)	80.388	27.916
Economic value distributed (B)	39.574	30.462
Of which: value distributed to suppliers	20.411	18.145
Of which: value distributed to employees	15.623	12.176
Of which: value distributed to the public administration	3.448	6
Of which: value distributed to capital providers	91	137
Economic value retained (A-B)	41.498	(2.546)

DISCLOSURE 201-1 Economic value directly generated and distributed

The analysis of the distribution model shows that the Group generated a value of approximately 80,388 thousand euros (A), an increase of 188% over 2023. The economic value generated represents the wealth created by the Group in the fiscal year and consists, mainly, of revenues from sales and services, as broken down in the table below.

In euro thousands	2024	2023
Revenues	73.995	23.130
Other Revenues	3.657	1.991
Financial income/expense	2.735	2.796
Determination of the Generated Value (A)	80.388	27.916

DISCLOSURE 201-1 Economic value directly generated and distributed

[6] Directly generated economic value includes the following items in the consolidated income statement: revenue, other income, foreign exchange gain/loss, and financial income/expense. Retained economic value includes the following items in the consolidated income statement: profit/loss for the year, depreciation and amortization, and deferred taxes. For distributed economic value, see what is explained in the text below.

The amount of **economic value generated** expresses the value of wealth produced, consistent with international reference standards.

In 2024, the Group generated a value of **80.4 million euros**, up **188 percent** from the previous year's value (**27.9 million euros**).

Distributed value (B) represents *Stakeholder* Remuneration, which is the share of the value generated that is distributed by the Group to suppliers, employees, capital providers and the Public Administration to maximize the positive socioeconomic impact of its activities.

Specifically, in 2024, the Philogen Group distributed a total of approximately 39.5 million euros. The *Stakeholder* category receiving the most significant portion is suppliers to whom more than 20 million euros were distributed mainly in the form of costs for services and raw materials.

Next comes the remuneration of Group employees who received more than 15 million euros to cover salaries, severance pay and social security and incentive charges.

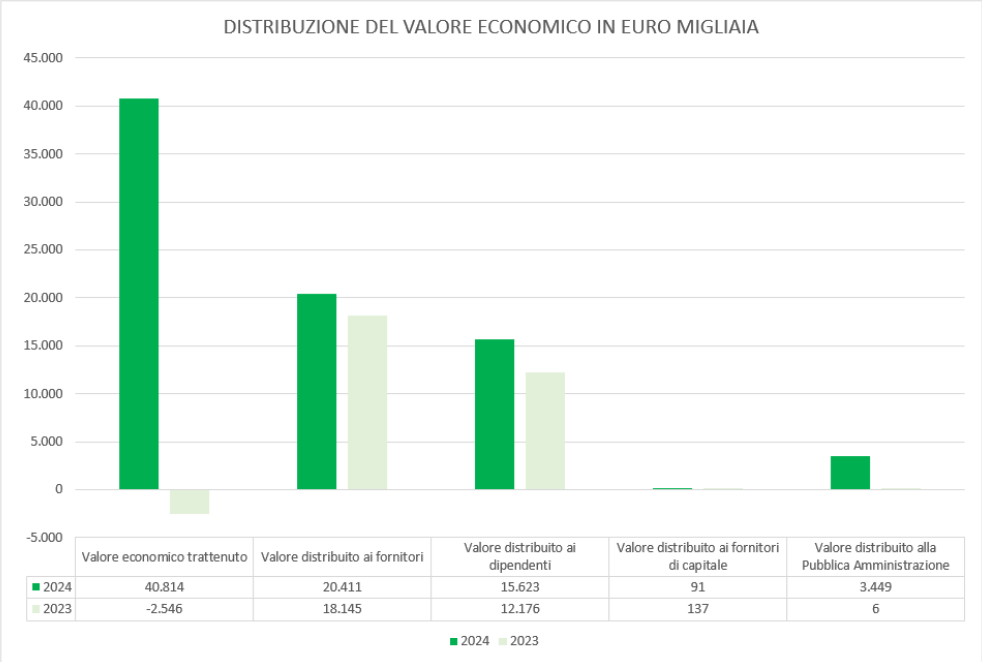
It should be noted that personnel costs increased from 12,176 thousand euros as of December 31, 2023 to 15,623 thousand euros as of December 31, 2024. The increase is mainly due to (i) the hiring plan aimed at structuring the workforce of the two GMP *facilities* and strengthening the management and staff functions and (ii) the higher cost associated with the group incentive plans for the provision as of December 31, 2024, of the cost associated not only with the first allocation cycle 2021-2024, but also with the second allocation cycle 2022-2025 and the third allocation cycle 2023-2026.

The remainder of the distributed value went to the government in the form of taxes and to capital providers such as banks and other lenders.

In euro thousands	2024	2023
Raw material consumption for the year	4.045	3.852
Costs for services	16.483	13.990
Costs for the use of third-party assets	339	253
Changes in inventories of raw materials, supplies, consumables or goods	(953)	(380)
Miscellaneous operating expenses	498	430
Operating costs	*20.411*	*18.145*
Personnel costs	15.623	12.176
Salaries and employee benefits	*15.623*	*12.176*
Taxes for the year	3.448	6
Payments to Public Administration	*3.448*	*6*
Interests	91	137
Payments to capital provider	*91*	*137*
Economic value distributed (B)	39.574	30.463

DISCLOSURE 201-1 Economic value directly generated and distributed

The economic value distribution of **39.5 million in 2024** represents the preeminent impact of the Group's activities for the benefit of the main *Stakeholder* categories, including **operating costs**, **employee wages and benefits**, **payments to the public administration** and **capital providers.**



Fiscal transparency

The Group has made tax allocations based on the tax regulations of the countries of residence by taking advantage of tax breaks provided by the country of origin

Current taxes refer to accrued taxes calculated on the result for the year. Deferred taxes refer exclusively to the reversal of tax effects recognized upon transition to IAS/IFRS.

Below is a table detailing the income taxes recorded in the year ended December 31, 2024 and December 31, 2023.

In euro thousands	2024	2023
Current taxes	(3.449)	(6)
Deferred taxes	8365	26
Total taxes	4.916	20

As of December 31, 2024, the Group has tax receivables of euro 11,832 thousand, including current tax receivables of euro 10,206 thousand and other non-current tax receivables of euro 1,626 thousand.

In euro thousands	2024	2023
VAT Credits	2.271	3.087
Other tax receivables	3.023	96
Miscellaneous tax credits	4.911	4.994
Total tax credits	10.206	8.176

In euro thousands	2024	2023
Tax receivables non-current portion	1.626	2.790
Other non-current assets	2.698	2.790

It should be noted that the credits available as of December 31, 2024, in compliance with the relevant regulations, are:

(i) VAT credit (it should be noted that the Company makes sales abroad and purchases mainly in Italy, giving rise to credit VAT that cannot be offset against VAT payable on Italian territory);
(ii) other tax receivables which mainly include receivables for withholding taxes incurred;
(iii) miscellaneous tax credits, including: the research and development tax , the technological innovation tax credit, the industry 4.0 credit, related to generic assets that went into operation in the year ending December 31, 2020, and the industry 4.0 credit, related to the interconnection of the new GMP production plant at the Rosia site.

Miscellaneous tax credits can be offset in annual installments of different amounts according to the relevant regulations, and therefore euro 4,911 thousand can be offset within the year and euro 1,626 thousand beyond the year.

It should be noted that in order to ensure tax compliance, the Company has adopted a *set* of corporate *policies*, serving as guidelines in various areas, including for the area of "*tax credit*." These guidelines are applied by *management* in the decision-making process in order to achieve the described objectives more efficiently and effectively.

In addition, the Company employs specialized consultants in order to share the correct interpretation of relevant regulations, complete preparation of required supporting documentation, and updates in tax matters.

As a supplement, it should be noted that for some types of credit (i.e. R&D Credit), industry regulations require the issuance of a special certification by the Auditor of Accounts

In compliance with Italian tax regulations, Philogen prepares the required documentation for *transfer pricing* purposes with the aim of monitoring *intercompany* transactions and ensuring compliance with market conditions for the transfer prices applied.

In addition, in compliance with Swiss tax regulations, the Philochem subsidiary has benefited in past years from tax breaks (i.e., *Patent Box*) under the supervision tax advisors who have supported the Company in calculating and providing documentary assistance to the Authority of the relevant country.

reporting				
In euro	2024		2023	
	Italy	Switzerland	Italy	Switzerland
Names of entities	Philogen Spa	Philochem AG	Philogen Spa	Philochem AG
Main activities of the	Research and development, manufacturing, preclinical testing, and clinical development of drugs for experimental use	Research and development of new drugs	Research and development, manufacturing, preclinical testing, and clinical development of drugs for experimental use	Research and development of new drugs
Number of	142	41	128	37
Revenues from sales to third parties	73.987	7	23.079	51
Revenues from intergroup transactions with other tax jurisdictions	761	2.872	659	3.208
profit/loss	40.351	(4.770)	(6.172)	(5.335)
Tangible assets other than cash and cash equivalents	14.191	1.149	14.478	1.434
Taxes paid on corporate income on a cash basis	-	-	-	-
Corporate income taxes included in the income statement (i)	4.939	(21)	11	9

Adequacy on administrative-accounting system

Following listing, the Philogen Group adopted the organizational model under Law 262/2005 "Provisions for the protection of savings and the regulation of financial markets."

The model is part of the Internal Control System ("ICS") aimed at verifying the adequacy of the Group's administrative and accounting procedures consistent with the requirements of the market segment in which the Company is listed.

In this area, the law introduces the figure of the Manager in charge of preparing corporate accounting documents (Art. 154-bis.).

According to Law 262/2005, the acts and communications of the Group disseminated to the market and relating to accounting information, including interim reports, must be accompanied by a written statement from the Executive in charge of preparing corporate accounting documents, certifying that they correspond to the documentary results, books and accounting records.

The aforementioned accounting and administrative control model represents the set of internal procedures and tools adopted by the Company in order to enable the achievement of the corporate objectives of reliability, accuracy, trustworthiness and timeliness of financial reporting.

In 2024, the Group continued the process of compliance with the ICS under Law 262/2005, with the updating of administrative-accounting procedures and followed up on the "262 *Testing* Plan," in order to ensure a true and fair representation of corporate reporting and preparation activities for the annual and consolidated financial statements.

	Philogen S.p.A.		Philochem AG	
Processi	*Quality review*	*Risk Control Matrix*	*Quality Review*	*Risk Control Matrix*
Financial Closing	●	●	●	●
Consolidato	●	●	*N/A*	*N/A*
Tesoreria e Cassa	●	●	●	●
Immobilizzazioni	●	●	●	●
Payroll e Personale	●	●	●	●
Attivo	●	●	●	●
Passivo	●	●	●	●
Magazzino	●	●	*Non in scope*	*Non in scope*

Legenda ● Completed ○ Not Started

Figure8 - Mapping the GITCs of IT systems.

In order to continue on the path of strengthening and improving the system of *governance* and internal control, with particular reference to the main corporate information systems (*General IT Controls* or "GITCs"), the need emerged to extend the ICS on *Financial Reporting* by integrating the mapping of GITCs of accounting-relevant IT systems.

GITCs are a set of controls used to verify the proper implementation of *policies* and procedures for relevant IT systems ("Technology elements"), including the operational effectiveness of automated controls and the integrity of *reports* generated by the system or by *report writers*, as well as the security of data stored within the system.

2. From research to drug

2. From research to drug

2.1 Discovery and Experimentation

The Group's activities cover all stages of the drug development process, from *discovery* (*discovery* phase), through manufacturing activities, to preclinical and clinical development. Research and development activities in oncology represent the Group's core business.

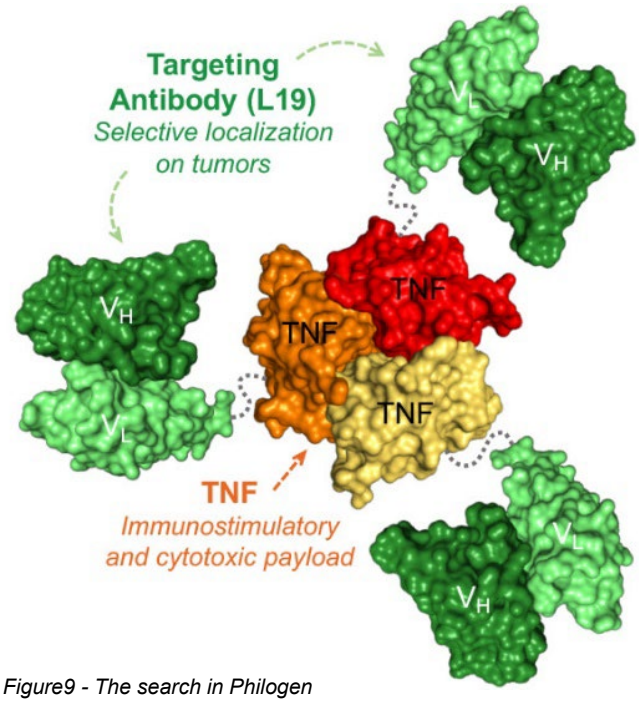


Figure9 - The search in Philogen

As mentioned, the Group operates through:

- the Parent Company (Philogen), headquartered in Siena, which operates GLP-authorized laboratories, GMP-authorized manufacturing facilities, and coordinates clinical trial activities in collaboration with numerous clinical *trial* centers in Europe and the United States;
- subsidiary company (Philochem), based in Switzerland, which conducts research and development (*discovery*) in the areas of therapeutic antibodies and small organic molecules at its laboratories in Zurich. New drug discovery is based on the use of *Phage Display* and *DNA-Encoded Chemical Libraries* technologies. Preclinical experiments are also carried out in Switzerland to evaluate the efficacy and tolerability of new prototypes. The most promising prototypes, whose efficacy has been demonstrated in preclinical models, are subsequently taken into clinical trials, subject to GMP production of the drug.

Structured research groups operate at the Swiss headquarters, bringing together scientists from all over the world, with various specializations and carefully selected to ensure a high level of expertise and innovation. The latter is also fostered by the inclusion in the working groups of a significant number of doctoral students from leading Swiss, Italian and international universities, who are able to mature new ideas, empirical evidence and publications.

Doctoral students are affiliated with one of the universities with which the Philogen Group collaborates, among which we find IUSS Pavia, University of Siena, University of Trento, ETH Zurich.

The results generated as a result of the industrial doctoral programs at Philochem are the subject of special attention from scientific journals in the field

The collaboration focuses on the clinical study of the product OncoFAP-GlyPro-MMAE: Philochem is supplying the drug to the specialized veterinary center for the treatment of dogs with spontaneous tumors lacking therapeutic alternatives.

Discovery progress is reported periodically in a monthly report for *top-management* oversight and approval.

In Swiss laboratories, using state-of-the-art technology, new candidate molecules are identified for the next phase of *testing* in preclinical studies. Research also continues with clinical development of drugs intended for the treatment of diseases of high medical need (e.g., Glioblastoma and Soft Tissue Sarcomas).

The Group's main therapeutic strategy for the treatment of difficult-to-treat diseases is the so-called *tumor targeting*, i.e., the development and use of ligands (binding molecules, such as antibodies) that are particularly well suited for the detection of tumor antigens, so that the therapeutic active ingredients can be directed selectively at the tumor mass, rather than at healthy organs.

Preclinical testing plays a key role in understanding the toxicity and efficacy of a drug candidate. Most preclinical animal studies are conducted at dedicated facilities licensed by Swiss cantonal authorities. A component of preclinical studies, the *focus of* which is the evaluation of the toxicological aspect of the drug candidate (so-called *Safety Tox*), is contracted out to external providers. For all these phases it should be specified that in order to ensure the highest *standards of* quality and safety, and to minimize the number of animals involved, the principles of *good laboratory practices* as well as the principle of the 3Rs (*Replacement, Reduction and Refinement*) are followed in preclinical studies. Specific training is also provided for each employee dedicated to carrying out the appropriate tasks to fully respect animal *welfare.*

The principles of Good Laboratory Practices define a management system to outline the conditions under which a preclinical study is planned, carried out, monitored, recorded, reported, and archived.

The international principle of the **3Rs** (Replacement, Reduction, Refinement) requires that animal experimentation be used only when it is not strictly impossible to do otherwise, and always with a view to minimizing the number of animals involved in experimentation

In parallel to drug development activities, Philogen directly oversees and protects its Intellectual Property ("IP") through patents, trademarks and licenses registered both nationally and internationally, through its internal IP department. In fact, industrial and intellectual property rights represent a central element for Philogen in order to ensure the protection of the results of the Group's research and development activities, both with regard to drugs and the specific processes and technologies implemented. The intellectual property protection strategy, which is well established in the field of cancer *targeting*, is ensured through the use of a large international portfolio of patents for inventions for industrial use and pending patent applications. This vertical integration ensures more direct and effective management of one of the core elements of the Group's *business*.

The principles of Good Manufacturing Practices define a Management System to ensure that the production of drugs takes place according to appropriate quality *standards*

The most promising drugs from the preclinical phase enter the clinical trial phase after obtaining the appropriate ethical and regulatory approvals. Production takes place at the Group's two Italian sites. The Montarioso plant, which has held **GMP** certification from AIFA since 2004, is authorized only for the production of investigational drugs intended for clinical trials. At the Rosia site, on the other hand, work has been completed on upgrading the second GMP production facility, which recently received GMP certification from AIFA.

The new plant is designed to meet regulatory requirements and the highest quality *standards* for the production of protein therapeutics and will be used to produce not only clinical trial pharmaceuticals but also commercial pharmaceuticals.

Below are some pictures of the newly licensed GMP facility in Rosia for the production of experimental and commercial drugs.

Figure10 - Filling machine "infialatrice" - initial QP

Figure11 - FM-001 Filling Machine

Figure12 - Process Flow Drug Substance Commercial use.

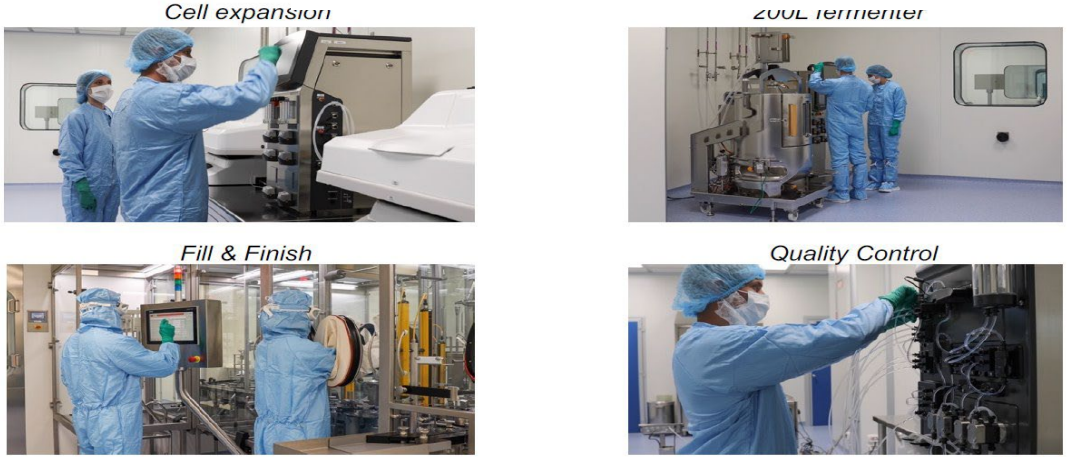


Figure13 - Various machinery

Philogen operates in accordance with ICH E6 (R2) Good Clinical Practice - **GCP** and has implemented a Quality System for the execution of clinical trials, both internal and external. Philogen conducts clinical research by seeking to improve scientific knowledge through collaboration with academic institutions to accelerate the development of new next-generation treatments for patients

The principles of Good Clinical Practices compose an international *standard* of ethics and scientific quality for designing, conducting and reporting clinical trials involving human subjects.

As a demonstration of this, among all external clinical trial specialists called *Contract Research Organizations* (CROs), Philogen enters into collaboration exclusively with those entities that are certified and demonstrate their high quality *standards* with absolute rigor.

Under current regulations, each individual clinical trial must be expressly evaluated and approved by the relevant state-by-state authorities and the relevant Ethics Committees involved in the trial authorization process. This process is completed before the center dedicated to the trial can proceed with patient enrollment activities. Generally, the authorization process involves the filing of a complete dossier with the competent authority and then the issuance by that authority of a trial-specific approval.

Philogen has many ongoing clinical trials, from phase I to phase III, conducted in collaboration with specialized centers in Europe and the United States, aimed at evaluating new investigational drugs.

In 2024 Philogen:

- **Collaborated with 130 clinical centers** (**21** in **Italy**, **109** between **Europe** and the **U.S.**
- **opened 20 new clinical centers**
- **treated 328 new patients**

In the case of *outsourcing*, the Group has established an internal process for the management and supervision of the various phases of clinical trials by organizing numerous visits and inspections at the sites of CROs that ends with a qualification process of the CRO with whom the Group collaborates. Philogen, also adheres to transparency policies on the publication of clinical trial information, both nationally (e.g. AIOM; KOFAM) and internationally (e.g. Clinicaltrials.gov; EU Clinical Trials Register). Philogen also collaborates with various hospitals and institutions on requests for experimental drugs for compassionate use domestically and internationally, in compliance with current regulations. In 2024, the Group managed to further expand scientific collaboration with academic hospitals, increasing the number of sites involved in clinical trials by about 65 percent.

In order to ensure compliance with applicable GCP (*Good Clinical Practice*) regulations, patient data collected by Philogen as part of the various clinical trials are collected in anonymized form. In this regard, it should be noted that the Company provides patients involved in the various clinical trials with appropriate *privacy* notices and makes available to them the *e-mail* address "philogen@privacy.com" to submit any complaints as well as exercise their rights under the GDPR. The aforementioned *e-mail* address is published on the Company's *website* to allow anyone to send communications regarding *privacy* regulations. During 2024 and the year prior to the year of reporting, no complaints regarding loss of data and information were registered.

2.2 Product Quality and Safety

The world of pharmaceutical research and development is subject to a structured system of statutory, regulatory and international standard measures aimed at ensuring the highest levels of safety of products developed by companies operating in the sector. The implementation and active management of internal control processes requires the presence of specialized figures who are able to verify "compliance" with these measures and build the internal management systems to ensure product safety and quality.

The Philogen Group ensures the highest levels of quality and safety for all stages of the drug development and manufacturing process through appropriate management systems. In fact, the Group has, at both sites in Montarioso and Rosia, production facilities certified and authorized Good Manufacturing Practice - GMP by AIFA with the relevant quality management system.

Philogen's Bioanalytical Laboratory, at the Rosia facility, is involved in the analysis of biological samples collected as part of toxicity studies in animal models and biological samples derived from subjects participating in clinical trials. The analyses performed are used to determine drug levels in the blood (pharmacokinetics) and to verify the immune response induced by drug administration (immunogenicity); in addition, biomarker analyses can also be conducted to assess the pharmacodynamic profile of the product under investigation.

The laboratory has an ISO 9001:2015-certified quality system and is organized in such a way as to keep all aspects of its activities under control and ensure the reproducibility of performance and thus the maintenance, but also the continuous improvement of the quality standards provided. In addition, the laboratory has recently implemented a GLP-compliant management system (GLP according to international notation) related to toxicology experiments on animal models, with the aim of expanding the range of services offered and giving further consistency and validity to the data produced.

There are multiple control procedures that take place daily within the Group, in line with Standard Operating Procedures (SOPs)-guidelines and procedures formalized by the Group and monitored internally by highly specialized figures. For the sake of clarity, a brief organizational chart follows in which the relevant professional figures in the various corporate departments are identified: Qualified Person, Quality Assurance, Quality Control and CMC Regulatory. The latter function was introduced by Philogen in view of the future commercialization activities of its products.

Qualified Person (QP)

The *Qualified Person* is the **figure** responsible for **certifying** a **batch of** medicines for clinical *trials*. The responsibilities of this figure include:

- **Supervise** that each batch of medicines is manufactured and controlled in compliance with the **legal regulations** and conditions imposed in the marketing authorization of the medicine;
- Immediately **notify AIFA** and the head of the company on which it depends of any substantial irregularities detected in the medicine that has already been placed on the market;
- Actively **cooperate with inspections** carried out by the authority;
- **Monitor** the general hygienic conditions of the premises for which he/she is responsible.

CMC Regulatory

The function of *Regulatory* CMC (CMC-RA) (*Chemistry Manufacturing and Control*) is to collaborate and maintain constant relationship with the Quality department, both in pre-registration and post-registration of products. The role was introduced for the purpose of structuring Philogen for future drug commercialization. This figure is responsible for:

- Ensure compliance of CMC practices with the requirements of regulatory agencies
- Manage the eCTD - Electronic *Common Technical Document* (electronic *database* for drug trade approval)
- Manage registration procedures and coordinate the preparation of the entire registration *dossier*
- Be present from the beginning of the project and drug development in order to minimize errors and optimize registration time

Quality Assurance (QA) and QA Corporate

It represents the strategic **department** that **ensures** that the drug is produced according to the quality standards dictated by **GMP**, or Good Manufacturing Practices, by aligning the organization with industry regulations and ordering **changes** and **updates** to internal **procedures** that insist on the entire production chain. The **Corporate QA** function coordinates the *Quality Assurance teams* at the Montarioso and Rosia sites for both the clinical and *manufacturing* departments, as well as the GLP laboratory.
Specifically:

- Participates in site activity coordination meetings;
- Together with the QP is the contact person in case of inspections by Regulatory Authorities and audits by third-party companies;
- Manages the site quality system.

Quality Control (QC)

Divided into chemical and microbiological, this is the department responsible for **testing and controlling** incoming **raw materials**, throughout the drug manufacturing process, and on the **finished product** to ensure that established product *standards* are maintained throughout the production process.

Further assurance of the level of quality and safety can be attributed to the "audit" activities that are carried out both on the processes applied within Philogen's plants and by the planned audits at the clinics/bodies/hospitals at which clinical trials are carried out. These periodic audits/controls are aimed at verifying the proper functioning of the implemented management systems and assessing compliance during all the activities that the Group carries out.

In the case of audits conducted at the aforementioned external entities, Philogen intends to verify that the management systems and practices applied at these facilities are aligned with and comply with the quality and safety standards required by the Group. Finally, as we specify in the next chapter, suppliers represent

a key component in the Group's drug development and manufacturing process; for this reason in the selection process, Philogen has implemented an evaluation, approval and monitoring system that aims to verify and test their quality and reliability.

During 2024, there were no instances of non-compliance with regulations and/or voluntary codes regarding the health and safety impacts of products/services during their life cycle, nor incidents of non-compliance regarding information and labeling of products and services.

2.3 Responsible supply chain management

Philogen recognizes the strategic importance of the supply chain in ensuring high quality and reliability in drug manufacturing. It has therefore developed specific SOPs for qualification, supplier approval, and purchase order management

The Group uses a limited number of specialized, sometimes unique, suppliers according to the technical specifications set out in the Group's SOPs and shared with regulatory authorities.

Special attention is paid to logistics and transportation service providers, who must adhere to strict storage and transportation standards for experimental products. Some drugs, such as monoclonals, require a controlled temperature of -80°C during transport, which is constantly monitored through temperature recording systems.

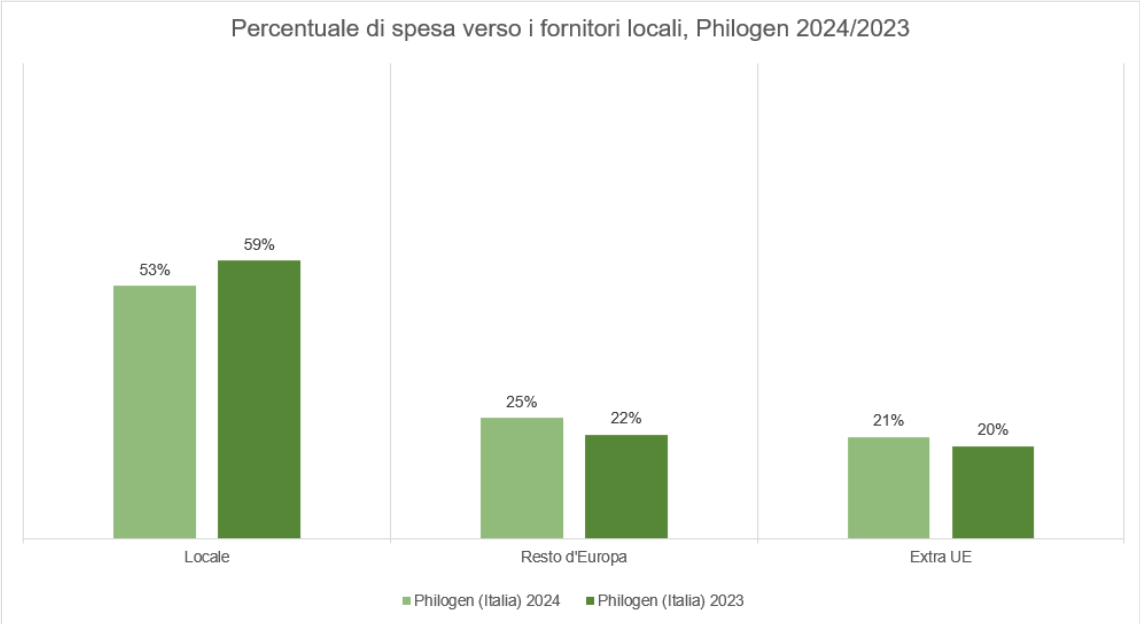
Contracts with suppliers include specific clauses to ensure compliance with the Group's Model 231 and ethical behavior. Relationships between Philogen and suppliers are based on respect for human rights and fundamental social principles, facilitated by the Code of Ethics.

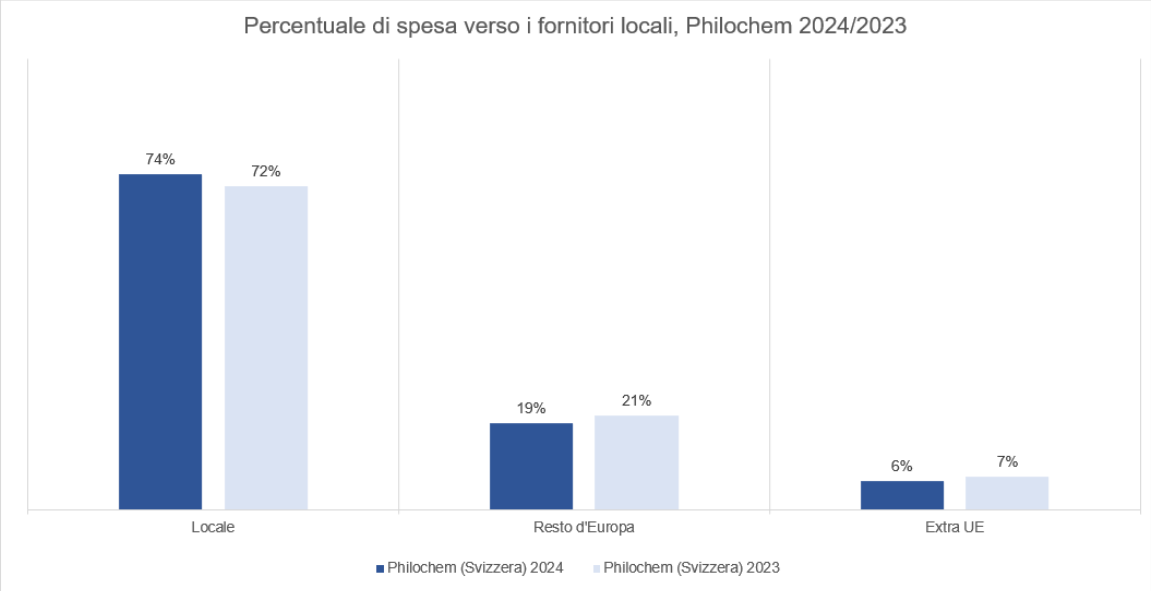
Operating in a highly regulated industry, suppliers are subject to continuous monitoring by national and international authorities such as EMA, AIFA and FDA. Most suppliers are located in countries with advanced legislation, thus reducing the risks of labor rights violations.

Supplier selection follows industry guidelines (e.g., GMP), national regulations and internal procedures, promoting ethical principles and social requirements.
Contracts include clauses to verify the regularity of payments of wages and social security and insurance contributions.

Considering the complexity of the services required, Philogen employs providers with highly skilled staff, reducing the risks associated with child labor and the safety of young workers.
Finally, suppliers are evaluated annually through a *Risk Management Report*. New suppliers undergo preliminary and subsequent *audits* to ensure their compliance with the Group's quality standards.
Even in view of recent events affecting global supply chains, where possible, Group companies prefer local suppliers[7] to facilitate easier and more immediate logistics. In 2024, the percentage of sourcing from local suppliers headquartered in the country was 53 percent for the Italian plants and 74 percent for the Swiss plant.

[7] Geographical definition of "local" organization: purchase in the same country (understood as national territory) of use.





It is necessary to point out that the comparative figure with 2023 turns out to be different from the figure reported in the Sustainability Report 2023, this is explained by a more punctual and precise breakdown, adopted in 2024, for the extraction of this data related to the percentage of expenditure to suppliers.

3. Social responsibility

3. Social responsibility

3.1 Development and welfare of Philogen people

Constant investment in the professional and human progress of people is the basis of Philogen's "*retention*" strategy for key figures. In 2024 there continued to be a conspicuous number of personnel hires, both fixed-term and permanent, especially in Philogen, mostly due to the gradual entry into full operation of the Rosia production site. In particular, as a result of the Company's strong growth and expansion, it became necessary to reevaluate and revise the company's areas and spaces in order to build an office building at the Rosia site. As of December 31, 2024, the Group's total workforce corresponded to **183 employees**, up 11 percent from the previous year.

In 2024 Philogen

- **employed 183 employees**, including:
  - **61%** women
  - **88%** permanent contract
  - **43** hires in 2024

Employees by gender and area geography						
Sites	**to December 31, 2024**			**to December 31, 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Italy (Philogen S.p.A.)	52	90	**142**	52	76	**128**
Switzerland (Philochem AG)	19	22	**41**	17	20	**37**
Total	**71**	**112**	**183**	**69**	**96**	**165**

DISCLOSURE 2-7 Employees[8]

The type of permanent contract is predominant (88%) and this reiterates the importance of the measures put place by the Group for the purpose of "*retention"* strategies of highly qualified personnel. In 2024, **41 employees** were **hired** (see the tables below for a breakdown by age group and educational qualification, while the outgoing *turnover* was 25 people, mostly aged between 30 and 50).

[8] Employee data show the total number of employees (HeadCount "HC," *act of counting people*) at the end of the reporting period; no estimates or approximations were used for these values.

Employees by contract type (permanent and fixed-term), by gender and geographic area							
Sites	**Contract type**	**to December 31, 2024**			**to December 31, 2023**		
		Men	**Women**	**Total**	**Men**	**Women**	**Total**
Italy (Philogen S.p.A.)	**Open-ended**	45	79	**124**	45	67	**112**
	Fixed-term	7	11	**18**	7	9	**16**
Switzerland (Philochem AG)	**Open-ended**	19	18	**37**	16	19	**35**
	Fixed-term	-	4	**4**	1	1	**2**
Total	**Open-ended**	**64**	**97**	**161**	**61**	**86**	**147**
	Fixed-term	**7**	**15**	**22**	**8**	**10**	**18**
Total		**71**	**112**	**183**	**69**	**96**	**165**

DISCLOSURE 2-7 Employees

Employees by contract type (***full-time*** and ***part-time***), by gender and geographic area							
Sites	**Contract type**[9]	**to December 31, 2024**			**to December 31, 2023**		
		Men	**Women**	**Total**	**Men**	**Women**	**Total**
Italy (Philogen S.p.A.)	**Full-time**	50	86	**136**	50	72	**122**
	Part-time	2	4	**6**	2	4	**6**
Switzerland (Philochem AG)	**Full-time**	19	21	**40**	17	20	**37**
	Part-time	-	1	**1**	-	-	**-**
Total	**Full-time**	**69**	**107**	**176**	**67**	**92**	**159**
	Part-time	**2**	**5**	**7**	**2**	**4**	**6**
Total		**71**	**112**	**183**	**69**	**96**	**165**

DISCLOSURE 2-7 Employees

Workers also include external collaborators represented, as shown in the table below, by 3 trainees and 1 external consultant. The activities carried out by the trainees involve training in different departments (Production, Quality Control, Optimization and *Clinical Data Management*).

[9] For fiscal years 2021 and 2022, there are no employees with non-guaranteed hours

Outside workers by occupational category and gender						
Professional category	**to December 31, 2024**			**to December 31, 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Interns	-	3	**3**	3	5	**8**
Worker with CMO consulting contract	1	-	**1**	1	-	**1**
Total	**1**	**3**	**4**	**4**	**5**	**9**

DISCLOSURE 2-8 Outside Workers[10]

Percentage of total employees covered by collective bargaining agreements		
Number of employees	**to December 31, 2024**	**to December 31, 2023**
Total number of employees	183	165
Total number of employees covered by collective bargaining agreements	142	128
Total percentage	**78%**	**78%**

DISCLOSURE 2-30 Collective Bargaining Agreements.

Philochem (Switzerland) employees are not covered by collective bargaining; however, employment contracts are consistent with the Federal Polytechnic Council's Ordinance on Personnel in the relevant industry.

New hires by age group, gender, and geographic area							
Sites	**Age group**	**to December 31, 2024**			**to December 31, 2023**		
		Men	**Women**	**Total**	**Men**	**Women**	**Total**
Italy (Philogen S.p.A.)	**<30 years old**	8	11	**19**	7	7	**14**
	30-50 years old	5	8	**13**	7	10	**17**
	>50 years old	1	2	**3**	-	-	**-**
Switzerland (Philochem AG)	**<30 years old**	3	5	**9**	1	1	**2**
	30-50 years old	-	-	**1**	1	1	**2**
	>50 years old	-	-	**-**	-	-	**-**
Total	**<30 years old**	**11**	**16**	**17**	**8**	**8**	**16**
	30-50 years old	**5**	**8**	**21**	**8**	**11**	**19**
	>50 years old	**1**	**2**	**3**	**-**	**-**	**-**

[10] Employee data show the total number of employees (HeadCount "HC," *act of counting people*) at the end of the reporting period; no estimates or approximations were used for these values.

New hires by age group, gender, and geographic area						
Total	**17**	**26**	**41**	**16**	**19**	**35**

DISCLOSURE 401-1 New hires and turnover.

Outputs by age group, gender, and geographic area							
Sites	**Age group**	**to December 31, 2024**			**to December 31, 2023**		
		Men	**Women**	**Total**	**Men**	**Women**	**Total**
Italy (Philogen S.p.A.)	**<30 years old**	1	1	**2**	3	1	**4**
	30-50 years old	7	8	**15**	8	6	**14**
	>50 years old	6	-	**6**	2	1	**3**
Switzerland (Philochem AG)	**<30 years old**	1	1	**2**	1	-	**1**
	30-50 years old		-	**-**	3	2	**5**
	>50 years old	-	-	**-**	-	-	**-**
Total	**<30 years old**	**2**	**2**	**4**	**4**	**1**	**5**
	30-50 years old	**7**	**8**	**15**	**11**	**8**	**19**
	>50 years old	**6**	**-**	**6**	**2**	**1**	**3**
Total		**15**	**10**	**25**	**17**	**10**	**27**

DISCLOSURE 401-1 New hires and turnover.

Rate of new hires and turnover by age group and geographic area					
Sites	**Age group**	**to December 31, 2024**		**to December 31, 2023**	
		Revenue	**Outputs**	**Revenue**	**Outputs**
Italy (Philogen S.p.A.)	**<30 years old**	57%	7%	71%	29%
	30-50 years old	17%	17%	18%	15%
	>50 years old	18%	29%	0%	7%
Switzerland (Philochem AG)	**<30 years old**	42%	11%	13%	6%
	30-50 years old	0%	0%	10%	25%
	>50 years old	0%	0%	0%	0%
Total	**<30 years old**	**49%**	**7%**	**44%**	**14%**
	30-50 years old	**13%**	**15%**	**18%**	**18%**

Rate of new hires and turnover by age group and geographic area					
	>50 years old	**12%**	**24%**	**0%**	**14%**
Total		**23%**	**14%**	**21%**	**16%**

DISCLOSURE 401-1 New hires and turnover.

Rate of new hires and turnover by gender and geographic area					
Sites	**Age group**	**to December 31, 2024**		**to December 31, 2023**	
		Revenue	**Outputs**	**Revenue**	**Outputs**
Italy (Philogen S.p.A.)	**Men**	21%	19%	19%	17%
	Women	22%	9%	16%	8%
Switzerland (Philochem AG)	**Men**	16%	5%	12%	24%
	Women	23%	5%	10%	10%
Total	**Men**	**24%**	**21%**	**23%**	**25%**
	Women	**23%**	**9%**	**20%**	**10%**
Total		**23%**	**14%**	**21%**	**16%**

DISCLOSURE 401-1 New hires and turnover.

Personnel hired during the year ended Dec. 31, 2024, were highly qualified, being composed of 56 percent graduates and 23 percent PhDs.

Personnel hired during the year ended December 31, 2024 were highly qualified, being composed of:

- **56%** by **college graduates**;
- **23%** from **Ph.**

Employees by educational qualification			
Group Data	**to December 31, 2024**		
	Men	***Women***	**Total**
Ph.D.	18	25	**43**
Degree	29	74	**103**
Diploma	20	11	**31**
No Title	4	2	**6**
Total	**71**	**112**	**183**

The Group has always maintained strong relations with universities in the area in which it operates to select the best resources to whom it can guarantee "*on-the-job*" training and the opportunity to participate in Industrial Doctorate programs. During 2024, collaboration with universities was also intensified at the Group's Swiss headquarters, where additional Industrial Doctorate programs were implemented.

To support and foster the welfare of its people, Philogen has implemented a number of *welfare* initiatives, reimbursement of medical expenses for Executives and Middle Managers, as well as the provision of Fuel Vouchers to the entire company population and Purchase Vouchers to part of it. These Vouchers are completely tax-free.

In addition, the Group, as reported above, has included its key employees in an incentive plan (*Stock Grant* Plan 2024-2026). The employees who benefit from the *Stock Grant* Plan are *full-time*, permanent contract employees who hold strategic positions that are critical to the Group's operation.

In the spirit of the Remuneration Policy, the 2024-2026 Stock Grant Plan aims to retain key resources ("*retention*"), to stimulate them to work with energy and passion in order to achieve the Group's growth and development goals, and to financially reward people who have made an extraordinary contribution and commitment in carrying out their role within the Group.

Philogen recognizes that the growth of human capital and related skills is the key to ensuring research and development activities in its target industry. The training and continuing education of employees employed in various research and production activities are critical to the Group's progress. Specifically, in a Company such as Philogen, which is engaged in the development of experimental drugs, it is beyond crucial that each figure be updated and trained constantly to comply with the stringent regulations in force and apply industry *best-practices*.

Philogen offered various trainings for staff, including advanced Business English for managers and employees, an ESG Mini Master's program for those preparing the Sustainability Report, and training for Prevention and Protection Officer.

Other courses included updates on pharmacovigilance, good laboratory practices and use of the EudraVigilance system. Sterilization courses, participation in national conferences were also organized.

These courses aim to improve the skills and preparation of staff in various areas.

The table showing the hours of training per capita carried out during the year can be found in the *performance* indicators section.

Training hours related to courses in the technical and managerial fields for the fiscal year 2024 totaled 1237 hours; for health and safety training, however, 894 hours were provided. Total training hours provided for Philogen employees in FY 2024 totaled 2130 hours.

The Group has implemented several training courses for its employees in the course of of 2024 reaching **2130 total hours**, of which:

- **1237 hours** of training related to courses in technical fields;
- **894 hours** in health and safety.

In 2022, Philogen adopted the HR management system through the Zucchetti HR Portal, fully integrated as of March 2023. This advanced, browser-accessible system created a Virtual Workspace that facilitates information access and internal collaboration, improving efficiency.

The portal offers greater visibility and control to employees, allowing attendance tracking and, from May 2023, the use of Timesheet functionality to monitor hours allocated to company work projects. In 2024, the Company has already benefited from the implementation of this tool, which enabled a significant reduction in management time in terms of attendance tracking and data processing and improved productivity control.

Also accessible via app, the portal encourages internal communication and allows specific requests to be made. It also raises employee awareness of energy consumption through targeted communications, demonstrating the company's commitment to innovative solutions.

The system has reduced the use of paper materials and simplified management and communication, avoiding redundancies. For staff, it is a tool to stay in touch with the company, receive updates and actively participate in processes, relieving low-value management activities. In the future, it may include new functions such as expense reimbursement and company car fleet management.

In addition, all procedures related to employee health and safety were published on the portal in 2024, thus promoting their maximum dissemination and application

Since January 2024, the use of the Zucchetti portal has also been extended to the Group's Swiss headquarters.

Hours of training by occupational category and gender[11]						
Hours of training	**As of December 31, 2024**					
	N. Hours Men	**No. hours per capita men**	**N. Hours Women**	**No. hours per capita women**	**N. Hours Totals**	**No. hours per capita Total**
Executives	20	20,0	40	8,0	60	10,0
Squares	120	9,2	16	1,6	136	5,9
Employees	300	8,3	421	5,4	721	6,3
Workers	259	12,3	61	3,2	321	8,0
Total	**699**	**9,8**	**538**	**5**	**1237**	**7**
Hours of training	**As of December 31, 2023**					
	N. Hours Men	**No. hours per capita men**	**N. Hours Women**	**No. hours per capita women**	**N. Hours Totals**	**No. hours per capita Total**
Executives	-	0,0	47	9,3	47	5,8
Squares	89	6,4	7	1,6	96	5,3
Employees	194	5,9	292	3,8	486	4,4
Workers	101	5,3	45	4,5	146	5
Total	**384**	**6**	**390**	**4,1**	**774**	**5**

DISCLOSURE 404-1 Average hours of annual training per employee.

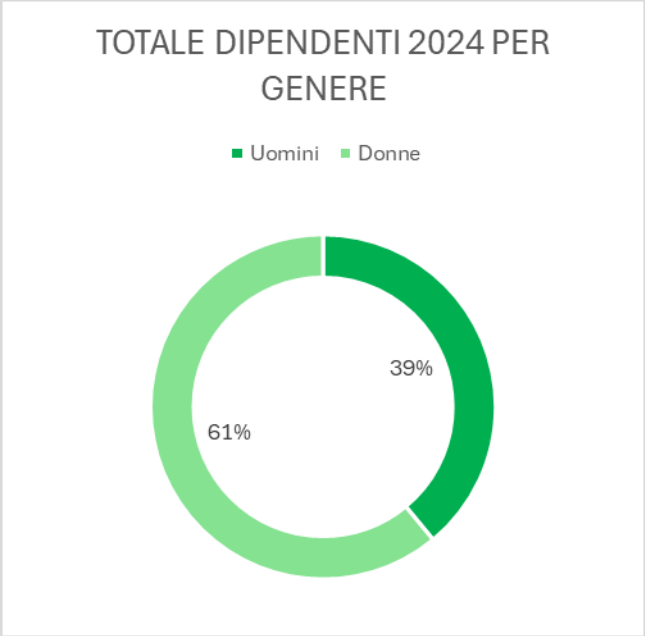
3.2 Diversity and Inclusion (*Diversity Equity Inclusion* - DEI)

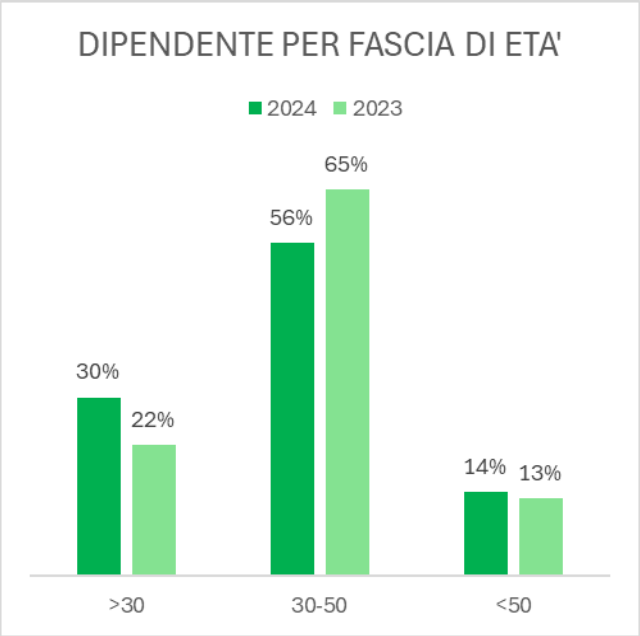
In managing human resources, Philogen aims to integrate and respect all forms of diversity, thwarting any discrimination that may arise. The Group has always been a multicultural entity that to date can count employees of more than 15 different nationalities in its workforce, and it has worked over time to create an inclusive work environment that fosters creativity and confrontation.

Particular attention is also paid to the issue of gender equality: 61 percent of employees are female, and many key roles within the company are also filled by pink quotas, including the three representatives on the Board of Directors. Gender equality is even more important in the area of scientific research, an environment typically represented by a male majority. The Group is committed to diversity among its researchers, seeking to reduce the disparity from year to year.

Finally, in accordance with Italian law, Philogen employs seven people from protected categories

[11] The figure for training hours does not include health and safety training hours because information broken down by professional category and gender is not available. The Group considers further analysis with respect to the significance of safety training hours in order to optimize data collection in collaboration with the Group's RSPP.





Employees by job category and age group								
Professional category	**to December 31, 2024**				**to December 31, 2023**			
	<30 years old	**30-50 years old**	**>50 years old**	**Tot**	**<30 years old**	**30-50 years old**	**>50 years old**	**Tot**
Executives	0%	33%	67%	**3%**	0%	25%	75%	**5%**
Squares	0%	65%	35%	**13%**	0%	78%	22%	**11%**
Employees	25%	67%	9%	**62%**	22%	71%	7%	**67%**
Workers	68%	25%	8%	**22%**	41%	48%	10%	**18%**
Total	**30%**	**56%**	**14%**	**100%**	**22%**	**65%**	**13%**	**100%**

DISCLOSURE 405-1 Diversity in governing bodies and among employees.

Philogen is a dynamic business of competent and young people, evidenced by the fact that 56 percent of the Group's staff is in the 30-50 age group, followed by 30 percent of employees under 30 and only 14 percent over 50.

No actual or alleged incidents of discrimination were detected in 2024.

Employees by occupational category and gender						
Professional category	**to December 31, 2024**			**to December 31, 2023**		
	Men	**Women**	**Tot**	**Men**	**Women**	**Tot**
Executives	17%	83%	**3%**	38%	63%	**5%**
Squares	57%	43%	**13%**	78%	22%	**11%**
Employees	32%	68%	**62%**	30%	70%	**67%**
Workers	53%	48%	**22%**	66%	34%	**18%**
Total	**39%**	**61%**	**100%**	**42%**	**58%**	**100%**

DISCLOSURE 405-1 Diversity in governing bodies and among employees.

3.3 Our commitment to employee health and safety

To ensure the health and safety of employees, a health and safety management system has been implemented in the Group's Italian plants over the years based on the regulatory requirements set forth in Legislative Decree 81/2008.

During 2024, procedures related to the management system were progressively updated.

Philogen has also carried out risk assessment for the identification of hazards in the workplace and related prevention and protection measures. These risks are also monitored during the numerous *audits* conducted by the in-house ASPP

In addition, any employee can report to his or her *line manager* any instance of potentially dangerous situations in the workplace (called a "*near miss*"), while any incident is reported through a dedicated procedure.

Each injury, which is appropriately handled by the relevant managers, involves a careful analysis of the causes, with the aim of highlighting improvements to be made to DVR with a view to mitigation.

Downstream of reports or accidents, decisions regarding techniques or operating procedures to be changed are also made by listening to *input* from the Worker Safety Officer.

The main hazards within the company may include falls from heights <2m, confined space entry, electrocution, weight dropping and use of mutagenic carcinogens. These have been identified through the risk analysis process adopted by the company. Technical and organizational/procedural measures are in place to mitigate and control the hazards, some of which are being implemented. The plants involved in this analysis are the Rosia plant and the Montarioso plant.

At the same time, with the support of Philogen's Safety Prevention and Protection Manager, the Swiss plant has adopted internal arrangements for safety management also in compliance with regulations in Switzerland.

Both locations also provide their employees with an occupational medicine service offered in the protection of the confidentiality of the people who use it. For Philogen's locations, employees have access to an outside competent physician, while Philochem employees are provided with contact information for the clinic closest to the location.

Philogen employees can join the Faschim Health Insurance Fund, which is provided for in the National Collective Bargaining Agreement for Pharmaceutical Chemists Industry. The employment relationship to benefit from it must be permanent, fixed-term equal to or more than 6 months, excluding the probationary period, *part-time* equal to or more than half of the legal weekly working hours.

Upon hiring, the relevant membership forms as well as the regulations are routinely given to employees in order to make them aware of the possibility offered.

In addition, employees with cadre status enjoy health insurance for reimbursement of medical expenses, the cost of which is fully borne by the Company.

It is reported that the organization maintains the confidentiality of personal health information of workers which is handled by the company doctor, ASPP and HR Department in compliance with the current legislation (GDPR).

In compliance with the obligations of Legislative Decree 81/2008 and the State-Regions agreement, periodic safety training and refresher courses are prepared for all employees divided into general and specific training courses. In the year 2024, specific courses on occupational safety were provided for a total of 893.5 hours, and the evacuation test was conducted. Specifically, training courses are held in presence at the Company's headquarters or through telematic modes and are taught by qualified teaching staff selected by the RSPP.

To ensure the successful completion of the training activity, workers fill out an evaluation questionnaire for the issuance of a certificate of participation.

During 2024, there were no workplace injuries involving Company employees.

3.4 Collaboration with local communities

Philogen is strongly rooted in the territory and collaborates continuously with local entities, supporting various industry initiatives. In particular, the company funds numerous scholarships for PhDs in biotechnology at the University of Siena, IUSS Pavia and the University of Milan.

Philogen actively participated in the Tuscan Job Fair Edition 2024, held on October 8-9-10 at the Fortezza da Basso, Florence and organized by the Tuscany Employment Centers, as well as the "Career Week 2024" organized by the University of Siena.

These events provided the company with an opportunity to connect with the next generation of students and undergraduates, underscoring its commitment to encouraging emerging talent and offering concrete job placement opportunities. This commitment has resulted in many recent graduates joining the company for internship paths.

In 2024, the company entered into an agreement with La Sapienza University of Rome, specifically with the department that organizes the Second Level Master's Program in Clinical Research, Methodology,

Pharmacovigilance, Legal and Regulatory Aspects. Also through this initiative, the Company came into contact with bright young students of the Master's program, offering them the possibility of an internship.

Through these initiatives, the Group positions itself at the center of a dynamic network of collaboration between industry and academia, fueling a virtuous cycle of innovation and sustainable growth. These relationships emphasize the importance of social responsibility and contribution to scientific progress. The Swiss and Italian offices, through these partnerships, strive to be active players in value creation locally and internationally, integrating academic expertise with the practical needs of industry.

Figure14 - Career

4. Environmental responsibility

4. Environmental responsibility

Within the Sustainability journey undertaken by the Philogen Group, environmental protection occupies a central role. As evidence of this commitment, the Philogen Group has undertaken and planned a number of activities to mitigate its impacts at the various sites where it operates, which will be discussed in more detail in the following paragraphs.

For a better understanding of the Group's environmental impacts, a summary of the Philogen Group's plants and a summary of its activities are given below.

The Group has a research and development facility in Zurich (through its subsidiary "Philochem"), where new experimental drugs are discovered. The most promising prototypes are then transferred to Siena, where they are produced at the Company's GMP facilities. In particular, Philogen has a GMP plant in Montarioso (Siena) approved by the Italian Medicines Agency (AIFA) for the production of experimental, antibody drugs in mammalian cells. A second GMP manufacturing plant has also been built at the Rosia (Siena) site, aimed at the production of both commercial drugs and for clinical trials.

In this context, the Group's production plants operate in accordance with current environmental regulations and permits to which they are subject, in particular:

- the Montarioso (Siena) site, has an AUA (Authorizzazione Unica Ambientale) discharge permit issued by the Municipality of Monteriggioni (Siena), which is scheduled to expire in the year 2032;
- the Rosia (Siena) site has an AUA (Authorizzazione Unica Ambientale) discharge permit issued by the Municipality of Sovicille (Siena) that is scheduled to expire in the year 2030;
- with reference to laboratories in Switzerland, Philochem ensures *compliance* with the "CFSL Directive," which regulates how to design, construct, operate, maintain efficient and safe laboratories using flammable and harmful chemicals or substances. The company ensures uniform, appropriate and technically up-to-date application of relevant legal provisions, including the "Federal Law on Environmental Protection."

The AUA (Single Environmental Authorization) discharge permits held for the two plants in Montarioso and Rosia regulate, among other things, the release of air emissions and the storage and disposal of hazardous waste.

4.1 Energy and Emissions

In light of commitments at the international and European level such as the 2015 Paris Agreement and the European Climate Law as well as the *regulator*'s numerous interventions in recent years, the Company recognizes the importance of combating climate change and is committed to contributing positively to environmental protection through the development of strategies and initiatives aimed at encouraging the minimization of environmental impacts related to the conduct of business activities.

ENERGY CONSUMPTION

ENERGY

18,072 GJ Energy consumed
Of which
2.8% Renewable energy

To conduct its operations and production processes, Philogen mainly uses natural gas and electricity. During 2024, the Group recorded a total energy consumption of 18,072 GJ, a decrease of 14 percent from the previous year.

The recorded decrease is attributable to a reduction in methane gas consumption. In addition, a percentage increase in renewable energy is noted, reaching 2.8 percent in 2024

Finally, it should be noted that the two Italian sites account for 94 percent of the total energy consumption, while the Otelfingen (ZH) site, which is involved in discovery and testing activities, accounts for about 8 percent of the Group's total consumption. It should be noted that the Swiss site occupies an area of 2,119 m2.
Despite the latter's limited impact on overall consumption, it is reported to reduce consumption by 4 percent by 2023, highlighting an increasingly efficient and sustainable energy footprint.

CONSUMPTION OF NON-RENEWABLE FUELS

In 2024, energy consumption from the consumption of nonrenewable fuels accounts for 36 percent of the Group's total energy consumption. The fuels used by the Group are methane gas for heating (for the Italian sites of Rosia and Montarioso only) and diesel fuel for automotive use (for both the Italian sites of Rosia and Montarioso and the Swiss site of Otelfingen).

In 2024, methane gas consumption, as anticipated used only by Italian sites, stood at 5,683 GJdown 38 percent from the year 2023.

Automotive diesel consumption in 2024 was 868 GJ with an increase of 5% from the previous year.

A key objective by the Group, as highlighted in the tables on the pages below, was the divestment of all gasoline-powered vehicles, which resulted in zero consumption of gasoline for automotive use.

DISTRICT HEATING

The Swiss site in Otelfingen uses district heating for space heating, and this energy carrier accounted for 5 percent of the Group's total energy consumption, with consumption down 3 percent from the year

ELECTRICITY

The Group's electricity consumption in 2024 was 10,869 GJ, up 5% from 2023.

The electricity consumed is partly purchased from external suppliers and from non-renewable sources (60.1% of the Group's total energy consumption) and partly self-generated by the Group (2.78% of the Group's total energy consumption).

Currently, the Philogen Group has integrated a photovoltaic plant with an initial capacity of 70 kW into its energy park, to which a new 40 kW plant was added in July 2023.

Continuing with the commitment to sustainable practices, photovoltaic panels were installed on the outdoor parking canopies and the roof of the new building in 2024.

Figure15 - On the left 40 KW photovoltaic system; on the right 70 KW photovoltaic system.

This expansion brought the total capacity of the Group's photovoltaic installations to nearly 440 kW, further increasing levels of self-consumption of energy. As a result of these initiatives, therefore, the Philogen Group can already count on a fully renewable alternative energy source that will cover a further share of consumption in the coming years.

Internal energy consumption within the organization (Consolidated)			
	Unit of measurement	**2024**	**2023**
Consumption of non-renewable fuels	**GJ**	**6.551**	**10.053**
Methane gas	GJ	5.683	9.139
Automotive diesel fuel	GJ	868	914
Automotive gasoline	GJ	-	-
District heating	**GJ**	**653**	**673**
Purchased electricity	**GJ**	**10.365**	**9.978**
Of which from non-renewable sources	GJ	20.365	9.978
Of which from renewable sources	GJ	-	-
Self-generated electricity from photovoltaics[12]	**GJ**	**503**	**329**
Of which sold into the network	GJ	-	-
Total energy consumption	**GJ**	**18.072**	**21.033**
Of which from renewable sources	GJ	503	329

DISCLOSURE 302-1 Energy consumed within the organization.

Internal energy consumption of the Montarioso plant organization.			
	Unit of measurement	**2024**	**2023**
Consumption of non-renewable fuels	**GJ**	**1.053**	**897**
Methane gas	GJ	1.032	876
Automotive diesel fuel	GJ	21	21
Automotive gasoline	GJ	-	-
District heating	**GJ**	**-**	**-**
Purchased electricity	**GJ**	**2.058**	**1.858**

[12] As a result of improved monitoring of self-generated photovoltaic electricity data, the 2022 figures have been restated from those published in the 2022 Sustainability Report.

Internal energy consumption of the Montarioso plant organization.			
Of which from non-renewable sources	GJ	2.058	1.858
Of which from renewable sources	GJ	-	-
Self-generated electricity from photovoltaics	**GJ**	**-**	**-**
Of which sold into the network	GJ	-	-

DISCLOSURE 302-1 Energy consumed within the organization.

Internal energy consumption of the Rosia plant organization			
	Unit of measurement	**2024**	**2023**
Consumption of non-renewable fuels	**GJ**	**5.466**	**9.110**
Methane gas	GJ	4.651	8.263
Automotive diesel fuel	GJ	815	847
Automotive gasoline	GJ	-	-
District heating	**GJ**	**-**	**-**
Purchased electricity	**GJ**	**7.617**	**7.408**
Of which from non-renewable sources	GJ	7.617	7.408
Of which from renewable sources	GJ	-	-
Self-generated electricity from photovoltaics	**GJ**	**503**	**329**
Of which sold into the network	GJ	-	-

DISCLOSURE 302-1 Energy consumed within the organization.

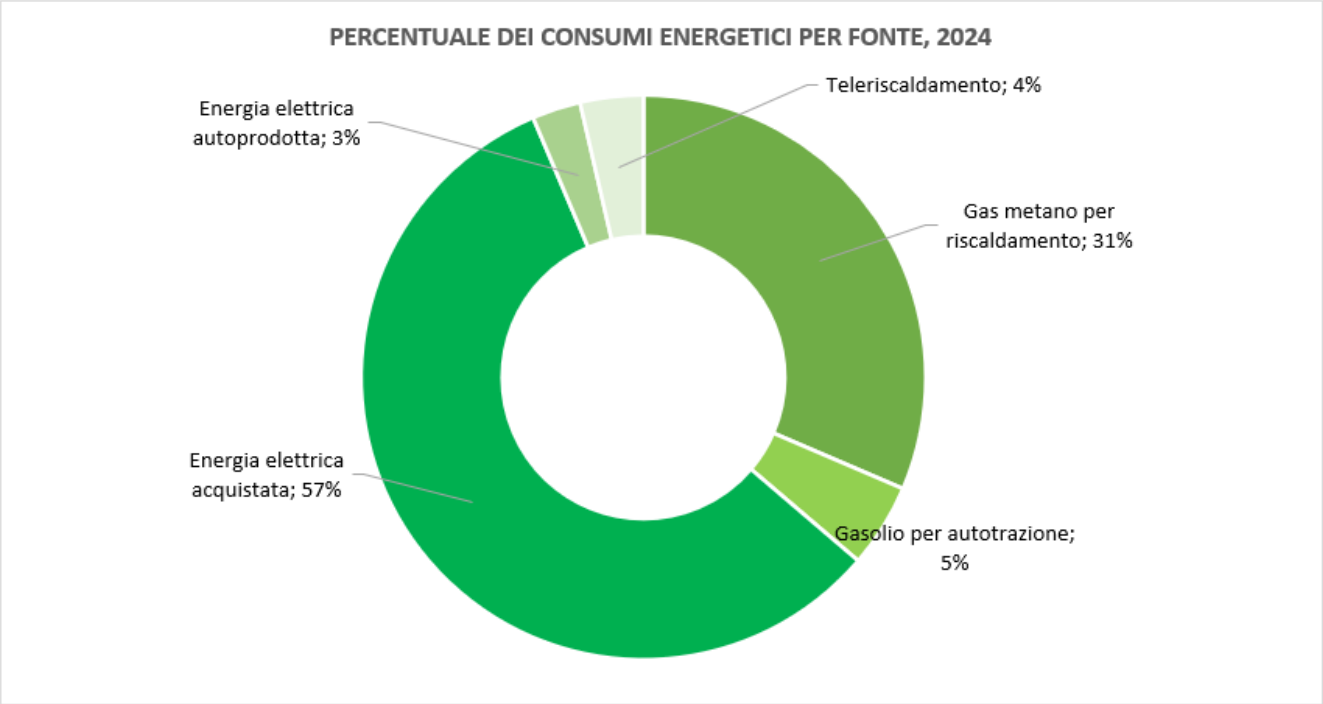
Internal energy consumption within the organization Zurich plant.			
	Unit of measurement	**2024**	**2023**
Consumption of non-renewable fuels	**GJ**	31	**46**
Methane gas	GJ	-	-
Automotive diesel fuel	GJ	31	46
Automotive gasoline	GJ	-	-

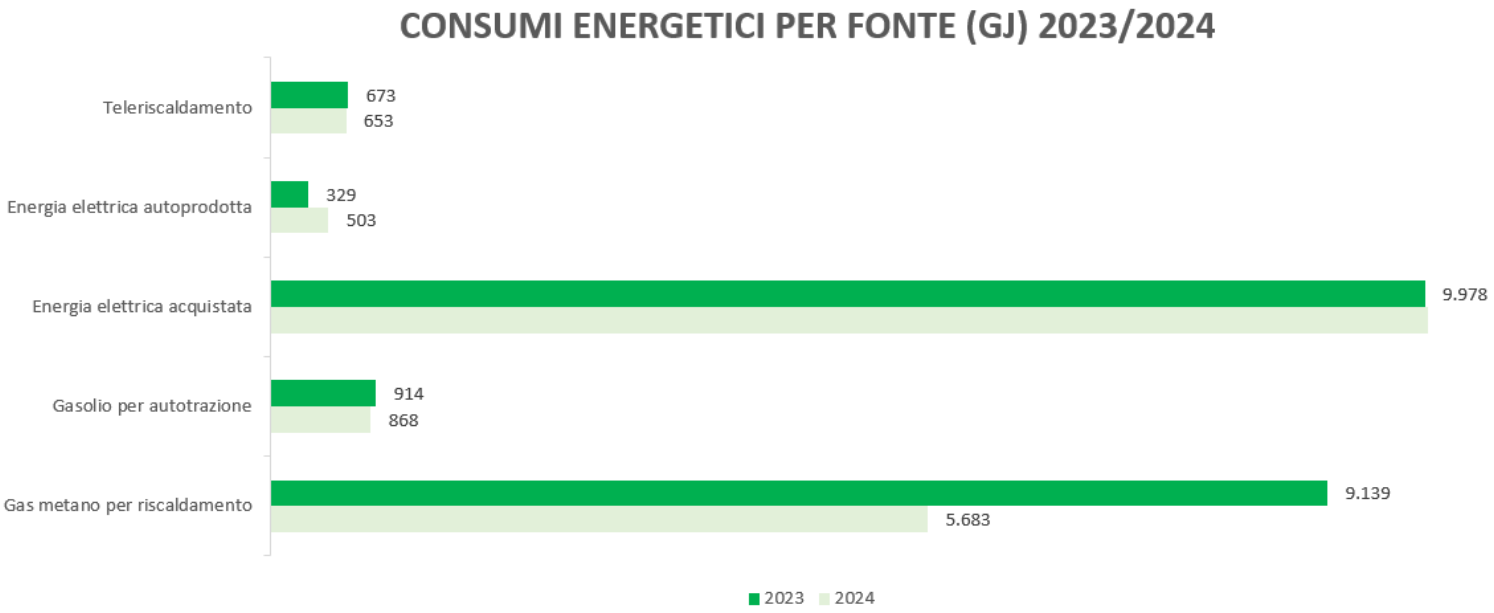
Internal energy consumption within the organization Zurich plant.			
District heating	**GJ**	**653**	**673**
Purchased electricity	**GJ**	**691**	**712**
Of which from non-renewable sources	GJ	691	712
Of which from renewable sources	GJ	-	-
Self-generated electricity from photovoltaics	**GJ**	**-**	**-**
Of which sold into the network	GJ	-	-

DISCLOSURE 302-1 Energy consumed within the organization.

Total consolidated consumption within the organization			
Energy	**Unit of measurement**	**2022**	**2023**
Total energy consumption	**GJ**	**18.072**	**21.033**
Renewable energy	GJ	503	329
Non-renewable energy	GJ	17.569	20.704
% Renewable energy of total	**%**	**2,8%**	**1,6%**

DISCLOSURE 302-1 Energy consumed within the organization.





MODERNIZATION PROJECTS IMPLEMENTED BY THE GROUP TO REDUCE CONSUMPTION

Among the interventions aimed at improving process energy efficiency, the Group has focused on replacing old and obsolete machinery with more modern equipment in many facilities, contributing to the reduction of overall energy consumption. In recent years, Philogen has invested in advanced technologies and innovative practices to optimize energy consumption within its three facilities.

The following are the main projects and modernization measures implemented by the Philogen Group:

- **Compressed air plant**: a new compressed air compressor was introduced in the final part of 2024 to serve the plant, which will result in considerable savings in terms of power consumption
- **Photovoltaic panel** installation: during 2024, work was completed on the installation photovoltaic panels on the outdoor parking canopies and the roof of the new building. This investment is consistent with the policy of adopting sustainable practices, which has made it possible to significantly increase the capacity of the Group's photovoltaic installations

ENERGY INTENSITY

Energy intensity expresses the energy required to generate the Group's revenues.

In 2024, the energy intensity is **0.23 GJ/thousand**.

In terms of intensity indexes, energy performance stands at 0.23 GJ/thousand, a decrease of 69% from the previous year. The Group's efforts in the coming years will aim to improve this index with a view to decoupling economic growth and environmental impact.

Energy intensity for total revenue		
Unit of measurement	**2023**	**2023**
GJ/ thousand	**0,23**	**0,75**

DISCLOSURE 302-3 Energy Intensity

CO_2 EMISSIONS

Greenhouse gas (GHG) emissions are gaseous substances in the atmosphere that contribute to global warming through the greenhouse effect. These emissions are typically classified into three main categories:

- **scope 1:** direct emissions controlled by the organization from fuel consumption;
- **scope 2:** Indirect emissions related to the production of electricity, steam or heat;
- **scope 3:** Indirect emissions from the organization's value chain.

GHG emissions, therefore, can be directly or indirectly associated with an organization's activities, and reporting them is important for monitoring and assessing the environmental impact of activities and for developing effective strategies to mitigate climate change.

SCOPE 1 EMISSIONS

Direct emissions generated by the Group in 2024 from consumption of natural gas and diesel fuel (Scope 1) stand at 375 tons of CO_{2e}, down 34.3% from 2023. The most impactful category is GHG emissions from methane gas accounting for 85% while the remaining 15% are related to the use of diesel fuel for motor vehicles.

SCOPE 2 EMISSIONS

Emissions from purchased electricity consumption (Scope 2[13] ()), calculated using the market-based approach, amount to 1,282 tons of CO_{2e} and are up 6 percent from 2023. The most impactful category can be attributed to emissions generated by 'electricity purchased from nonrenewable sources (Market based) amounting to 97% of total Scope 2 Market based emissions (1,250 tons of $CO_{(2e)}$), while emissions generated by district heating are 3% (33 tons of CO_{2e}). Emissions from purchased power consumption (Scope 2[16]), calculated using the Location-based approach, up 26% from 2023, are 1202 tons of $CO_{(2e)}$.

TOTAL EMISSIONS SCOPE 1 and 2.

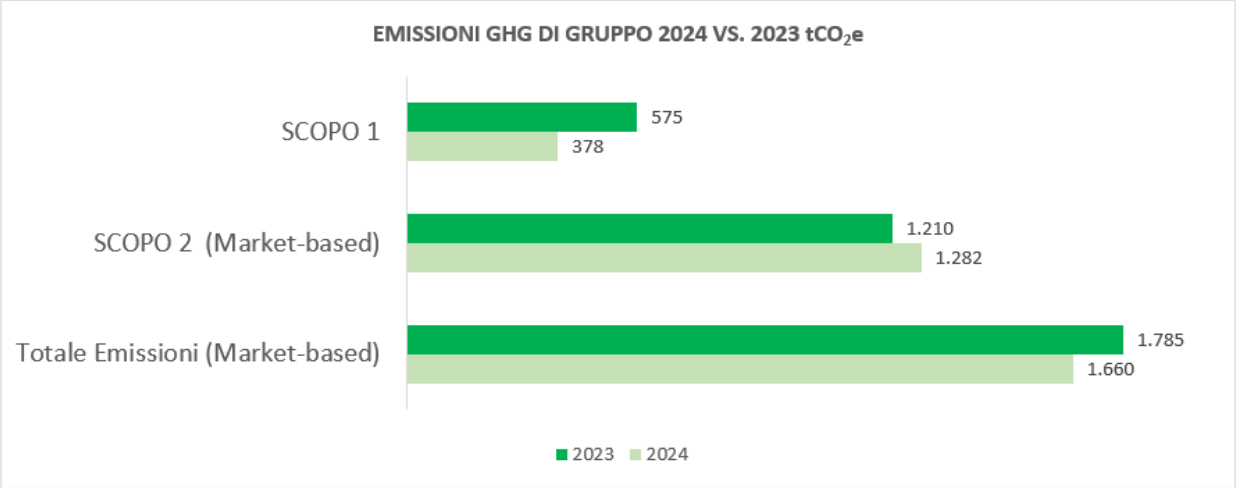
Total emissions (Scope 1 and Scope 2 *Market based*) result in 1,660 tons of CO(2e,) down 8% from the previous year when 1,785 tons of CO_{2e} were produced. On the other hand, considering the *Location based* calculation method for Scope 2, the total emissions turn out to be 1,580 tons of CO_{2e}, up from 2023 by 7%. This *trend* fully reflects the Group's expansion in terms of investment in offices, plants and production capacity.

CO_2 emissions.			
	Unit of measurement	**2024**	**2023**
Scope 1 [14]	tCO_2e	378	575
Scope 2 (electricity, market-based)[15]	tCO_2	1.282	1.210
Scope 2 (electricity, location-based)[16]	tCO_2	1.202	891
Total (Scope 1 + Scope 2 market-based)	**tCO_2e**	**1.660**	**1.785**
Total (Scope 1 + Scope 2 location-based)	**tCO_2e**	**1.580**	**1.466**

DISCLOSURE 305-1 Direct GHG emissions (Scope 1) and 305-2 Indirect GHG emissions from energy consumption (Scope 2).

[13] Scope 2 emissions are calculated using the two methodologies required by the reporting standard used (GRI Sustainability Reporting Standards):
- Location-based approach: reflects the intensity of emissions generated by electricity consumption in relation to the generation network within which it operates;
- Market-based approach: reflects the intensity of emissions generated by the consumption of electricity purchased through any specific supply contracts.

Scope 2 emissions are expressed in tons of CO2; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO2equivalents) as inferred from the relevant technical literature. It should also be noted that the Group has not used certificates of origin to purchase electricity from renewable sources.
[14] Source of emission factors: DEFRA 2023 and DEFRA 2022
[15] Source of emission factors: AIB 2023 - European Residual Mixes 2022 and AIB 2022 - European Residual Mixes 2021 (Ver. 1.0, 2022-05-31).
[16] Source of emission factors: AIB 2023 - European Supplier Mixes 2022 and Terna - International Comparisons 2019.



EMISSIVE INTENSITY

Emissive intensity expresses the greenhouse gas emissions produced to generate the Group's revenues. Specifically, it should be noted that the emission intensity figure was calculated against the Group's total revenues of 77,677 thousand euros in 2024 and 27,916 thousand euros in 2023.

In 2024, the emission intensity is 0.02 tCO2e /thousand, according to the *location-based* method, and has been reduced by 61% from the previous year.

Intensity of greenhouse gas (GHG) emissions.[17]			
	Unit of measurement	**2024**	**2023**
Intensity of emissions (Scope 1 + Scope 2 market-based) to total revenue	**tCO_2e / thousand euros**	**0,02**	**0,06**
Intensity of emissions (Scope 1 + Scope 2 location-based) to total revenue	**tCO_2e / thousand euros**	**0,02**	**0,05**

DISCLOSURE 305-4 Intensity of greenhouse gas (GHG) emissions.

4.2 Water resources

The production of injectable solutions makes it necessary to use machinery to treat water taken from aqueducts in order to make it suitable for medical application. During the fine-tuning phase of the Rosia plant, the Group installed only state-of-the-art treatment equipment, which ensures very low energy consumption compared to older equipment. In addition to this specific process-level use, water is used at the sites for sanitary purposes.

[17] It should be noted that the emission intensity figure was calculated with respect to the Group's total revenues of 24,969 thousand euros in 2023 and 27,295 thousand euros in 2022.

At the consolidated level, 9.94 Megaliters of total freshwater was withdrawn during 2024, none of which was from water-stressed areas. Compared to 2023, there was an increase in withdrawal of 38.6% of water resources from aqueducts. Specifically, withdrawals from Italian plants accounted for 88% of water withdrawals; the remainder of withdrawals (12%) were from the Zurich site.

In order to assess its impact in sensitive areas, with reference to water withdrawals and discharges in water-stressed areas Philogen uses the *Aqueduct Tool* developed by the *World Resources Institute* to identify areas potentially at risk. Pursuant to this analysis, water withdrawals and discharges related to the Group's two Italian sites involved water stress areas, while the Swiss site is located in a low-risk area.

MONTARIOSO PLANT

For the Montarioso plant, the Group recorded a positive figure in terms of water consumption as fresh water withdrawal from third parties was reduced by 41.1 percent compared to 2022.

Water withdrawal by source (Montarioso Plant)					
		2024		**2023**	
Source	**Unit of measurement**	**All areas**	**Areas with water stress**	**All areas**	**Areas with water stress**
Third-party water (Fresh water: ≤1,000 mg/l total dissolved solids)	ML	0,84	-	0,86	0,86

DISCLOSURE 303-3 Water Withdrawal.

ROSIA PLANT

At the Rosia plant during 2023, there was a 16.67 percent increase in fresh water withdrawal due to increased production activities for laboratory testing as well as activities made necessary for the purpose of AIFA authorization.

Water withdrawal by source (Rosia Plant)					
		2024		**2023**	
Source	**Unit of measurement**	**All areas**	**Areas with water stress**	**All areas**	**Areas with water stress**
Third-party water (Fresh water: ≤1,000 mg/l total dissolved solids)	ML	7,95	-	5,11	-

DISCLOSURE 303-3 Water Withdrawal.

ZURICH PLANT

Water withdrawal by source (Zurich Plant)					
		2024		2023	
Source	Unit of measurement	All areas	Areas with water stress	All areas	Areas with water stress
Third-party water (Fresh water: ≤1,000 mg/l total dissolved solids)	ML	1,15	-	1,2	-

DISCLOSURE 303-3 Water Withdrawal.

For the Zurich plantwater resource use from aqueducts is reported to be in line with that of the previous year

It should be noted that the figure of water withdrawn for the Swiss office, which is included in a condominium building, was estimated from the total expense value of the condominium, re-proportioned to the square meters of laboratory areas

4.3 Waste

For a company such as the Philogen Group, which is involved in biopharmaceutical research and the production of experimental drugs, care and proper management of the waste produced is of paramount importance.

Philogen produces both ordinary municipal waste, which is disposed of through separate collection, and special waste, which is collected by specialized firms. For the former, the separate collection system at the Montarioso site, operated by a specialized company, ensures proper disposal of all municipal waste.

At the Rosia plant, the system of separate disposal of ordinary waste has also been completed. Special waste generated by the laboratories is stored inside a special warehouse, collected in approved containers for medical waste, and is disposed of by a specialized company in the manner prescribed by law. Philogen relies on a company certified under ISO 14001 for the activities of "Special Waste Collection and Transportation, Brokering, Disposal and Asbestos Remediation, Environmental Consulting" and present among the organizations registered under EC Regulation No. 1221/2009. Liquid waste generated by the production process, on the other hand, is conveyed by a sewage collection system and then collected in a special collection *tank.* Subsequently, they too are disposed of by a specialized company according to current regulations.

With respect to waste that may have undergone viral contamination, Philogen has adopted an additional autoclave treatment procedure at the Rosia plant. This ensures that even contaminated waste is rendered completely defenseless once it leaves the production site. It is also the Group's concern to send such waste for incineration as a further guarantee of eliminating all potentially hazardous traces from the materials being disposed of. Philogen has a register per site, issued by the Siena Business Registry Office from the relevant Chamber of Commerce, in which to record the type of waste, the quantities produced and its destination for disposal.

As required by the regulations, each type of waste in order to be disposed of needs documentation showing the traceability of the various stages starting from the waste producer continuing with the transport to the disposal center and the disposal method. The Waste Identification Form consists of four copies: the first copy remains with the producer of the waste, the second copy is with the transporter, the third copy remains

with the disposer, and the fourth copy returns to the producer after being completed with the disposal information.

The possibility for Philogen to reduce waste generation within the raw material procurement processes is limited firstly by the particularity of the raw materials themselves, secondly by the small number of suppliers operating in the market moreover subject to stringent industry regulations

Type of waste [ton]	2024			2023		
	Dangerous	Non-hazardous	Total	Dangerous	Non-hazardous	Total
Mixed material packaging		43,64		-	30,46	**30,46**
Solid infectious risk medical waste	21,88			25,24	-	**25,24**
Liquid infectious risk medical waste	5,23			7,11	-	**7,11**
Aqueous washing solutions and mother waters	16,12			-	-	**-**
Other organic solvents, washing solutions and mother liquors	0,58			-	-	**-**
Other funds and reaction residuals	0,12			-	-	**-**
Out of print toner	0,06			-	-	**-**
Discontinued equipment, containing chlorofluorocarbons, HCFCs, HFCs	0,33			-	-	**-**
Laboratory chemicals containing or consisting of hazardous substances	0,20			-	-	**-**
Lead-acid batteries		0,12		-	-	**-**
Alkaline batteries		0,02		-	-	**-**
Fluorescent tubes and other wastes containing mercury		0,05		-	-	**-**
Wood packaging		6,54		-	-	**-**
Total waste produced	**44,52**	**50,37**	**94,89**	**32,36**	**30,46**	**62,82**

DISCLOSURE 306-3 Waste generated.

A total of 94.89 tons of waste was produced in 2024, of which 47% was hazardous waste and 53% non-hazardous waste. Regarding the end-of-life of waste, 40% of waste is sent for incineration while 60% is sent for recycling. Waste generated in offices and generally assimilated municipal waste is entrusted to the public disposal service.

Comparing the waste types with the year 2023 shows an increase in categories, a consequence of a more detailed breakdown adopted for 2024.

In addition, it should be noted that the total amount of waste generated by the Group does not take into account the waste produced at the research and development plant in Zurich, since since these are mainly

research laboratories, the volume of waste produced is not significant for the purposes of the overall calculation. The figure reported therefore includes only the waste generated by the two Italian plants in Rosia and Montarioso.

It should be noted that waste values have increased compared to 2024 due to a conspicuous increase in production volumes, related to the signing of new production contracts.

Disposal method [ton]	**2024**				**2023**			
	On site	**At an external site**	**Total**	**%**	**On site**	**At an external site**	**Total**	**%**
Hazardous Waste								
Recycling	-	-	-	-	-	-	-	-
Non-Hazardous Waste								
Recycling	-	43,64	43,64	100%	-	30,46	30,46	100%
Total	**-**	**43,64**	**43,64**	**100%**	**-**	**30,46**	**30,46**	**100%**

DISCLOSURE 306-4 Waste not intended for disposal.

Disposal method [ton]	**2024**				**2023**			
	On site	**At an external site**	**Total**	**%**	**On site**	**At an external site**	**Total**	**%**
Hazardous Waste								
Incineration (without energy recovery)	-	27,11	27,11	100%	-	32,36	32,36	100%
Non-Hazardous Waste								
Landfill	-	-	-	-	-	-	-	-
Total	**-**	**27,11**	**27,11**	100%		**32,36**	**32,36**	100%

DISCLOSURE 306-5 Waste for Disposal.

GRI-ESRS Interoperability Index

Philogen has so far adopted the GRI reporting standards. However, having exceeded for two consecutive fiscal years at least two of the three criteria under the regulations, the company will be required to comply with the requirements of the Corporate Sustainability Reporting Directive (CRSD) by adopting the European Sustainability Reporting Standards (ESRS) under the directive. Regarding timelines, the European Commission, in its Feb. 26 press release, adopted a new package of proposals aimed at simplifying the EU regulatory framework for sustainability. The aim of these actions is to ensure more accessible and efficient sustainability reporting by reducing the administrative burden on companies.

Major changes of note for Philogen include:

- Postponement of CSRD implementation by two years to 2028.
- Reducing taxonomy reporting requirements, limiting them to larger companies.
- Introduction of a materiality threshold for reporting on taxonomy.
- Simplification of reporting templates by reducing the number of schemes to be used for submitting information.

Statement Use	Philogen submitted reporting in accordance with GRI Standards for the period from January 1, 2024 to December 31, 2024. In order to gradually implement the transition to the ESRS principles, the following Interoperability Index is presented, a mapping tool to help identify and better understand the commonalities between the two sustainability reporting standards. This index facilitates alignment between existing GRI requirements and those under ESRS, supporting effective and consistent integration into the reporting process.
Using GRI 1	GRI 1 - Fundamental Principles - version 2021
Relevant GRI industry standard	N.A.

GRI STANDARD	INFORMATIVE	LOCATION	ESRS DISCLOSURES	DIFFERENCES
GRI 2: General Disclosures 2021	2-1 Organizational details	pp. 9-10; Please refer to the Annual Financial Report 2024, which can be found at: www.Philogen.com	See the requirements of EU Directive 2013/34	
	2-2 Entities included in the reporting of sustainability of the organization	pp. 9-10; Please refer to the Annual Financial Report 2024, which can be found at: www.Philogen.com	**ESRS 1** 5.1; **ESRS 2** BP-1 §5 (a) and (b) i	
	2-3 Period of REPORTING, frequency and contact person	Page 9-10	**ESRS 1** §73	
	2-4 Review of information	Pg. 9-10	**ESRS** 2 BP-2 §13, §14 (a) to (b)	
	2-5 External Assurance	Pg. 9-10	See external warranty requirements Of Directive (EU) 2022/2464	
	2-6 Activities, value chain and other business relationships	pp. 9-10; 48-50	**ESRS 2** SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	
	2-7 Employees	Page 52-53	**ESRS 2** SBM-1 §40 (a) iii **ESRS** S1-6 §50 (a) to (b) and (d) to (e), §51 to §52	
	2-8 Non-employee workers	Page 54	**ESRS** S1 S1-7 §55 to §56	GRI 2-8 covers workers who are not employees and whose work is controlled by the organization. ESRS S1-7 covers nonemployee workers: persons with contracts to supply labor with the enterprise ("self-employed") or persons

				supplied by enterprises primarily engaged in "labor activities" (NACE code N78)
	2-9 Structure and composition of the governance	Pg. 22-25 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, available at: www.Philogen.com	**ESRS 2** GOV-1 §21, §22 (a), §23 **ESRS G1** §5 (b) See also EU Directive 2013/34 for public interest entities.	
	2-10 Appointment and selection of the highest governing body	Page 25-26 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, available at: www.Philogen.com	This topic is not covered by the priciples of sustainability ESRS AR § 16	
	2-11 Chairman of the highest government	Page 26 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, available at: www.Philogen.com	This topic is not covered by the priciples of sustainability ESRS AR § 16	
	2-12 Role of the highest governing body In controlling the management of impacts	Page 26-27 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, available at: www.Philogen.com	**ESRS 2** GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); **ESRS G1** §5 (a)	
	2-13 Delegation of responsibility for impact management.	Page 26 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY	**ESRS 2** GOV-1 §22 (c) i and ii; GOV-2 §26 (a); **ESRS** G1 G1-3 §18 (c)	

		2024, available at: www.Philogen.com		
	2-14 Role of the highest governing body In sustainability reporting	Page 27 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, available at: www.Philogen.com	**ESRS 2** GOV-1 §AR 3 (a) ii and iv; IRO-1 §53 (d)	
	2-15 Conflicts Interest	Page 26 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, available at: www.Philogen.com	This topic is not covered by the priciples of sustainability ESRS AR § 16	
	2-16 Communication of critical issues	Page 27 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, available at: www.Philogen.com	**ESRS 2** GOV-2 §26 (a); **ESRS** G1 G1-1 AR 1 (a); G1-3 §18 (c)	
	2-17 Collective knowledge of the highest governing body	Page 24-25 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY 2024, which can be found at : www.Philogen.com	**ESRS 2** GOV-1 §23	
	2-18 Performance evaluation of the highest governing body	Page 22-23 Please refer to the Annual Report on Corporate Governance and Ownership Structure - FY	This topic is not covered by the priciples of sustainability ESRS AR § 16	

		2024, available at: www.Philogen.com		
	2-19 Rules concerning remuneration	pp. 28-30 Please refer to the Remuneration Policy and Compensation Report FY2024, which can be found at: www.Philogen.com	**ESRS 2** GOV-3 §29 (a) to (c); **ESRS E1** §13 See also EU Directive 2017/828 for listed companies.	
	2-20 Procedure for determining the pay	Page 28-29 Please refer to the Remuneration Policy and Compensation Report FY2024, which can be found at: www.Philogen.com	**ESRS 2** GOV-3 §29 (e) See also EU Directive 2017/828 for listed companies.	
	2-21 Total pay ratio annual	Page 29 Please refer to the Remuneration Policy and Compensation Report FY2024, which can be found at : www.Philogen.com	**ESRS** S1 S1-16 §97 (b) to (c)	
	2-22 Statement on the strategy for sustainable development	Page 9-10	**ESRS 2** SBM-1 §40 (g)	
	2-23 Policy Commitment	Page 39-40	**ESRS 2** GOV-4; MDR-P §65 (b) to (c) and (f); **ESRS** S1 S1-1 §19 to §21, §24 (c) and §AR 14; **ESRS** S2 S2-1 §16 to §17, §19, and §AR 16; **ESRS S3** S3-1 §14, §16 to §17 and §AR 11; **ESRS** S4 S4-	

			1 §15 to §17, and §AR 13; **ESRS** G1 G1-1 §7 and §AR 1 (b)	
	2-24 Integration of commitments in terms of policy	Page 39-40	**ESRS 2** GOV-2 §26 (b); MDR-P §65 (c) **ESRS** S1 S1-4 §AR 35 **ESRS** S2 S2-4 §AR 30 **ESRS** S3 S3-4 §AR 27 **ESRS** S4 S4-4 §AR 27 ESRS G1 G1-1 §9 and §10 (g)	
	2-25 Processes to remedy impacts negative	pp. 3-4; 18-22	**ESRS** S1 S1-1 §20 (c), §AR 17 (g); S1-3 §32 (a), (b) and (e), §AR 31 **ESRS** S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c) **ESRS** S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §AR 23; S3-4 §33 (c) **ESRS** S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §AR 23; S4-4 §32 (c)	
	2-26 Mechanisms for requesting clarification and raise concerns	Page 27	**ESRS** S1 S1-3 §AR 32 (d); **ESRS** S2 S2-3 §AR 27 (d); **ESRS S3** S3-3 §AR 24 (d); **ESRS S4** S4-3 §AR 24 (d); **ESRS** G1 G1-1 §10 (a); G1-3 §18 (a)	
	2-27 Compliance with laws and regulations	Page 31	**ESRS 2** SMB-3 §48 (d) **ESRS** E2 E2- 4 §AR 25 (b); **ESRS** S1 S1-17 §103 (c) to (d) and §104 (b); **ESRS** G1 G1- 4 §24 (a)	GRI 2-27 covers all significant noncompliances with laws and regulations and broken down by type of noncompliance.ESRS requirements cover information on current financial effects, noncompliance on pollution, anti-corruption and anti-

				bribery, and serious human rights incidents, in a number of topical standards
	2-28 Membership in associations	Pg. 13-14	"Political commitment" is a sustainability issue for G1, covered by ESRS 1 §AR 16. Therefore, this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as entity-specific metrics to be disclosed under ESRS 1 §11 and under MDR-M.	
	2-29 Approach to the involvement of stakeholders	Pg. 17-22	**ESRS** 2 SMB-2 §45 (a) i to (a) iv; **ESRS** S1 S1-1 §20 (b); S1-2 §27 (e) and §28; **ESRS** S2-1 §17 (b); S2- 2 §22 (e) and §23; ESRS **S3** S3-1 §16 (b); S3-2 §21 (d) and §22; **ESRS S4** S4-1 §16 (b); S4-2 §20 (d) and §21	
	2-30 Collective bargaining agreements	Page 54	**ESRS** S1 S1-8 §60 (a) and §61	
GRI 3: Material Themes.	3-1 Process of determining material themes	Pg. 17-22	**ESRS 2** BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv	
	3-2 List of material themes	Pg. 21-22	**ESRS 2** SBM-3 §48 (a) and (g); BP-2 §17 (a)	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 32-40	**ESRS 2** SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P §62, §65 (a); MDR-A §62, §68 (a) and (d); MDR-M §72, §75; MDR-T §72, §80 (b) and (j), §81 (a) to (b); BP-2 §17 (b) to (e)	

			ESRS S1 S1-2 §27; S1-4 §39 and AR 40 (a); S1-5 §47 (b) to (c); **ESRS** S2 S2-2 §22; S2-4 §33, §AR 33 and §AR 36 (a); S2-5 §42 (b) to (c) **ESRS S3** S3-2 §21; S3-4 §33, §AR 31, §AR 34 (a); S3-5 §42 (b) to (c) **ESRS S4** S4-2 §20, S4-4 §31, §AR 30, and §AR 33 (a); S4-5 §41 (b) to (c	
GRI 201: Economic Performance 2016	201-1 Economic value directly generated and distributed	Pg. 33-34	**ESRS 2** SBM-1 §40 (b)	
GRI 204: 2016 Procurement Practices.	204-1 Proportion of spending to local suppliers.	Page 49-50	"Economic, social and cultural rights of communities" are a sustainability issue for S3, covered by ESRS 1 §AR 16. Therefore, this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an "entity-specific metric" to be submitted under ESRS 1§11 and under MDR-M.	
GRI 207: Taxes (2019)	207-1 Approach to taxation	Page 36-38	This topic is not covered by the priciples of sustainability ESRS AR § 16	
	207-2 Fiscal governance, control and risk management	Page 39-40	This topic is not covered by the priciples of sustainability ESRS AR § 16	
	207-3 Stakeholder engagement and management of tax concerns	Page 32-40	This topic is not covered by the priciples of sustainability ESRS AR § 16	

	207-4 Country-by-country reporting	Page 32-40	This topic is not covered by the priciples of sustainability ESRS AR § 16	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 30-31	See p.84	
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and measures taken	Page 31	**ESRS** G1 G1-4 §25	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anticompetitive behavior, antitrust and monopolistic practices	Page 31	This topic is not covered by the priciples of sustainability ESRS AR § 16	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 65-69	See p.84	
GRI 302: Energy 2016	302-1 Energy consumed within the organization.	Page 65-71	**ESRS** E1 E1-5 §37; §38	There are differences between the two systems in how energy consumption data are aggregated and disaggregated
	302-3 Energy Intensity	Page 72	**ESRS** E1 E1-5 §40	
GRI 305: Emissions 2016	305-1 Direct GHG Emissions (Scope 1)	Page 72-74		
	305-2 Indirect GHG emissions from energy consumption (Scope 2).	Page 72-75		
	305-4 Intensity of GHG emissions.	Page 74		
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 76-78	See p.84	
GRI 306: Waste 2020	306-1 Waste generation and impacts significant waste-related	Page 76-78	**ESRS 2** SBM-3 §48 (a), (c) ii and iv **ESRS E5** §AR 7 (f); E5-4 §30	
	306-2 Management of significant impacts related to waste	Page 76-78	**ESRS** E5 E5-2 §19 and §20 (e) and (f); E5-5 §40 and §AR 33 (c)	
	306-3 Waste generated	Page 77	**ESRS** E5 E5-5 §37 (a), §38 to §40	GRI 306-3 requires quantitative data (e.g., a breakdown of waste composition in tons).

				ESRS E5-5 §38 requires narrative disclosure.
	306-4 Waste not intended for disposal.	Page 78	**ESRS** E5 E5-5 §37 (b), §38 and §40	See GRI 306-3
	306-5 Waste for disposal	Page 78	**ESRS** E5 E5-5 §37 (c), §38 and §40	GRI 306-4 requires a division between incineration with energy recovery and incineration without energy recovery. See also GRI 306-3
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 42-50	See p. 84	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 62-63	See p. 84	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 42-46	See p. 84	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 52-62	See p. 84	
GRI 401: Employment (2016)	401-1 New hires and turnover	Page 55-56	**ESRS** S1 S1-6 §50 (c)	GRI 401-1-b requires a breakdown by age group, gender and region.
	401-2 Benefits provided for full-time employees, but not for part-time or fixed-term employees	Page 35	**ESRS** S1 S1-11 §74; §75; §AR 75	
GRI 404: Training and Education (2016)	404-1 Average annual training hours per employee	Page 58-59	**ESRS** S1 S1-13 §83 (b) and §84	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 61-62	See p. 84	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 61-62	**ESRS** S1 S1-1 §23	GRI 403-1 requires reporting the legal requirements and management standards on which the system is based. This information is not required in the ESRS because it is regulated within the EU.

	403-2 Hazard identification, risk assessment and investigation of accidents	Page 61-62	**ESRS** S1 S1-3 §32 (b) and §33	
	403-3 Occupational health services	Page 61-62	**ESRS** S1 S1-1 §AR 17 (d)	GRI 403-3 requires reporting on how the organization ensures the quality of these services and facilitates access for workers.
	403-4 Worker participation and consultation and communication on occupational health and safety	Page 61-62	"Health and safety" and "Training and skills development" are sustainability issues for S1 covered under ESRS 1 §AR 16. Therefore, this GRI disclosure is covered by MDR-P, MDR-A and MDR-T and/or as an "entity-specific metric" to be submitted under ESRS 1 §11 and under MDR-M.	
	403-5 Worker training in occupational health and safety.	Page 61-62		
	403-6 Workers' health promotion	Page 61-62	"Social protection" is a sustainability issue for S1, covered by ESRS 1 §AR 16. Therefore, this GRI disclosure is covered by MDR-P, MDR-A and MDR-T and/or as an "entity-specific metric" to be presented under ESRS 1 §11 and under MDR-M.	
	403-7 Prevention and mitigation of health and occupational safety within business relationships	Page 61-62	**ESRS** S2 S2-4 §32 (a)	
	403-9 Occupational Injuries.	Page 62	**ESRS** S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82	GRI 403-9 requires reporting on the management of the hierarchy of controls

GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 59-61	See p.84	
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity in governing bodies and among employees	Pg. 25; 60-61	**ESRS 2** GOV-1 §21 (d) **ESRS** S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1- 12 §79	GRI 405-1 requires a breakdown by employee categories.
GRI 406: Non-Discrimination (2016)	406-1 Incidents of discrimination and corrective measures taken	Page 61	**ESRS** S1 S1-17 §103 (a), §AR 103	
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 48-50	See p.84	
GRI 407: Freedom of Association and Collective Bargaining (2016)	407-1 Activities and suppliers at which the right to freedom of association and collective bargaining may be at risk	Page 48-50	"Freedom of association" and "collective bargaining" are sustainability issues for S1 and S2 covered by ESRS 1 §AR 16. Therefore, this GRI disclosure is covered by MDR-P, MDR-A and MDR-T and/or as an "entity-specific metric" to be submitted under ESRS 1 §11 and under MDR-M.	
GRI 408: Child Labor (2016)	408-1 Activities and suppliers that present a Significant risk of incidents of child labor	Page 48-50	**ESRS S1** §14 (g); S1-1 §22 **ESRS S2** §11 (b); S2-1 §18	GRI 408-1 requires reporting of the types of suppliers at risk.
GRI 409: Forced or compulsory labor (2016)	409-1 Activities and suppliers that present a Significant risk of incidents of forced labor or mandatory	Page 48-50	**ESRS S1** §14 (f); S1-1 §22 **ESRS S2** §11 (b); S2-1 §18	See GRI 408-1
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 46-47	See p. 84	

GRI 416: Customer Health and Safety (2016)	416-1 Assessment of health and safety impacts by category of products and services	Page 46-47	"Personal safety of consumers and end users" is a sustainability issue for S$, covered by ESRS 1 §AR 16. Therefore, this GRI disclosure is covered by MDR-P, MDR-A and MDR-T and/or as an "entity-specific metric" to be submitted under ESRS 1 §11 and under MDR-M.	
	416-2 Incidents of noncompliance regarding health and safety impacts of products and services	Page 46-47	**ESRS** S4 S4-4 §35	GRI 416-2 requires quantitative data on the number of incidents and breakdown by type of non compliance. ESRS S4-4 requires narrative reporting.
GRI 417: Marketing and labeling.	417-2 Incidents of non-compliance in information and labeling of products and services	Page 46-47	**ESRS** S4 S4-4 §35	GRI 417-2 requires quantitative data on the number of incidents and breakdown by type of noncompliance. ESRS S4-4 requires narrative reporting.
GRI 3: Material Themes 2021	3-3 Management of material issues	pp. 17-22; 46	See p. 84	
GRI 418: Customer Privacy (2016)	418-1 Proven complaints regarding breaches of customer privacy and loss of customer data	Page 46	**ESRS S4** S4-3 §AR 23; S4-4 §35	GRI 418-1 requires additional granularity on the type of complaints and the number of identified leaks, thefts, or losses of customer data

Main Addresses for

In 2025, the Philogen Group will continue to pursue its mission of innovation and care, with a strong commitment to sustainability and social responsibility. Key directions for the year include:

1. **Research and Development**:
    - **Advancing the Pipeline**: We will continue with the clinical development of our most promising drugs, including Nidlegy™ and Fibromun, with the goal of obtaining the necessary regulatory approvals and initiating commercialization.
    - **New Collaborations**: We will strengthen our partnerships with leading academic institutions and pharmaceutical companies to accelerate innovation and improve the effectiveness of our therapies.
2. **Environmental Sustainability**:
    - **Emissions Reduction**: We will implement additional measures to reduce greenhouse gas emissions, including installing new photovoltaic systems and adopting more efficient technologies.
    - Waste Management: We will improve waste management, with a special focus on reducing hazardous waste and increasing recycling.
3. **Social Responsibility**:
    - **Employee Wellness**: We will continue to invest in the well-being and professional development of our employees by offering advanced training programs and promoting an inclusive and safe work environment.
    - **Engagement with Local Communities**: We will strengthen our partnerships with local communities and academic institutions by funding scholarships and participating in career guidance events.
4. **Governance and Compliance**:
    - **Governance Improvement**: We will implement further improvements in our governance structure to ensure transparent and accountable management of our activities.
    - Regulatory **Compliance**: We will ensure compliance with applicable regulations, with a focus on ethics and integrity compliance.
5. **Technological Innovation**:
    - **Investment in Technology**: We will continue to invest in cutting-edge technology to improve the efficiency of our research and development processes and to ensure the quality and safety of our products.

These directions represent our commitment to a sustainable and innovative future in which we will continue to generate value for our investors, patients and all stakeholders.

Major regulatory changes

On Feb. 26, 2025 The European Commission adopted a new package of proposals to simplify EU rules, increase competitiveness and unlock additional investment capacity.

- **Competitiveness** and climate goals: By combining competitiveness and climate goals, the European Commission aims to create favorable conditions for EU businesses, attract investment and achieve shared goals such as the European Green Deal.
- **Reduction of administrative burdens**: The Commission aims to reduce administrative burdens by 25 percent and by 35 percent for SMEs by the end of the term through "Omnibus" packages that simplify several legislative areas.
- **Simplifying rules for businesses**: Proposals reduce the complexity of EU requirements for all businesses, focusing on large companies with greater climate and environmental impacts, while still allowing access to sustainable financing.
- **Savings and investment capacity**: The proposals, if adopted, could lead to annual savings of about 6.3 billion euros and mobilize 50 billion euros in public and private investment.
- **Changes to sustainability reporting**: Major changes include reducing the number of companies subject to CSRD, postponing reporting requirements and simplifying EU Taxonomy reporting requirements.
- **Simplification of due diligence**: In the area of due diligence, the changes aim to reduce costs and burdens on SMEs, harmonize requirements and give companies more time to comply.
- **Simplification of the border carbon adjustment mechanism**: Changes to CBAM exempt small importers from obligations and simplify rules for companies still subject to CBAM, making it more effective in the long run.

Streamlining investment programs: The Commission proposes changes to simplify the use of investment programs such as InvestEU, increasing the EU's investment capacity and facilitating the contribution of member states.