

BIOHAZARD

2025

STERIL-VBH

# HALF-YEAR REPORT

AS OF 30 JUNE 2025

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**Philogen**  
innovating targeting



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## Group data and information for shareholders

### Philogen S.p.A



Registered office:	Piazza La Lizza no. 7, 53100 Siena
Secondary offices:	
Local unit no. SI/2	Via Montarioso n.11, Loc. Monteriggioni, 53035 Siena
Local unit no. SI/5	Loc. Bellaria n.35, Sovicille, 53018 Siena
Arezzo-Siena Companies Register:	
VAT number/Tax code	00893990523
REA	SI-98772
Share capital:	€5,731,226.64 fully paid up
Italian Stock Exchange Symbol:	PHIL
ISIN ordinary shares:	IT0005373789
Multiple voting ISIN:	IT0005373821
LEI code:	81560009EA1577917768
Shares:	40,611,111

### Philochem AG



Registered office:	Libernstrasse 3, 8112 Otelfingen, Switzerland
Commercial Register:	No. CH-020.3.030.226-7
VAT number:	MWST-Nr/VAT-REG: CHE-113181.443
Share capital:	CHF 5,051,000

### Investor relations

Email: IR@philogen.com - Dr. Emanuele Puca, PhD

### Website

<https://www.philogen.com>

## Corporate Governance

### Board of Directors

The Board of Directors, appointed by the Shareholders' Meeting on April 29, 2025, will remain in office for the three-year period 2025-2027, until the approval of the financial statements for the year ending December 31, 2027.

- Executive Chairman (\*) Dr. Duccio Neri
- Chief Executive Officer (\*\*) Prof. Dario Neri
- Managing Director (\*) Dr. Giovanni Neri
- Director Sergio Gianfranco Dompé
- Director Dr. Nathalie Dompé
- Director Dr. Leopoldo Zambelletti
- Director (\*\*)(\*\*\*) Marta Bavasso
- Director (\*\*) Dr. Chiara Falciani
- Director Patrizia Sacchi
- Director (\*\*) Flavia Scarpellini

(\*) Executive Director.

(\*\*) Independent director pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

(\*\*\*) Lead Independent Director.

### Board of Auditors

- Chairman of the Board of Auditors Maurizio Di Marcotullio
- Statutory Auditor Pierluigi Matteoni
- Statutory Auditor Alessandra Pinzuti
- Alternate Statutory Auditor Roberto Bonini
- Alternate Statutory Auditor Nadia Fontana

### Auditing Firm

KPMG S.p.A.

### Manager responsible for preparing the company's financial reports

Dr. Laura Baldi, *Chief Financial Officer*, Chartered Accountant and Statutory Auditor.

### Supervisory Body Legislative Decree 231/2001

The single-member Supervisory Body (SB), appointed by resolution of the Board of Directors on April 29, 2025, for the three-year period 2025-2027, is composed of Marco Tanini. The SB will remain in office until the end of the current Board of Directors term and will be appointed by the new incoming Board.

### Control, Risk and Sustainability Committee (\*)

- Marta Bavasso (Chair) (\*\*)(\*\*\*)
- Chiara Falciani (\*\*)
- Patrizia Sacchi

(\*) This Committee also acts as the Related Party Transactions Committee.

(\*\*) Independent director pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

(\*\*\*) Lead Independent Director.

### Appointments and Remuneration Committee

- Marta Bavasso (Chair) (\*)/(\*\*)
- Chiara Falciani (\*)
- Patrizia Sacchi

(\*) Independent director pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

(\*\*\*) Lead Independent Director

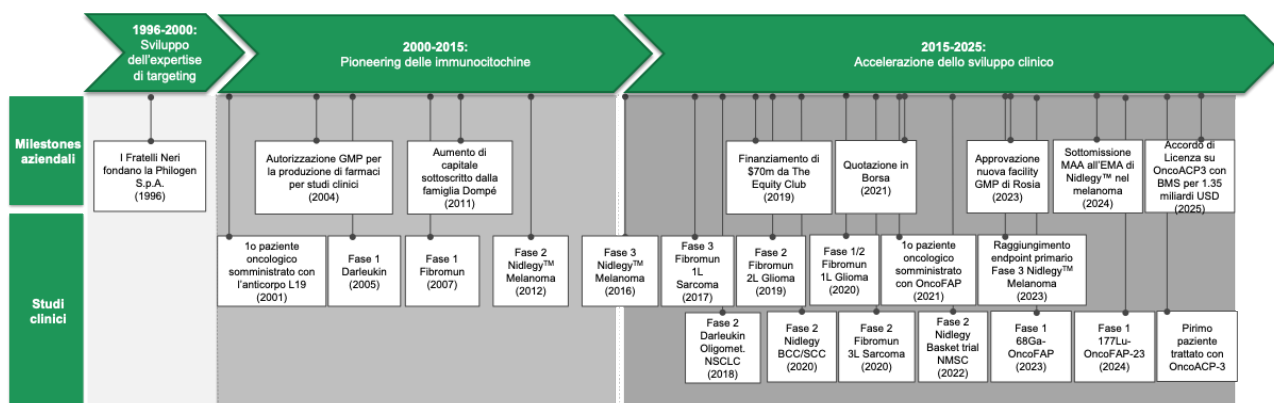
## Philogen: introduction to the Group

### 1. History

Philogen, listed on the Mercato Telematico Azionario (EXM) since March 3, 2021, is an Italian Swiss company founded in 1996, specializing in the research and development of drugs for the treatment of highly lethal diseases. The company is a leader in the identification of high-affinity ligands for tumor antigens, used to selectively deliver active ingredients to the diseased area. The focus is on the development of oncology drugs, but the company also has products for the treatment of chronic inflammatory diseases. In recent years, Philogen has expanded its pipeline, bringing new drugs into the clinic and initiating experimental studies in new indications. Currently, the group has a diversified pipeline with numerous Phase II and III studies, including Nidlegly™ and Fibromun in Phase III. The company has increased its investment in small organic molecules with high affinity for tumor targets, leading to the discovery of drugs such as OncoFAP and OncoACP3, currently in clinical trials.

Philogen has a research and development facility in Zurich, where new experimental drugs are discovered. The most promising prototypes are transferred to Siena for production at the company's GMP facilities. The company has a GMP facility in Montarioso (Siena) approved by AIFA to produce experimental drugs. A second GMP production facility has been built in Rosia (Siena) to produce commercial drugs and for clinical trials, certified by AIFA in 2023 and valid in various countries.

The figure below illustrates the three phases of Philogen's history from 1996 to June 30, 2025, with their respective industrial achievements.



Note: 1L first-line treatment (i.e., newly diagnosed patients); 3L third-line treatment (i.e., patients who have failed two lines of therapy); Oligomet. NSCLC: oligometastatic non-small cell lung cancer; NMSC: non-melanoma skin cancer; MAA: Marketing Authorization Application; EMA: European Medicines Agency; BMS: Bristol Myers Squibb







### 2. The Group Strategy

Philogen is a biotechnology company with strong vertical integration, covering all stages of drug development, including research, GMP manufacturing, and clinical development. In addition to its research site in Zurich and its GMP site in Montarioso (Siena), the Group has expanded its production capacity by building a new GMP facility in Rosia (Siena) to serve the future commercialization of its products. The new facility received certification from the AIFA GMP MED office in 2023.

### 3. The Group Pipeline

Philogen The Group's product portfolio consists of (i) antibody-based products and small organic molecules that are in various stages of clinical development, and (ii) various preclinical programs that are fundamental to the Group's continued innovation in the future.

Nidlegly™ (for the treatment of skin cancer in Europe, Australia, and New Zealand), Fibromun, Dekavil, OncoFAP-diagnostic, and OncoACP3 are currently subject to licensing agreements with other pharmaceutical companies. The other products are wholly owned by the Philogen Group.

	Prodotto	Partnership	Indicazione	Preclinica	Fase I	Fase II	Fase III
<b>Anticorpi coniugati a citochine (terapia)</b>	<b>Nidlegly™</b>		Melanoma localmente avanzato (EU) Melanoma localmente avanzato (US) Melanoma avanzato di stadio III/IV BCC <sup>1</sup> ed cSCC <sup>2</sup> localmente avanzati Tumori alla pelle non melanoma (basket)	Domanda all'AIC sottomessa all'EMA			
	<b>Fibromun</b> + doxorubicina + doxorubicina + dacarbazina Monoterapia + lomustina + lomustina + radioterapia + temozolomide		Sarcoma dei tessuti molli (1° linea, EU) Leiomyosarcoma (1° linea, US) Sarcoma dei tessuti molli (≥3° linea) Glioma (2° linea) Glioblastoma (2° linea, EU) Glioblastoma (≥2° linea, US) Glioblastoma (1° linea)	Arruolamento completato			
	<b>Darleukin</b> + radioterapia		Carcinoma polmonare non a piccole cellule				
	<b>Dodekin</b>		Tumori solidi vari				
	<b>Dekavil</b>		Infiammazioni croniche				
	<b>Onco IX (PHC-102)</b>		Carcinoma renale				
	<b>68Ga-OncoFAP</b>		Tumori solidi vari	Trial completato			
<b>68Ga-OncoACP-3</b>		Cancro alla prostata					
<b>Piccole molecole (terapia)</b>	<b>177Lu-OncoFAP-23</b>		Tumori solidi vari				
	<b>OncoFAP-GlyPro-MMAE</b>		Tumori solidi vari	Cani affetti da neoplasia spontanea			
	<b>OncoPSMA-GlyPro-MMAE</b>		Cancro alla prostata				
	<b>OncoACP-3</b>		Cancro alla prostata	Trattamento compassionevole*			



#### 4. Intellettuale property

The Group protects the results of its research and development activities by using a broad international portfolio of patents for industrial inventions and patent applications currently being registered, consolidating its patent position in the field of *vascular targeting*.

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Patents and patent applications serve to protect market exclusivity for candidate products, the technical processes necessary for their production, or the related medical treatment protocols.

The duration of individual patents depends on the legal duration of patents in the countries in which they were obtained. In most countries, including Italy, the duration of a patent is 20 years from the first claimed filing date of a non-provisional patent application or its foreign equivalent in the country in question.

The Group owns or has exclusive licenses for more than one hundred national patents filed in various countries.

The Group's patents mainly include: (i) "technology" patents relating to the fundamental enabling technologies used in the Group's activities; (ii) "product" patents, i.e., patents relating to preclinical and clinical development candidates and their constituent elements; and (iii) "combination" patents relating to the combination of patented product candidates with other therapeutic agents not covered by patents.

## Patent portfolio

For a better understanding of the intellectual property held by the Group, below is a summary of patents or patent applications registered in the name of the Parent Company and its subsidiary as of June 30, 2025.

### Philogen S.p.A.:

Country	Patents Granted/Applications Accepted	Patent applications
Algeria	1	-
Australia	13	4
Brazil	1	2
Canada	11	4
China	3	6
Colombia	1	-
Eurasia	1	-
Europe	14	9
Hong Kong	4	5
India	3	2
Indonesia	1	-
Iraq	1	-
Israel	1	-
Japan	11	3
Lebanon	1	-
Malaysia	1	-
Mexico	7	2
New Zealand	5	2
Gulf Cooperation Council (GCC) countries	-	1
Pakistan	1	-
Peru	1	-
Russia	4	-
Singapore	1	1
South Africa	4	-
South Korea	7	2
Taiwan	2	-
United States	23	9
Vietnam	1	-
<i>Patent Cooperation Treaty (PCT)</i> <sup>(1)</sup>	-	3

<sup>(1)</sup> PCT (*Patent Cooperation Treaty*): treaty on cooperation in patent matters - 158 states participating in the treaty to date. The owner of an international PCT patent application may continue the application in specific states in which they wish to obtain the patent, completing the actual filing of the international application in each of these states within 30 months of the filing date (or priority date) of the application.

### Philochem AG:

Country	Patents Granted/Applications Accepted	Patent Applications
Australia	1	4
Brazil	1	3
Canada	1	5
China	1	4
Europe	5	7
Hong Kong	1	3
India	-	3
Israel	1	2
Japan	-	5
Macau	1	-
Mexico	1	3
Singapore	-	3
South Korea	-	3
United States of America	4	7
<i>Patent Cooperation Treaty (PCT)</i> <sup>(1)</sup>	-	2

<sup>(1)</sup> PCT (*Patent Cooperation Treaty*): treaty on cooperation in the field of patents - 158 states participating in the treaty to date. The owner of an international PCT patent application may continue the application in the specific states in which they wish to obtain the patent, finalizing the actual filing of the international application in each of these states within 30 months of the filing date (or priority date) of the application.

## **Macroeconomic context**

In the first half of 2025, financial markets were dominated by Donald Trump's executive orders. On April 2, he announced a maxi tariff package with "reciprocal" duties on over 180 countries, effective from August 1. Agreements already in place with the United Kingdom and Vietnam, partial détente with China, negotiations open with the EU and Japan.

Despite the initial impact, the markets closed positively, supported by tech (AI), rate cuts in the Eurozone, and Germany's plan for tax reforms and green investments (€500 billion over 12 years). In Asia, domestic stimulus measures benefited China, while Japan suffered from weak growth and an unstable yen.

The ECB made four 25 bp cuts, bringing the deposit rate to 2.00%, with a further cut likely before the end of the year. The Fed kept rates steady, postponing possible reductions until October.

Manufacturing in the Eurozone remained in contraction but showed a slight recovery, while services supported employment and growth. In the US, manufacturing reached its highest level in three years, despite risks from tariffs and inflation; services showed moderate growth.

Attention remains focused on the Middle East, due to the Israel-Hamas and Israel-Iran conflicts and the possible effects on energy and raw materials.

## Philogen stock performance

Philogen shares (Ticker: PHIL) closed the first half of 2025 with a share price of €21.50, giving the company a market capitalization of €873.14 million.

Philogen	
Price June 30, 2025 (Eu)	21.50
No. of shares (mn)	40.61
Market cap (€ million)	873.14
IPO price March 3, 2021 (Eu)	17
Price change (EUR)	4.50
Price change (%)	26.47

The minimum closing price in the first half of 2025, recorded on January 31, was €17.50, while the maximum closing price in the reference period, recorded on June 16, was €27.40.

During the first six months of 2025, trading in Philogen shares on the market managed by Borsa Italiana S.p.A. reached an average daily value of €336,154.95, equivalent to an average daily volume of 14,752.64 shares.

Since its listing, the Company has not distributed dividends, but has initiated and executed several share buyback programs, holding 346,892 treasury shares as of June 30, 2025, equal to 0.8542% of the share capital.

Period	Average volumes Italian Stock Exchange	Average value Italian Stock Exchange	Days on Italian Stock Exchange
1H2025 average	14,753	336,155	125
Average 2024	8,704	165,952	253
Average 2023	11,187	186,591	254
Average 2022	6,530	91,374	252
Average 2021	24,050	362,383	214
Average from IPO to 06/30/25	12,459	211,271	1,098

Closing price				
	1 month	3 months	6 months	12 months
Simple average (EU)	24.57	22.51	20.56	20.42
Volume-weighted average (EU)	24.65	22.50	20.52	20.37
Max (EU)	27.40	27.40	27.40	27.40
Min (EU)	17.00	17	17	17

In the first six months of 2025, the FTSE MIB index recorded a positive performance of 16.40%, while the SPDR S&P *Biotech* suffered some losses, falling by 7.92%.

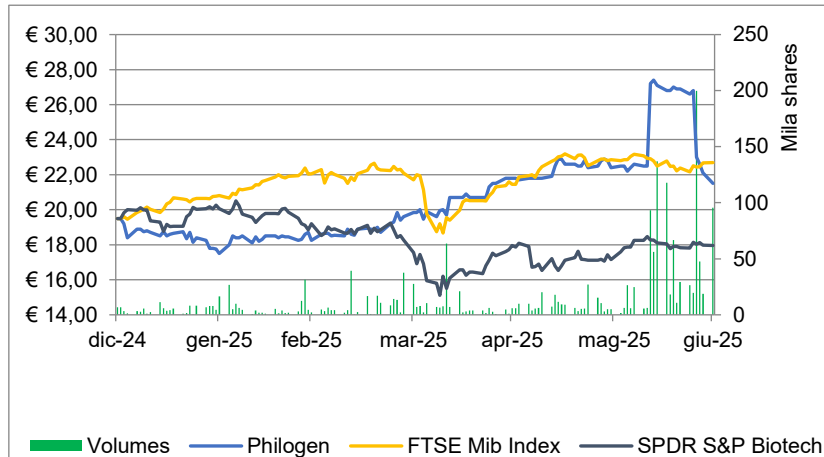
In a positive market environment, focused on companies with greater capitalization, which guarantee better liquidity, and oriented mainly towards sectors with *positive sector-specific* dynamics, such as the defense sector, Philogen shares recorded a solid overall performance (+10.26%) in the first six months of 2025, despite the volatility that characterized May and June following significant *news flow*.

In particular, among the company-specific news flow that influenced the performance of Philogen shares, we note (i) the decision to voluntarily withdraw the marketing authorization application to the European Medicines Agency (EMA) for the product Nidlegy™, which had been submitted in June 2024 (for further information, please refer to paragraph 4.2 of the interim management report), and (ii) the licensing agreement between the subsidiary Philochem AG and RayzeBio (Bristol-Myers Squibb group) signed on June 10, 2025, which grants RayzeBio worldwide rights to OncoACP3, a therapeutic and diagnostic agent for prostate cancer (see paragraphs 4.1 and 13.1 of the interim management report).

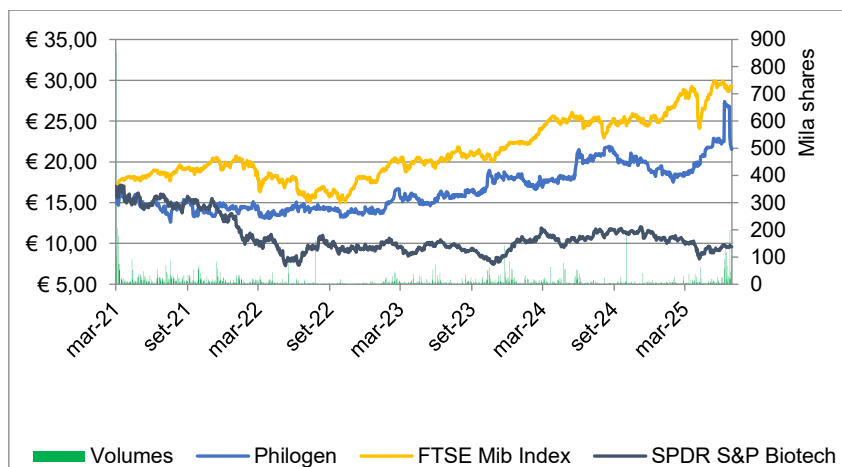
Following the announcement of the agreement, Philogen's share price rose sharply, gaining approximately +20.9% and closing at €27.2, with price fluctuations between €26.6 and €27.8, showing a positive market reaction to the news, with a surge in the stock price reflecting investor confidence in the potential growth resulting from the contract, significantly outperforming the biotechnology market and positioning itself slightly below the Italian market.

The stock's performance is shown in the graph below.

**Comparison of Philogen's performance with the main benchmark indices**  
(December 31, 2024 – June 30, 2025)



**Comparison of Philogen's performance with the main benchmark indices**  
(from IPO March 3, 2021 – June 30, 2025)



As shown in the chart, Philogen's stock experienced an initial post-listing decline, followed by a gradual recovery and a very sharp acceleration in early 2025, supported by exceptional volumes and corporate drivers.

Today, it is trading at its highest level for the period, showing relative strength compared to the international *biotech* sector and more in line with the performance of the Italian market.



***Interim management report as of  
June 30, 2025***

## Introduction

Dear Shareholders,

The Interim Report on Operations of Philogen S.p.A. (hereinafter also referred to as the "Company" or the "Parent Company" and, together with its Swiss subsidiary Philochem, the "Group") is presented together with the condensed consolidated financial statements for the six months ended June 30, 2025.

This Interim Report on Operations is intended to provide information on the income, assets, financial position, and operations of the Company and the Group, accompanied, where possible, by historical data and/or alternative *performance* evaluation indicators, and has been prepared in accordance with the provisions of Article 2428 of the Italian Civil Code and Legislative Decree No. 58 of February 24, 1998 ("Consolidated Law on Finance" or "TUF").

The condensed consolidated half-year financial statements at June 30, 2025, have been prepared in accordance with the international accounting standard on interim reporting (IAS 34 - Interim Financial Reporting).

Please refer to the explanatory notes for all information relating to the presentation of the condensed consolidated half-year financial statements as at June 30, 2025.

### 1. Information on the Group

The Group focuses its activities on the development of drugs based primarily on antibody conjugates, capable of selectively accumulating at sites where the disease is present.

This is possible thanks to a scientific approach known as *tumor targeting*, in which the Group is one of the recognized scientific *leaders* worldwide. In this context, the Group carries out all stages of its production cycle in-house, which consists of the discovery and production of new drugs and the coordination of preclinical and clinical studies at its facilities in Siena (Italy) and at the research center in Zurich (Switzerland), where its subsidiary Philochem AG is based.

Since 2019, the Group has focused its development activities primarily on two of the most advanced products in *its pipeline*, Fibromun and Nidlegly<sup>(TM)</sup>, embarking on a path of regulatory testing for the two drugs. At the same time, it has redesigned a competitive and diversified *pipeline* in order to opportunistically evaluate *licensing* agreements for its products or platforms under development. In parallel, the Group has invested in the field of small molecules with high affinity for tumor targets, leading to the discovery of OncoFAP and OncoACP3, currently in the experimental phase.

The Group has a research and development facility in Zurich (through its subsidiary Philochem), 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 drugs and antibodies in mammalian cells. A second GMP production facility has also been built at the Rosia (Siena) site for the production of both commercial drugs and drugs for clinical trials. This new facility received certification from the AIFA 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*).

It should be noted that the Parent Company is considered an "SME" pursuant to Article 1, paragraph 1, letter w)-quater 1 of the Consolidated Law on Finance, which defines small and medium-sized enterprises as issuers of listed shares with a market capitalization of less than €1,000 million. Issuers of listed shares that have exceeded this limit for three consecutive financial years are not considered SMEs. (Consob publishes the list of companies on its website). It should be noted that category B shares (multiple voting shares) are excluded from the Italian Stock Exchange capitalization. Philogen's average capitalization, net of category B shares, from the start date of trading (March 3, 2021) to December 30, 2025, is €629 million.

## 2. Research and development activities

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

The Group operates through:

- Philogen S.p.A., based in Siena, which manages GLP-authorized laboratories, GMP-authorized production facilities (at the Montarioso and Rosia sites), and numerous international clinical trial centers through its internal *Contract Research Organization* (CRO) and collaboration with several external CROs;
- Philochem AG, based in Switzerland, 99.998% owned by Philogen S.p.A., which carries out research and development in the fields of selective discovery and therapeutic antibodies at its laboratories in Zurich, as well as the development of technologies such as antibody libraries and DNA-encoded chemical libraries.

Research and development is currently the Group's main activity.

However, the Group is also expanding its manufacturing activities at GMP-approved facilities for both its proprietary products and contract manufacturing.

The following table shows the research and development costs recognized in the income statement for the years ended June 30, 2025, and June 30, 2024, and their impact on total revenues from contracts with customers and total operating costs of the Group.

<i>Data in thousands of euros and as a percentage</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Research and development costs	14,325	11,241
<i>Percentage of total contract revenue</i>	260.3	1,443.6
<i>Percentage of total operating costs</i>	63.4	66.3

It should be noted that research and development costs include all direct costs related to *discovery*, basic research, preclinical and clinical development, and production activities, including the cost of personnel employed in these activities.

For further details on the Group's research and development activities, please refer to the introductory section "*History*," while for operating costs, please refer to note 6 of the condensed consolidated half-year financial statements.

## 3. Scientific developments during the first half of 2025

The main scientific events for the period ended June 30, 2025, are reported below.

### 3.1 Summary of development and GMP activities carried out in the period ended June 30, 2025

The Group reports the following main industrial *milestones* achieved during the period:

#### **Proprietary products**

1) Antibody-based products

- **Nidlegly™**
  - Composed of two active ingredients: L19-IL2 and L19-TNF.
  - The L19 antibody is specific to the B domain of fibronectin, a protein expressed in tumors and absent in most healthy tissues.
  - The cytokines IL2 and TNF have antitumor activity.

- Currently in clinical development (Phase II and III).
- Product agreements:
  - Sun Pharma (June 2023): license and commercialization in Europe, Australia, and New Zealand;
  - Merck Sharp & Dohme (June 2023): clinical collaboration (Phase II in unresectable melanoma).

Summary table – Clinical studies on Nidlegy™

Study / Area	Phase	Indication	Status / Key notes
EU locally advanced melanoma	III	Melanoma	Primary objective achieved (October 2023). EMA application submitted (June 2024) and withdrawn (June 2025) due to need for additional data.
US locally advanced melanoma	III	Melanoma	129/186 patients enrolled. Ongoing in the US, Spain, Switzerland, expansion to other countries.
Duncan (NMSC: BCC, cSCC)	II	Non-melanoma skin cancers	Enrollment completed in CH, DE, PL. Data expected at ESMO October 2025.
Intrinsic (various NMSCs)	II	Kaposi's sarcoma, cutaneous T-cell lymphoma, Merkel cell carcinoma, BCC, cSCC, etc.	Ongoing in Italy and France, target 70 patients
New registration studies (US)	II	BCC and cSCC	Application submitted to FDA for three new studies.
Collaboration with Merck (USA)	II	Stage III/IV unresectable melanoma	Study in patients refractory to <i>checkpoint inhibitors</i> .

• **Fibromun**

- L19 antibody fused with TNF.
- Active clinical trials in STS (soft tissue sarcomas), leiomyosarcoma, and glioblastoma (Phases I–III).
- Agreement with Sun Pharma (October 2024) for global commercialization.

Summary table – Clinical studies on Fibromun

Study / Area	Phase	Indication	Status / Key notes
EU soft tissue sarcoma (STS), 1st line	III	STS in combination with doxorubicin	Enrollment completed. Final results expected in the coming months.
US leiomyosarcoma, 1st line	IIb	Leiomyosarcoma in combination with doxorubicin	Ongoing in 7 US centers; expansion with new centers opening.
EU soft tissue sarcoma (STS), 3rd line	II	STS in combination with dacarbazine	Enrollment completed. Final results expected in the coming months.
Glioblastoma, 1st line (EU)	I/II/IIb	In combination with radiotherapy + temozolomide	Phase I completed. Phase II to start in 2026.
Glioblastoma, 2nd line (EU)	I / II	In combination with lomustine	Enrollment completed. Results expected in the first half of 2026.
Pre-treated glioblastoma (US)	II	In combination with lomustine	Study approved by the FDA. 70/90 patients enrolled. Ongoing.

2) Small molecule products

• **OncoFAP**

- Molecule with high affinity for FAP (fibroblast activation protein), expressed in over 90% of epithelial tumors.
- Diagnostic applications (imaging with 68Ga-OncoFAP, Phase I completed) and therapeutic applications (OncoFAP-23 in Phase I).
- Licensing agreement with Blue Earth Diagnostics (Bracco) for *imaging*.
- **OncoACP3**
  - Molecule with affinity for prostatic acid phosphatase (PAP).
  - Diagnostic and therapeutic applications for prostate cancer.
  - Phase I study underway in Italy.
  - License agreement with RayzeBio (BMS) (June 2025).

Summary table – OncoFAP and OncoACP3 clinical trials

Study / Area	Phase	Indication	Status / Key notes
OncoFAP (diagnostic, 68Ga-OncoFAP)	I	<i>Imaging of solid tumors</i> (breast, colorectal, lung, prostate, pancreas, sarcomas, etc.)	Phase I clinical trial completed in Germany. Product development according to the license agreement signed with Blue Earth Diagnostics (Bracco).
OncoFAP-23 (therapeutic)	I	Solid tumors	Phase I clinical trial approved by AIFA; first patient expected shortly.
OncoFAP-GlyPro-MMAE (therapeutic)	Preclinical (in vivo on dogs)	Solid tumors	Preclinical study completed with objective responses. GMP production planned and human clinical trials to begin.
OncoACP3 (diagnostic, 68Ga-OncoACP3)	I	Prostate cancer	Imaging already performed in Germany. Phase I clinical study underway in Italy.
OncoACP3 (therapeutic)	Phase I preparation	Prostate cancer	Preparatory activities underway. Compassionate use in Germany has shown excellent <i>tumor targeting</i> (persistence in the tumor $\geq 7$ days).
OncoACP3 (RayzeBio license)	—	Prostate cancer	Global license agreement signed with RayzeBio (BMS) on June 10, 2025.

### **Products in partnership**

- OncoACP3 → RayzeBio (BMS).
- Nidlegly™ → Sun Pharma (EU, AU, NZ);
- Fibromun → Sun Pharma
- Dekavil → Pfizer.
- Small molecules → Janssen.
- OncoFAP (*Imaging*) → Bracco.

### **GMP (production)**

- Rosia plant (Siena): fully operational since 2023, AIFA GMP certifications (clinical and commercial production).
- Montarioso plant (Siena): production of experimental drugs and contract manufacturing since 2004. The Montarioso plant is undergoing revamping in 2025. The plant is expected to return to operation towards the end of 2025.
- Both sites are GMP-authorized and subject to periodic inspections by the competent authorities.

## 4. Significant events during the first half of 2025

### 4.1 License agreement between subsidiary Philochem AG and RayzeBio

On June 10, 2025, Philogen S.p.A. announced to the market, in a press release published on the company's website (<https://www.philogen.com/investors/press-releases/>), that its subsidiary Philochem AG and RayzeBio Inc. (a wholly owned subsidiary of Bristol-Myers Squibb) had signed a license agreement under which Philochem granted RayzeBio exclusive worldwide rights to develop, manufacture, and commercialize OncoACP3 (a therapeutic and diagnostic agent in clinical development for the treatment of prostate cancer).

Under the agreement, Philochem will receive an initial payment of \$350 million (*upfront payment*) and RayzeBio will be responsible for the development and subsequent commercialization of OncoACP3.

The license agreement also provides for payments of up to \$1 billion based on *milestones* for development, regulatory, and commercialization activities, as well as *mid-single to low double-digit* royalties payable on global net sales.

The effectiveness of the agreement is subject to antitrust review (*waiting period pursuant to the Hart-Scott-Rodino Antitrust Improvements Act*), which postponed the effectiveness of the agreement from June 10, the date of signing, to August 18, the effective *closing date*.

, on August 18, Philochem AG and RayzeBio, Inc. announced the successful completion of the antitrust review in the United States and the effective date of the global license agreement for OncoACP3.

For this reason, in accordance with the applicable accounting standards, it was not possible to reflect in the income statement for the first half of 2025 the revenue deriving from *the aforementioned upfront payment*, which was invoiced in August 2025 and duly collected in September 2025.

If the US *Antitrust* investigation had been completed by June 30, 2025, the main economic KPIs for the first half of 2025, considering *the above-mentioned upfront payment*, would have been as follows

<b>Economic KPIs</b>	<b>First half of 2025 Adjusted<sup>(*)</sup></b> <i>Figures in thousands of euros</i>
Revenues <sup>(*)</sup>	307,422
Operating costs	(22,589)
<b>EBITDA</b>	<b>284,853</b>
Depreciation	(1,963)
<b>EBIT</b>	<b>282,890</b>
Financial income	2,670
Financial expenses	(2,194)
<b>PROFIT BEFORE TAXES</b>	<b>283,366</b>

<sup>(\*)</sup> The exchange rate used is the average exchange rate at June 30, 2025, for the consolidated half-year financial statements, equal to 0.9414.

<sup>(\*\*)</sup> Non-accounting measures estimated by management.

For further details, please refer to paragraph 13.1 of the interim report on operations.

### 4.2 Update on the marketing authorization application for Nidlegly™

On June 24, 2025, Philogen S.p.A. announced to the market, in a press release published on the company's website (<https://www.philogen.com/investors/press-releases/>), of its decision to voluntarily withdraw its marketing authorization application to the European Medicines Agency (EMA) for the product Nidlegly™, which had been submitted in June 2024.

The company explained that the decision to withdraw the application was due to the time needed to collect additional data relating to *Chemistry Manufacturing and Controls* (CMC) (production) and clinical data.

The Company plans to resubmit the updated *Marketing Authorization Application* (MAA) as soon as possible, consistent with the time required to obtain the above-mentioned data.

### 4.3 Internal Dealing Transactions

Starting in July 2021, director Sergio Dompé, through Dompé Holding S.r.l., based on his confidence in the Group's potential and capabilities, purchased 622,284 ordinary shares of Philogen S.p.A. on the market, of which 19,994 were purchased during the first half of 2025.

Starting in November 2024, director Dr. Maria Giovanna Calloni, based on her confidence in the Group's potential and capabilities, purchased 18,000 ordinary shares of Philogen S.p.A. on the market, of which 13,100 were purchased during the first half of 2025.

Communications pursuant to *Internal Dealing* regulations are available on the Company's website (<https://www.philogen.com/>).

### 4.4 Purchase of treasury shares

On April 29, 2025, following the revocation of the authorization to purchase and dispose of treasury shares adopted on April 29, 2024, the Ordinary Shareholders' Meeting authorized the Company to purchase treasury shares, giving the Board of Directors the power to delegate to the Chairman of the Board of Directors and/or the Chief Executive Officer the authority to proceed, including through specially appointed intermediaries, with the purchase of Philogen S.p.A. shares, establishing the relevant terms and conditions and the price per share, in compliance with applicable laws and regulations.

This resolution provides the Company with a strategic flexibility tool that can be used to:

- (i) fulfill obligations arising from incentive plans, whether paid or free of charge, in favor of company representatives, employees, or collaborators of the Group;
- (ii) establish a securities warehouse to dispose of treasury shares as part of agreements with strategic partners and/or extraordinary corporate/financial transactions, including, by way of example and without limitation, acquisitions, mergers, capital transactions, exchanges, contributions, swaps, financing transactions, or other transactions, in relation to which the allocation or other disposal of treasury shares is necessary or appropriate
- (iii) support the liquidity of Philogen S.p.A. shares in order to facilitate regular trading and avoid price movements that are not in line with market trends, as well as to regularize trading and price trends in the face of temporary distortions linked to excessive volatility or low trading liquidity, also pursuant to and for the purposes of the market practice permitted by Consob in accordance with the provisions of Article 13 of EU Regulation No. 596/2014;
- (iv) operate with a medium- and long-term investment perspective, intervening on the market, both on *over-the-counter* markets and outside the market, through *accelerated book building* or block trades, at any time, in whole or in part, on one or more occasions, provided that market conditions allow.

The Company may purchase (i) up to a maximum of 250,000 ordinary shares (ii) for eighteen months from the date of the shareholders' meeting resolution authorizing the purchase, within the limits established by Article 2357, paragraph 2, of the Italian Civil Code, and without time limits with regard to the disposal; (iii) at a purchase or disposal price, as the case may be, to be determined from time to time by the Board of Directors, also taking into account the method chosen for carrying out the transaction and in compliance with any applicable regulatory requirements; and (iv) for a total expenditure for the purchase transactions not exceeding €5,750,000 in any case.

On May 6, 2025, the Board of Directors approved the launch of the share buyback program, in implementation of the authorization granted by the Shareholders' Meeting on April 29, 2025, and appointed Mediobanca (Banca di Credito Finanziario S.p.A.) to carry out the purchases.

As of June 30, 2025, the Company holds 346,892 treasury shares in its portfolio, equal to 0.8542% of the share capital.

All communication relating to the purchase of treasury shares are available and can be consulted on the Company's website at (<http://www.philogen.com/>).

As of June 30, 2025, the Company's shareholding structure was as follows:

Shareholder	Shareholding structure as of June 30, 2025			
	Type of shares	Shares	% of share capital	% of voting rights
Nerbio S.r.l.	<i>B shares</i>	8,565,018	21.09	40.56
	<i>Ordinary Shares</i>	8,098,251	19.94	12.78
	<b>Subtotal</b>	<b>16,663,269</b>	<b>41.03</b>	<b>53.35</b>
Dompé Holdings S.r.l.	<i>Shares B</i>	2,803,232	6.90	13.28
	<i>Ordinary Shares</i>	10,076,538	24.81	15.91
	<b>Subtotal</b>	<b>12,879,770</b>	<b>31.71</b>	<b>29.18</b>
Philogen S.p.A	<i>Ordinary shares</i>	346,892	0.85	0.55
	<b>Subtotal</b>	<b>346,892</b>	<b>0.85</b>	<b>0.55</b>
Market	<i>Shares B</i>	-	-	-
	<i>Ordinary Shares</i>	10,721,180	26.40%	16.92%
	<b>Subtotal</b>	<b>10,721,180</b>	<b>26.40</b>	<b>16.92</b>
<b>Total</b>		<b>40,611,111</b>	<b>100</b>	<b>100</b>

#### 4.5 Remuneration policy

In accordance with the regulations applicable to listed companies, the Group adopted a remuneration policy starting in 2021, the year of its listing.

On April 29, 2025, pursuant to Article 123-ter of the Consolidated Law on Finance, the Shareholders' Meeting, having taken note of the Report on the remuneration policy and compensation paid in the 2024 financial year, approved by the Board of Directors on March 27, 2025, approved Section I of the Report on Remuneration Policy and Compensation Paid, and voted in favor of Section II of the Report on Remuneration Policy and Compensation Paid.

The Report on Remuneration Policy and Compensation Paid is available and can be consulted on the Company's website at (<http://www.philogen.com/>) in the *Governance/Shareholder's Meetings* section.

#### Monetary incentive plan ("MBO")

From June 1, 2025, until May 31, 2026, the executive directors (Dario Neri, Duccio Neri, and Giovanni Neri) and the Company's executives are beneficiaries of an incentive plan, known as *management by objectives* ("MBO"), under which they may be entitled to receive an annual incentive, the amount of which is commensurate with the achievement of corporate *performance* objectives.

The maximum impact of the MBO on the annual remuneration of the Executive Directors is 75%, while for Executives it ranges from 10% to 22% of annual remuneration.

Without prejudice to the maximum impact of MBO described above, on May 27, 2025, the Company's Board of Directors, upon the recommendation of the Appointments and Remuneration Committee, assigned *performance* objectives and defined the *targets* associated with the maximum monetary compensation to the aforementioned Executive Directors and Executives of the Company for the period from June 1, 2025, to May 31, 2026.

It should be noted that, in line with the provisions of the Remuneration Policy for the year 2024, the Executive Directors were paid the MBO for the period April 1, 2024 - March 31, 2025 in May 2025.

With reference to the 2024-2025 MBO assigned to a manager, it should be noted that one of the objectives assigned to the aforementioned manager includes a performance period ending on September 30, 2025. Therefore, the Company will verify the achievement of this objective at a Board of Directors' meeting after September 30, 2025.

### Medium- to long-term incentive plan

At the Company's Ordinary Shareholders' Meeting on April 29, 2025, amendments were made to the Information Documents of the following incentive plans: the "2027-2029 *Stock Grant Plan*" (reserved for employees and consultants of the Philogen Group) and the "2024-2027 Share Ownership Plan for Directors" (originally called the "2024-2026 Share Ownership Plan for Directors," reserved for executive directors of the Philogen Group).

The Board of Directors, meeting on May 27, 2025, following the favorable opinion of the Nomination and Remuneration Committee, approved the updated regulations for both Plans and identified the beneficiaries of the "2024-2027 Shareholding Plan for Directors" and defined the *performance* objectives and related *targets* for the second cycle of the aforementioned Shareholding Plan. The characteristics of the 2027-2029 *Stock Grant Plan* and the 2024-2027 Share Ownership Plan for Directors, as amended by the Shareholders' Meeting, are illustrated in the respective Information Documents and related Regulations available and consultable on the Company's website at (<http://www.philogen.com/>).

## **4.6 Appointment of the Board of Directors and Board Committees**

### Board of Directors

On April 29, 2025, the Shareholders' Meeting, in accordance with current laws and regulations, the provisions of the Articles of Association (*Article 16 of the Articles of Association*) and the Corporate Governance Code, for the purposes of submitting lists for the appointment of the Board of Directors and the information contained in *the "Explanatory Report of the Board of Directors"* relating to the appointment of the Board of Directors, drawn up in accordance with Article 125-ter of Legislative Decree No. 58 of February 24, 1998 ("TUF"), appointed the Board of Directors, which, in the composition set out below, will remain in office until the approval of the financial statements for the year ending December 31, 2027.

- Executive Chairman <sup>(\*)</sup> Duccio Neri
- Chief Executive Officer <sup>(\*)</sup> Prof. Dario Neri
- Managing Director <sup>(\*)</sup> Dr. Giovanni Neri
- Director Sergio Gianfranco Dompé
- Director Dr. Nathalie Dompé
- Director Dr. Leopoldo Zambelletti
- Director <sup>(\*\*)</sup>/<sup>(\*\*\*)</sup> Marta Bavasso,
- Director <sup>(\*\*)</sup> Dr. Chiara Falciani
- Director Patrizia Sacchi
- Director <sup>(\*\*)</sup> Flavia Scarpellini

<sup>(\*)</sup> Executive Director.

<sup>(\*\*)</sup> Independent director pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

<sup>(\*\*\*)</sup> Lead Independent Director.

### Board committees

On May 6, 2025, the Company's Board of Directors, in compliance with the recommendations of the Corporate Governance Code, established and appointed the following internal committees: the "Control, Risks and Sustainability Committee," with the functions set forth in recommendations 33 and 35 of the Corporate Governance Code, and the "Appointments and Remuneration Committee," with the functions set forth in recommendations 19 (on appointments) and 25 (on remuneration). In particular, the Control, Risk and Sustainability Committee has also been assigned the functions relating to transactions with Related Parties provided for in the Consob Regulation adopted by resolution no. 17221 of March 12, 2010.

#### Control, Risk and Sustainability Committee <sup>(1)</sup>

- Marta Bavasso (Chair) <sup>(\*\*)/(\*\*\*)</sup>
- Chiara Falciani <sup>(\*\*)</sup>
- Patrizia Sacchi

<sup>(1)</sup> This Committee also acts as the Related Party Transactions Committee.

<sup>(\*\*)</sup> Independent director pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

<sup>(\*\*\*)</sup> Lead Independent Director.

#### Appointments and Remuneration Committee

- Marta Bavasso (Chair) <sup>(\*)/(\*\*)</sup>
- Chiara Falciani <sup>(\*)</sup>
- Patrizia Sacchi

<sup>(\*)</sup> Independent director pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

<sup>(\*\*)</sup> Lead Independent Director.

### 4.7 Relations with the Revenue Agency

In March 2025, the Siena Revenue Agency launched a tax audit for direct taxes for the tax years 2019 to 2023. The audit mainly concerned operating grants and capital grants received by the Company in reference periods for a total of €10,243 thousand and their non-contribution to the taxable base for IRES and IRAP direct taxes, as the Company recorded operating losses in the reference years.

In May 2025, the Company received notification of the initiation of the formal assessment procedure, which the Company contests in its entirety. Discussions are ongoing with the Revenue Agency to clarify the interpretation of the relevant regulatory framework.

To date, the Agency has not issued any draft assessment.

Given the current stage of discussions and considering the assessment of the assessment process by the external consultant it has engaged, the Company has deemed the degree of risk to be "possible."

It should be noted that, in the event of an unfavorable rule, previous tax losses in the years in question would be reduced by the above amount, resulting in a reduction in deferred tax assets recorded in the financial statements of approximately €3 million, from approximately €10 million to approximately €7 million, without any cash outlay. Please refer to note 8 of the condensed consolidated half-year financial statements.

## 5. Group economic and financial results

### 5.1 Income statement

The following table shows the Group's consolidated financial results for the periods ended June 30, 2025, and June 30, 2024:

<i>Figures in thousands of euros and as a percentage</i>	<b>As at June 30</b>				<b>Changes</b>	
	<b>2025</b>	<b>%</b>	<b>2024</b>	<b>%</b>	<b>2025 vs 2024</b>	<b>%</b>
Revenue from contracts with customers	5,502	100.0	779	100.0	4,724	606.7%
Others income	3,218	58.5	931	119.6	2,287	245.7%
<b>Total Revenue</b>	<b>8,721</b>	<b>158.5</b>	<b>1,710</b>	<b>219.6</b>	<b>7,011</b>	<b>410.1</b>
Operating costs <sup>(1)</sup>	(22,589)	(410.5)	(16,958)	(2,178.0) %	(5,631)	33.2
<b>EBITDA <sup>(**)</sup></b>	<b>(13,869)</b>	<b>(252.0)</b>	<b>(15,249)</b>	<b>(1,958.4)</b> %	<b>1,380</b>	<b>(9.1)</b>
Depreciation	(1,963)	(35.7)	(1,798)	(230.9)	(166)	9.2
<b>EBIT</b>	<b>(15,832)</b>	<b>(287.7)</b>	<b>(17,046)</b>	<b>(2,189.3)</b> %	<b>1,215</b>	<b>(7.1)</b>

Financial income	2,670	48.5%	3,571	458.6%	(900)	(25.2)
Financial expenses	(2,194)	(39.9)	(2,033)	(261.1)	(161)	7.9
<b>Profit before taxes</b>	<b>(15,355)</b>	<b>(279.1)</b>	<b>(15,509)</b>	<b>(1,991.8)</b>	<b>154</b>	<b>(1.0)</b>
Taxes	461	8.4	(8)	(1.0) %	468	(6047.2)
<b>Profit (Loss) for the period</b>	<b>(14,894)</b>	<b>(270.7)</b>	<b>(15,516)</b>	<b>(1,992.8)</b>	<b>622</b>	<b>(4.0)</b>

<sup>(1)</sup> Operating costs are given by the sum of the following items in the condensed consolidated half-year financial statements: purchases of raw materials and consumables, costs for services, costs for use of third-party assets, personnel costs, and other operating costs.

<sup>(\*)</sup> EBITDA is represented by operating profit before depreciation and amortization. EBITDA is a measure defined and used by the Group to monitor and evaluate the Group's operating performance, but it is not defined under IFRS; therefore, it should not be considered an alternative measure for evaluating the Group's operating performance. The Company believes that EBITDA is an important parameter for measuring the Group's *performance* as it allows for the analysis of its margins by eliminating the effects of non-recurring economic factors. Since EBITDA is not a measure whose determination is regulated by the accounting standards of reference for the preparation of the Group's consolidated financial statements, the criteria applied to determine EBITDA may not be consistent with those adopted by other groups and may therefore not be comparable.

Below is a commentary on the income statement table above.

The Group's total revenues as of June 30, 2025, amounted to €8,721 thousand, an increase of approximately €7,011 thousand compared to the period ended June 30, 2024.

Total revenues consist of:

- Revenues from contracts with customers amounting to €5,502 thousand (€779 thousand as of June 30, 2024) relate to : (i) the contribution from the SUN contract signed in 2024 for the Fibromun product, represented on the basis of the progress of clinical trials (ii) the progress of GMP manufacturing contracts signed with third parties during 2024, in addition to the continuation of existing contracts, and (iii) sales of the Nidlegy™ product to SUN to support pre-commercialization plans.
- Other income amounting to €3,218 thousand at June 30, 2025 (€931 thousand at June 30, 2024) mainly relates to credits that the Group benefits from on an ongoing basis by virtue of its research and development activities, including the research and development credit of €2,342 thousand as of June 30, 2025, compared to €724 thousand in the same period of the previous year. The increase is due to the higher research costs incurred by the Group during the first half of 2025. In addition, the item Other income also includes the Industry 4.0 credit, which was granted following investments made in 2022 for the equipment and interconnection of the new GMP *facility* at the Rosia (Siena) site, in accordance with Law 160/2019 (the 2020 Budget Law) and Law 178/2020 (the 2021 Budget Law). The Industry 4.0 credit realized totals €2,586 thousand (it should be noted that this contribution is recognized in revenues over the useful life of the GMP facility to which the contribution refers).

Operating costs of €22,589 thousand mainly include costs for production materials, clinical and preclinical services, personnel, and other operating costs and show an increase of approximately 33.2% compared to the previous period. This change is mainly due to:

- the increase in costs for services related to the Group's *core business* activities, which rose from €7,427 thousand at June 30, 2024, to €12,329 thousand at June 30, 2025. In particular, there were significant increases in cost items related to the clinical trial phase of the drug and the valuation of incentive plans for directors.
- an increase in personnel costs from €7,466 thousand at June 30, 2024, to €8,118 thousand on June 30, 2025, due to new qualified hires and the implementation of incentive plans for employees.

For further details, please refer to note 6 and note 25 of the condensed consolidated half-year financial statements.

EBITDA improved by approximately 9.1%, going from a negative value of €15,249 thousand at June 30, 2024, to a negative value of €13,869 thousand at June 30, 2025, because of increased operating costs against a growth in revenues.

Depreciation and amortization were in line with the previous period, showing a slight increase of approximately 9.2% compared to the period ending June 30, 2024.

EBIT, calculated as the difference between EBITDA and depreciation and amortization, shows a negative balance of €15,832 thousand for the period ended June 30, 2025.

Net financial management for the period ending June 30, 2025 shows a net positive result of €477 thousand, down by approximately €1,061 thousand compared to June 30, 2024. This result is the difference between financial income of

€2,670 thousand and financial expenses of €2,194 thousand and can be mainly attributed to (i) net income on the securities portfolio, amounting to €1,314 thousand, consisting of net capital gains on disposals, coupon and dividend receipts; (ii) net valuation losses of €13 thousand relating to changes in *the fair value* of the securities portfolio; (iii) interest income of €72 thousand, of which €53 thousand related to *time deposits* that matured during the half-year; (iv) interest expense and other financial expenses of €187 thousand; (v) net foreign exchange losses of €709 thousand.

For further details on financial management, please refer to note 7 of the condensed consolidated half-year financial statements.

Taxes of €461 thousand represent the net balance between current taxes and deferred taxes. For further details, please refer to note 8 of the condensed consolidated half-year financial statements.

As a result of the above, the Group closed the period ending June 30, 2025, with a net loss of €14,894 thousand.

## 5.2 Balance sheet

The following table shows the reclassified statement of financial position for the Group for the periods ending June 30, 2025, and December 31, 2024:

<i>Figures in thousands of euros and as a percentage</i>	<b>As of June 30 2025</b>	<b>As of December 31 2024</b>	<b>Changes 2025 vs 2024</b>	
				<b>%</b>
<b>Assets</b>				
Property, plant, and equipment	15,821	15,473	347	2.2
Intangible assets	1,230	1,159	71	6.1
Assets for right of use	9,369	9,401	(32)	(0.3)
Other non-current assets	1,626	1,626	-	-
Deferred tax assets	10,883	8,468	2,415	28.5
Employee benefits	(1,360)	(1,293)	(67)	5.2
Deferred tax liabilities	(405)	(283)	(123)	43.4
Other non-current liabilities	(1,107)	(1,107)	-	-
<b>Net fixed capital <sup>(1)</sup></b>	<b>36,056</b>	<b>33,444</b>	<b>2,612</b>	<b>7.8</b>
Inventories	4,301	3,260	1,040	31.9
Contract assets	5,156	3,261	1,895	58.1
Trade receivables	969	760	209	27.5
Tax receivables	8,598	10,253	(1,655)	(16.1)
Other current assets	1,373	1,062	311	29.2
Trade payables	(13,471)	(9,550)	(3,921)	41.1
Contractual liabilities	(2,533)	(643)	(1,890)	293.8
Tax liabilities	(188)	(2,135)	1,948	(91.2)
Other current liabilities	(2,976)	(3,239)	263	(8.1)
<b>Net working capital <sup>(1)</sup></b>	<b>1,229</b>	<b>3,029</b>	<b>(1,800)</b>	<b>(59.4)</b>
<b>Net invested capital <sup>(1)</sup></b>	<b>37,285</b>	<b>36,473</b>	<b>812</b>	<b>2.2</b>
<b>Sources</b>				
Net equity	125,810	138,657	(12,847)	(9.3)
Net financial Position <sup>(1)</sup>	(88,525)	(102,184)	13,659	(13.4)
<b>Total sources</b>	<b>37,285</b>	<b>36,473</b>	<b>812</b>	<b>2.2</b>

<sup>(1)</sup> Net fixed capital, net working capital, net invested capital, and net financial debt are alternative *performance* indicators that are not identified as accounting measures under IFRS and, therefore, should not be considered alternative measures provided in the Group's financial statements for assessing the Group's financial position and results of operations.

An analysis of the financial position shows that the Group has a positive net financial position of €88,525 thousand, the change in which is detailed in the following paragraph on the Net Financial Debt table.

## Net Financial Debt

The details of Net Financial Debt as of June 30, 2025, and December 31, 2024, are prepared in accordance with ESMA Guideline 32-382-1138 of March 4, 2021, and Consob through Attention Notice No. 5/21:

Figures in thousands of euros	June 30, 2025	December 31, 2024
<b>Net financial debt</b>		
(A) Cash and cash equivalents	11,182	25,574
(B) Cash equivalents	-	5,000
(C) Other current financial assets	88,839	83,154
<b>(D) Cash and cash equivalents (A+B+C)</b>	<b>100,021</b>	<b>113,728</b>
(E) Current financial debt	40	37
(F) Current portion of non-current financial debt	1,157	1,034
<b>(G) Net current financial debt (E+F)</b>	<b>1,197</b>	<b>1,070</b>
<b>(H) NET CURRENT FINANCIAL DEBT (G-D)</b>	<b>(98,824)</b>	<b>(112,658)</b>
(I) Non-current financial debt	10,299	10,473
(J) Debt instruments	-	-
(K) Trade payables and other current liabilities	-	-
<b>(L) Non-current financial debt (I+J+K)</b>	<b>10,299</b>	<b>10,473</b>
<b>(M) NET FINANCIAL DEBT (H+L)</b>	<b>(88,525)</b>	<b>(102,184)</b>

For clarity, the reconciliation between the items reported in the Net Financial Debt table and the Balance Sheet of the condensed consolidated half-year financial statements is shown below:

- "Cash and cash equivalents" (A) are classified under "Cash and cash equivalents";
- "Cash equivalents" (B) are classified under "Cash and cash equivalents";
- "Other current financial assets" (C) are classified under "Other current financial assets";
- "Current financial debt" (E) is classified under "Current financial liabilities";
- "Current portion of non-current financial debt" (F) is classified under "Current financial liabilities" and "Current lease liabilities";
- "Non-current financial debt" (I) is classified under "Non-current financial liabilities" and "Non-current lease liabilities."

Net financial debt at June 30, 2025 shows a financial *surplus* of €88,525 thousand, which broke down as follows:

- Cash and cash equivalents (D) amounted to €100,021 thousand, down by approximately 4.4% compared to the period ending December 31, 2025. This change is attributable to the net balance between: (i) receipts for revenues from contracts with customers of approximately €5,251 thousand, (ii) operating expenses of approximately €16,773 thousand, (iii) investment expenses of €1,639 thousand mainly relating to the renovation of the production site in Montarioso (Siena) and the construction of a private-company car park covered with photovoltaic panels at the Rosia site (Siena); (iv) net income from financial operations of €808 thousand, consisting of €556 thousand relating to the net decrease in *the fair value* of the securities portfolio held and €1,364 thousand relating to coupon payments and interest received on the maturity of restricted current accounts; (v) €1,354 thousand relating to the purchase of treasury shares.
- Current and non-current financial debt (G+L) amounted to €11,496 thousand, of which approximately €11,456 thousand related to the right-of-use liability for properties (IFRS 16) and €40 thousand to the balance of credit cards as of June 30, 2025. For further information on liabilities for right of use and financial payables, please refer to note 12 and note 22 of the condensed consolidated half-year financial statements.

### 5.3 Alternative Performance Indicators

In order to assess the Group's performance, management monitors, among other things, Alternative *Performance Indicators* ("APIs") relating to assets and financials.

For a correct interpretation of these APIs, please note the following:

- APIs are constructed from historical data and are not indicative of the Group's future performance.

- APIs are not measuring whose determination is regulated by international accounting standards (IFRS);
- APIs should not be considered a substitute for the indicators provided for by the relevant accounting standards (IFRS);
- These IAPs should be read in conjunction with the Group's financial information taken from the condensed consolidated half-year financial statements at June 30, 2025.
- the definitions of the APIs used by the Group, as they do not derive from the relevant accounting standards, may not be consistent with those adopted by other groups and therefore may not be comparable with them.

The following are the alternative economic *performance* indicators identified by the Group:

<i>Data in thousands of euros and as a percentage</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Revenue from contracts with customers	5,502	779
EBITDA <sup>(1)</sup>	(13,869)	(15,249)
EBITDA Margin	(252.0)	(1,958.4)
EBIT	(15,832)	(17,046)

<sup>(1)</sup> EBITDA represents operating profit before depreciation and amortization. EBITDA is a measure defined and used by the Group to monitor and evaluate the Group's operating performance, but it is not defined under IFRS; therefore, it should not be considered an alternative measure for evaluating the Group's operating performance. Since EBITDA is not a measure whose determination is regulated by the accounting standards used to prepare the Group's consolidated financial statements, the criteria applied to determine EBITDA may not be consistent with those adopted by other groups and may therefore not be comparable.

The table below shows the reconciliation of EBIT and EBITDA with profit (loss) for the period.

<i>Figures in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Profit (loss) for the period</b>	<b>(14,894)</b>	<b>(15,516)</b>
Income taxes	461	(8)
Financial income and expenses	477	1,538
<b>EBIT</b>	<b>(15,832)</b>	<b>(17,046)</b>
Depreciation and amortization	(1,963)	(1,798)
<b>EBITDA</b>	<b>(13,869)</b>	<b>(15,249)</b>

The EBITDA margin is calculated as shown in the table below:

<i>Data in thousands of euros and as a percentage</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Revenue from contracts with customers (A)	5,502	779
EBITDA (B)	(13,869)	(15,249)
<b>EBITDA Margin (B/A)</b>	<b>(252.0)</b>	<b>(1,958.4)</b>

The following are the Alternative *Performance* Indicators identified by the Group:

<i>Data in thousands of euros and as a percentage</i>	<b>As of June 30</b>	<b>As of December 31</b>
	<b>2025</b>	<b>2024</b>
Net fixed capital	36,056	33,444
Net working capital	1,229	3,029
Net invested capital	37,285	36,473
Net financial debt	(88,525)	(102,184)
<i>Financial independence ratio</i>	79.0	82.3
<i>Structure margin</i>	323.2	383.8
<i>Liquidity ratio</i>	591.3	784.1
<i>Debt ratio</i>	9.1	8.3

The following table shows the details of the Financial Independence Ratio:

<i>Data in thousands of euros and as a percentage</i>	<b>As of June 30</b>	<b>As of December 31</b>
	<b>2025</b>	<b>2024</b>
Net equity (A)	125,810	138,657
Total assets (B)	159,436	168,452
<b>Financial independence ratio (A/B)</b>	<b>79.0</b>	<b>82.3</b>

The following table shows the details of the structural margin:

<i>Data in thousands of euros and as a percentage</i>	<b>At June 30</b>	<b>As of December 31</b>
	<b>2025</b>	<b>2024</b>
Net equity (A)	120,418	138,657
Non-current assets (B)	20,365	36,127
<b>Structural margin (A/B)</b>	<b>591.3</b>	<b>383.8</b>

The following table shows the details of the liquidity index:

<i>Data in thousands of euros and as a percentage</i>	<b>At June 30</b>	<b>As of December 31</b>
	<b>2025</b>	<b>2024</b>
Current assets (A)	120,418	132,325
Current liabilities (B)	20,365	16,639
<b>Liquidity ratio (A/B)</b>	<b>591.3</b>	<b>795.3</b>

The following table shows the details of the Debt Ratio:

<i>Data in thousands of euros and as a percentage</i>	<b>As of June 30</b>	<b>As of December 31</b>
	<b>2025</b>	<b>2024</b>
Financial debt <sup>(1)</sup> (A)	11,496	11,544
Net equity (B)	125,810	138,657
<b>Debt ratio (A/B)</b>	<b>9.1</b>	<b>8.3</b>

<sup>(1)</sup> Financial debt was calculated as the algebraic sum of the following balance sheet items: "Current financial liabilities," "Non-current financial liabilities," "Current lease liabilities," and "non-current lease liabilities."

The indicators shown in the tables above highlight the Group's solid and liquid financial position.

## 6. Procedure and relations with related parties

In accordance with the current "Procedure for Transactions with Related Parties," the OPC Committee (composed of the Chief Financial Officer and the Head of Legal Affairs) sent the OPC Committee the necessary communications relating to the transactions carried out by the Company, which were subsequently recorded in the relevant register of Transactions with Related Parties.

During the first half of 2025, transactions were carried out with related parties under normal market conditions, generating profitability in line with the company's income parameters. Related party transactions are disclosed in the financial statements and described in detail in note 30 of the condensed consolidated half-year financial statements, to which reference should be made, and are not classified as atypical or unusual.

## 7. Organization, management, and control model pursuant to Legislative Decree 231/2001 and Whistleblowing Procedure.

In order to clearly and transparently define the set of values that inspire it to achieve its institutional objectives, Philogen S.p.A. adopted, starting in 2020, an Organization, Management, and Control Model pursuant to Legislative Decree 231/2001, which has been updated over time to reflect changes in applicable regulations ("Model").

In particular, during the first half of 2025, the Company continued to monitor any legislative changes and amendments to the corporate governance structure adopted by the Company following its listing, in order to be able to incorporate them into the Model in a timely manner.

The current versions of the Organizational Model ("*General Section*") and the Code of Ethics are available on the Company's website (<http://www.philogen.com/>) in the *Governance* section (code-of-ethics-and-model-231).

The Company has implemented a process to review its Organizational Model, with the support and under the supervision of the Supervisory Body, in order to verify its adequacy following recent regulatory updates.

## 8. Information on corporate governance and ownership structure

Philogen S.p.A. adheres to the Corporate Governance Code for Italian listed companies, adapting it to its own characteristics.

In order to meet the transparency requirements of the sector regulations, the "Report on corporate governance and ownership structure" required by Article 123-bis of the Consolidated Law on Finance has been drawn up, providing a general description of the governance system adopted by Philogen S.p.A. in addition to information on the ownership structure, the organizational model adopted pursuant to Legislative Decree No. 231 of 2001, and the degree of compliance with the Corporate Governance Code, including the main governance practices applied and the characteristics of the risk management and internal control system in relation to the financial reporting process.

In particular, the aforementioned "Report on Corporate Governance and Ownership Structure" indicates the most significant events that characterized corporate management during 2024, including the resignation of executives with strategic responsibilities Dr. Duccio Neri, Prof. Dario Neri, and Dr. Giovanni Neri, respectively Chairman of the Board of Directors, Chief Executive Officer and Managing Director, respectively, and the consequent revision of the powers delegated to the aforementioned executive directors and the assessments made by the Board of Directors on the "Recommendations of the Committee for 2024" contained in the letter sent to the Company by the Chairman of the Corporate Governance Committee at the Board of Directors' meeting on January 30, 2025.

This document is available on the Company's website at [www.philogen.com](http://www.philogen.com).

## 9. Main risks and uncertainties

The information specifically required by Article 2428 of the Italian Civil Code is analyzed in greater detail below.

The mapping and management of business risks is an activity carried out constantly by the Group in order to assess, in terms of probability and impact, all aspects that may in some way hinder the achievement of business objectives. Business risks are divided into operational risks, if related to business processes and activities, and financial risks, if related to the financial area.

### 9.1 Strategic and operational risks

#### Risks related to dependence on senior management, key personnel, and specialized personnel

Due to the specialized nature of its activities, the Group is significantly dependent on qualified management and other key scientific personnel, for whom it faces intense competition and which it will need to expand in order to grow, such as, in particular, the Chairman of the Scientific Committee and CEO, who has gained extensive scientific research experience at some of Europe's leading research centers, including the *Medical Research Council* and *ETH Zurich*. The loss of key personnel or the inability to attract and retain additional qualified personnel could have a negative impact on the development and commercialization of product candidates. The occurrence of such risks could have a serious negative impact on the Group's economic, financial, and equity position.

#### Risks associated with conducting research, clinical and preclinical studies, and manufacturing

The Group's strategy is aimed at marketing pharmaceutical products that are still in the experimental phase, only two of which are in the more advanced stages of study. There are significant uncertainties associated with the success of the experimental phase and obtaining authorizations from the competent authorities for the marketing of pharmaceutical products. Furthermore, the products may not meet market expectations in terms of efficacy and safety and, therefore, no significant revenue may be generated from their marketing. If the Group is unable to market its products and license its

product candidates, or if other competing products are preferred by the market over those of the Group, this will have a serious negative impact on the Group's economic, financial, and equity position.

#### Risks related to the protection of intellectual property rights and dependence on trade secrets

The Group's commercial success will also depend on its ability to protect its intellectual or industrial property rights, including potential rights (covering processes and the use of the products themselves), in the European Union, the United States of America, Japan, and other countries. If the Group's efforts to protect its exclusive and intellectual property rights are insufficient, competitors could exploit the Group's technologies to create competing products, erode its competitive advantage, and take over all or part of its market share. The occurrence of such risks could have a material adverse effect on the Group's economic, financial, and equity position.

#### Risks related to changes and non-compliance with industry regulations

In conducting clinical trials of compounds, the Group must comply with applicable national and international regulations, including, in particular, Good Manufacturing Practice (GMP) and Good Clinical Practice (GCP) guidelines. Any changes to the current regulatory framework could lead to longer production times and/or clinical trials for compounds and increased costs, with a consequent negative impact on the Group's economic, equity and financial situation.

#### Risks related to IT systems

IT systems are exposed to the risk of IT network failures and/or malfunctions, data security breaches, viruses, unauthorized access, and natural events that could result in data loss or the disclosure/communication of confidential and/or proprietary information, with potential negative effects on the Group's activities and growth and development prospects. Philogen guarantees the security of sensitive data and information and intellectual property, managing the entire cycle, which includes threat detection and the definition of countermeasures in response to attacks. The Group's IT defense system provides for specific organizational safeguards - in compliance with regulations and reference standards, which involve the adoption of specific requirements and timelines for the communication of incidents and/or data *breaches* - as well as the continuous training of operators and operational tools.

#### Financial risks and risks related to the *fair value* of the securities portfolio

Financial risks are risks arising from the ownership or trading of financial instruments. The Company invests diligently in accordance with a financial investment policy approved by the Board of Directors, which is constantly monitored and updated. The Group is subject to the risk of changes in *the fair value* of the financial instruments held in its portfolio, the value of which at June 30, 2025, was €88,839 thousand. The occurrence of this risk could have a significant negative impact on the Group's economic, financial, and equity position. Detailed tables of financial risks are provided in note 28 to the condensed consolidated half-year financial statements.

#### Exchange rate risk

The Group is exposed to exchange rate risk in the case of sales, purchases, receivables, and loans denominated in a currency other than the Group's functional currency. Production activities are limited to Italy and Switzerland and therefore the Group is exposed to fluctuations between the euro and the Swiss franc, while receipts are mainly in dollars and euros. The reference currency is the euro. Philogen is subject to exchange rate risk arising from the conversion of the financial statements of its Swiss subsidiary Philochem AG, with an effect on consolidated net income and consolidated shareholders' equity (translation risk). For further details on financial risks, please refer to note 26 of the condensed consolidated half-year financial statements.

### Risks associated with existing lease agreements

As part of the management of leased properties, the Company constantly monitors rental risk, i.e., the risk arising from the possibility that leased properties may be subject to changes in rent or in the duration of leases as originally agreed in the contract (renewal may take place on less favorable terms than in previous years) or in the costs associated with the management of leased spaces or difficulties, in the event of non-renewal of lease agreements, in finding additional spaces and/or properties in which to carry out its business.

## **10. Information on the environment and occupational safety**

The location where the Company operates and its production activities are subject to stringent environmental and occupational safety regulations.

The Company adopts safety procedures for the management of work activities in accordance with Legislative Decree 81/2008 and Legislative Decree 206/2001 on the handling of genetically modified microorganisms (MOGM). Staff undergo specific training in this area and operate according to procedures designed to minimize the risks of contamination, not only biological. Special waste is disposed of in accordance with current regulations (Legislative Decree 152/06), following dedicated procedures, with the support of a specialized and authorized company.

In accordance with the obligations of Article 37 of Legislative Decree 81/2008 and the procedures defined by the State-Regions Agreement of December 21, 2011, periodic training and refresher courses on safety are provided for all employees, divided into general and specific training courses, which employees attend according to a program specified by the applicable industry regulations.

In carrying out its activities, the Company uses chemical and biological agents for which specific risk assessments are carried out in accordance with Legislative Decree 81/2008. Personnel also use personal protective equipment (PPE) in line with regulations.

The Company believes that it conducts its business in compliance with environmental regulations and the authorizations required by applicable laws and is constantly committed to operating in an environmentally responsible manner.

Group personnel are constantly updated and trained with reference to applicable industry regulations. In particular, in the first half of 2025, training courses were again held to update and increase the number of employees trained in first aid, in line with the increase in staff numbers. This course was enhanced with an optional module on the use of defibrillators, a life-saving device that is increasingly recommended in companies. In addition, refresher courses were held for RLS (Workers' Safety Representatives) and training and refresher courses for managers and supervisors, and training courses were completed for work at height, confined spaces, work on electrical systems (PES-PAV-PEI) and 3rd degree boiler operators.

Finally, it should be noted that no definitive sanctions or penalties have ever been imposed on the company for environmental crimes or damage.

## **11. Responsibility towards the environment and climate change**

The European Securities and Markets Authority (ESMA) highlight the importance for the Company to consider the main climate risks and impacts when preparing its financial statements.

In this regard, ESMA notes that investors are increasingly interested in information regarding the impact that climate-related issues may have on companies, especially considering international and European commitments such as the 2015 Paris Agreement and the European Climate Law (EEC/EU Regulation No. 1119 of June 30, 2021).

Considering international and European commitments, such as the 2015 Paris Agreement and the European Climate Law, as well as numerous *regulatory* 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 minimizing the environmental impact of its business activities.

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

- the Montarioso site (Siena) has an AUA (Single Environmental Authorization) discharge permit issued by the Municipality of Monteriggioni (Siena), which is due to expire in 2032;
- the Rosia site (Siena) has an AUA (Single Environmental Authorization) discharge authorization issued by the Municipality of Sovicille (Siena), which is due to expire in 2030;
- With regard to its laboratories in Switzerland, Philochem ensures *compliance* with the "CFSL Directive," which regulates how to design, build, manage, and maintain the efficiency and safety of laboratories that use chemicals or flammable and harmful substances. The company ensures uniform, adequate, and technically up-to-date application of the relevant legal provisions, including the "Federal Law on Environmental Protection."

These regulations, applied within the two sites (Montarioso and Rosia), govern, among other things, the release of emissions into the air and the storage and disposal of hazardous waste.

The Group is committed to protecting and safeguarding the environment through continuous improvement in energy efficiency levels and by promoting the use of renewable sources. The first step towards reducing energy consumption from non-renewable sources is undoubtedly to reduce electricity consumption.

Two new photovoltaic systems have been installed at the GMP plant in Rosia, helping to increase the supply of energy from renewable sources. The initiative is part of a broader environmental sustainability program, which also includes the adoption of innovative and responsible practices within the supply chain, with the aim of reducing the overall environmental impact and promoting a more efficient and environmentally friendly production model.

As evidence of this commitment, among the measures aimed at improving the energy efficiency of its processes, the Group has focused on replacing old and obsolete machinery with more modern equipment in numerous facilities, contributing to a reduction in overall energy consumption. In recent years, Philogen has invested in advanced technologies and innovative practices to optimize energy consumption within its three facilities.

With regard to water resources, the production of injectable solutions requires the use of machinery to treat water taken from the aqueduct in order to make it suitable for medical applications. During the development phase of the Rosia plant, the Group installed only the latest generation of treatment systems, which guarantee much lower energy consumption compared to older systems.

For a company such as the Group, involved in biopharmaceutical research and the production of experimental drugs, it is also of fundamental importance to pay attention to and correctly manage the waste produced. Philogen produces both ordinary urban waste, which is disposed of through separate collection, and special waste, which is collected by specialized companies. For the former, the separate collection system at the Montarioso site, operated by a specialized company, ensures the correct disposal of all urban waste. The separate disposal system for ordinary waste has also been completed at the Rosia plant. Special waste generated by the laboratories is stored in a special warehouse, collected in containers approved for medical waste, and disposed of by a specialized company in accordance with the law.

Philogen relies on a company certified according to ISO 14001 for the activities of "Collection and transport of special waste, Intermediation, Disposal and Remediation of asbestos, Environmental consulting" and listed 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 waste collection system and then collected in a special collection *tank*. It is then also disposed of by a specialized company in accordance with current legislation.

## 12. Personnel Information

As of June 30, 2025, the Group had 201 employees, of whom 157 were employed by Philogen S.p.A. at its plants in Siena (Rosia and Montarioso) and 44 by Philochem AG at its site in Zurich, representing an overall increase of approximately 10% compared to December 31, 2024.

The increase, shown in the table below, is due to: (i) Philochem: 6 new hires and 3 terminations (ii) Philogen: 23 new hires and 8 terminations.

Number of Group employees	As of June 30		As of December 31		Changes	
	2025	2024	2024	2025 vs 2024	%	
Employees	201	183		18	9.83	

The Group is committed to pursuing a personnel policy aimed at selecting professionals in the field of research and development of new technologies, products, and processes, promoting training and the exchange of *know-how* at an international level.

The Group's personnel are highly qualified and specialized, which contributes to enhancing the company's competitiveness.

Information on new hires:

Qualification	Philochem AG			Philogen S.p.a.			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
PhD	-	1	1	-	-	0	-	1	1
Bachelor's degree	1	4	5	5	11	16	6	15	21
Diploma	-	-	-	4	3	7	4	3	7
No title	-	-	-	-	-	0	-	-	-
<b>Total</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>14</b>	<b>23</b>	<b>10</b>	<b>19</b>	<b>29</b>

In order to keep staff constantly up to date on specific issues and regulations in the sector, various training and refresher courses were held during the first half of 2025. The most relevant courses are listed below:

- Training course on compliance with the NIS2 Directive, organized by Confindustria Toscana Sud, lasting 9 hours on IT security (risk management, cyber threats and incidents, implementation of security measures, cybersecurity, etc.), attended by the IT Manager.
- *Guidelines2day* training course organized by the European Patent Office (EPO), lasting 6 hours. The aim was to provide an overview of updates to *the "Guidelines for Examination"* and other relevant developments in patent granting procedures. In particular, the following topics were covered during the lessons:
  - *New case law in the Guidelines;*
  - *Introduction of the new Unitary Patent Guidelines;*
  - *Real-time interaction using the Shared Area in MyEPO;*
  - *Recent changes to the Guidelines.*
- *Search and Examination Matters 2025* training course organized by the European Patent Office (EPO) lasting 9 hours, held from February 18 to 21, 2025. The quality of searches and patents, with a particular focus on emerging technologies (such as AI), were the main topics covered during the lessons.
- Three-hour training meeting organized by C.O.S.C. Polizia Postale - Toscana to discuss the prevention and combating of cybercrime on information systems, held in the Sala Pegaso of Palazzo Guadagni Strozzi Sacratini, which was made available by the Directorate of Information Systems, Technological Infrastructure, and Innovation of the Tuscany Region. Two employees from the Information Technology department participated in the event to discuss data exchange, as well as the most appropriate intervention strategies to deal with any cyber events and related critical issues.
- Training course "*The CRISPR Cas patent files: Prime Editing and integrase-based variants*" organized by *Michalski Hüttermann & Partner Patentanwälte mbB*, lasting one hour, which dealt with the evolution of CRISPR technologies (especially Prime Editing and integrase), analyzing the patent landscape, legal challenges, and strategies to protect and exploit these innovations in the biotech world.

The Group confirms its ongoing commitment to the principles of gender equality and inclusion. Currently, approximately 55–60% of employees are female, and the workforce comes from over 15 different nationalities, reflecting a multicultural and inclusive work environment.

The composition of the top management reflects a gender balance that has characterized the Group since before its listing. Some significant examples include:

- the appointment of the CFO in 2007,
- the Head of Human Resources in 2008,
- the appointment of the *Company Legal Counsel* in 2016.

In more recent years, these have been joined by:

- a *Deputy Chief Medical Officer* who joined in 2022,
- a *Qualified Person* for the Rosia site
- three new executives hired in the first half of 2025 in *Clinical Operations*.

Since 2016, Philogen has also had female representation on its Board of Directors, starting with the appointment of Dr. Nathalie Dompé. After the IPO, Marta Bavasso, Esq. and Dr. Maria Giovanna Calloni joined the board. During the last renewal of the Board of Directors, Flavia Scarpellini, Esq. and Prof. Chiara Falciani also joined.

In the field of research, too, top positions have been and continue to be held by women. Prof. Cornelia Halin is a member of the Scientific Advisory Committee, and the antibody research area has been led by a female scientist for many years.

In accordance with Italian law, Philogen also employs six people belonging to protected categories.

The Group does not identify any specific risks related to diversity and inclusion issues, but recognizes that careful and conscious management of these aspects is an opportunity to promote a stimulating, creative, and open-minded work environment.

At the date of this Report, the Company does not consider it necessary to adopt specific diversity policies, as the composition of its workforce, gender balance, and training and career paths are already consistent with the principles of inclusion and diversity.

## 13. Significant events after the end of the period

### 13.1 License agreement between subsidiary Philochem AG and RayzeBio

On August 18, the subsidiary Philochem AG informed the market that the *waiting* period under *the Hart-Scott-Rodino Antitrust Improvements Act* relating to the license granted to RayzeBio expired on August 11, 2025. following the completion of the authorization process by the US antitrust regulatory authority, the license agreement has therefore become effective.

The subsidiary Philochem AG issued the invoice on August 13, 2025, for \$350 million as the initial consideration provided for in the license agreement (signed in June 2025), and the consideration was received on September 12, 2025, and therefore became available to the subsidiary.

For further details on the effects of the agreement, please refer to paragraph 4.1 of the interim management report.

### 13.2 Purchase of treasury shares

The Group is continuing with the share buyback program approved on April 29, 2025, by the Company's Board of Directors and launched on May 6, 2025, with a duration of 18 months from approval (see paragraph 4.4 of the interim management report).

Since the start of the program, Philogen has purchased 29,448 ordinary shares (equal to 0.0725% of the share capital), for a total value of €657,347.72. As of September 22, 2025, Philogen holds a total of 361,598 ordinary shares (equal to 0.8904% of the share capital). Communications pursuant to the regulations on *buybacks* are available on the company's website (<https://www.philogen.com>).

## 14. Forecast business outlook

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

### **Nidlegly™ – skin cancers (melanoma and NMSC)**

Following the withdrawal of the Marketing Authorization Application submitted to the EMA for melanoma, the company is working on a new submission in Europe. The US Phase III study in locally advanced melanoma has enrolled approximately two-thirds of patients in the US, Spain, and Switzerland, with expansion into other countries. Two Phase II studies are underway in *non-melanoma skin cancer* (NMSC): Duncan (indications: basal cell carcinoma (BCC) and squamous cell carcinoma (cSCC); enrollment completed and data presentation at the ESMO conference - October 2025) and Intrinsic (70 patients expected in various forms of NMSC; 50 patients already treated in Italy and France). Applications to initiate three registration studies (two in BCC and one in cSCC) have been submitted to the FDA; European submissions are expected by the end of September 2025.

### **Fibromun – STS and glioblastoma**

In the European Phase III study in 1st-line STS (with doxorubicin), enrollment has been completed in 5 countries; the required events have occurred and the results will be reported as soon as the analyses are completed (primary endpoint of the study is progression-free survival (PFS)). The US Phase IIb trial in leiomyosarcoma (first-line) is ongoing. The European Phase II trial in third-line STS with dacarbazine has completed patient enrollment. Events for the study readout are expected by the end of 2025. In glioblastoma, the Phase I/II study in second-line (with lomustine) has completed Phase I (15 patients, 3 cohorts) and Phase II enrollment; completion is expected in the first half of 2026. The Phase I/II/IIb program in the first line (with RT+temozolomide) has completed Phase I in Zurich; the transition to Phase IIb randomized is expected in 2026.

### **OncoFAP – FAP platform**

The **68Ga OncoFAP** diagnostic study has completed Phase I (solid tumors). The OncoFAP GlyPro MMAE conjugate study showed strong preclinical activity; a veterinary trial is underway at the University of Milan and GMP production is underway in preparation for the start of clinical trials.

### **OncoACP3 – PAP (prostate) target**

On the diagnostic front, Phase I is underway in Italy with **68Ga-OncoACP3**. On the therapeutic front, preparatory activities are underway with RayzeBio for Phase I (first patient already treated in Germany under compassionate use (AMG 13.2b), with tumor retention  $\geq 7$  days).

### **OncoCAIX – CAIX target (kidney cancer and hypoxic tumors)**

On the diagnostic front, Phase I trials with 68Ga-OncoCAIX are underway in Italy (11/20 patients enrolled). Preparatory activities are underway to launch a Phase III registration study directly.

### **Partnership**

Collaborations continue on Dekavil (Pfizer), small molecules (Janssen), Nidlegly™ (Sun Pharma and MSD), Fibromun (Sun Pharma), OncoFAP (Bracco), and OncoACP3 (RayzeBio).

### **GMP facilities**

- Rosia (Siena)→ Site authorized for the production, control, storage, and distribution of Active Substances (DS) and Medicinal Products (DP) for both clinical trials and commercial use, and has obtained the following authorizations: (i) GMP API determination: API/175/2025 dated 09/01/2025; (ii) *certificate of GMP compliance of a manufacturer*: IT-API/84/H/2025 dated 01/09/2025; (iii) production authorization: No. aM 149/2023 dated 09/11/2023; and (iv) CERTIFICATE OF GMP COMPLIANCE OF A MANUFACTURER: No. IT/187/H/2023 dated 11/09/2023.
- Montarioso (Siena)→ The planned revamping activities have been completed at the GMP site; the main objective of the intervention was to optimize the infrastructure and production facilities. All operations were completed on schedule and were conducted in accordance with internal procedures and applicable regulatory guidelines.

### Clinical pipeline (ongoing and planned studies)

Program	Indication / Study	Phase	Status / Enrollment	Countries / Centers	Next steps / Timeline
<b>Nidlegy™</b>	Locally advanced melanoma (Phase III US)	III	131/186 enrolled; study ongoing	US, Spain, Switzerland (+ expansion)	Geographic expansion; new EMA MAA in preparation
<b>Nidlegy™</b>	NMSC – <b>Duncan</b> (advanced BCC, cSCC)	II	Enrollment completed	Switzerland, Germany, Poland	Data presentation at ESMO <b>October 2025</b>
<b>Nidlegy™</b>	NMSC – <b>Intrinsic</b> (various NMSCs: Kaposi's, CTCL, adnexal tumors, keratoacanthoma, MCC, cSCC, BCC)	II	50/70 patients treated	Italy, France	Enrollment ongoing
<b>Nidlegy™</b>	Registration studies (2× BCC, 1× cSCC)	—	Applications submitted to <b>FDA</b> ; Europe in the coming weeks	US → EU	Studies to begin after approvals
<b>Fibromun</b>	STS 1st line + doxorubicin (EU)	III	Enrollment completed; events matured; analysis ongoing	DE, IT, ES, PL, FR	Primary endpoint <b>PFS</b> ; study designed for ≥80% improvement vs. control; historical PFS doxorubicin ~4.6 months
<b>Fibromun</b>	1st-line leiomyosarcoma + doxorubicin (US)	IIb	Study ongoing	7 centers in the USA	—
<b>Fibromun</b>	STS 3rd line + dacarbazine (EU)	II	Enrollment completed; awaiting events (disease progression)	—	Expected completion <b>H1 2025</b>
<b>Fibromun</b>	Second-line glioblastoma + lomustine	I/II	Phase I completed (15 patients, 3 cohorts); Phase II enrolled; awaiting events (survival)	—	Completion <b>end 2025 / beginning 2026</b>
<b>Fibromun</b>	Glioblastoma 1st line + RT+temozolomide	I/II/IIb	Phase I completed; preparation for randomized Phase IIb	University Hospital Zurich	Start <b>2026</b>
<b>OncoFAP</b>	<sup>68</sup> Ga-OncoFAP (diagnostic)	I	Phase I completed (solid tumors)	—	Blue Earth Diagnostic

Program	Indication / Study	Phase	Status / Enrollment	Countries / Centers	Next steps / Timeline
					(Bracco) plans Phase II
<b>OncoFAP</b>	177Lu-OncoFAP-23 (therapeutic)	—	Company-sponsored study approved by <b>AIFA</b>	—	First patient expected in the coming weeks
<b>OncoFAP</b>	OncoFAP-GlyPro-MMAE (cytotoxic)	Preclinical/veterinary	Preclinical efficacy; trial in dogs (University of Milan)	—	<b>GMP</b> production preparatory to clinical use
<b>OncoACP3</b>	68Ga-OncoACP3 (diagnostic, prostate)	I	Imaging in DE; 18/20 enrolled in IT	DE, IT	—
<b>OncoACP3</b>	OncoACP3 (therapeutic, prostate)	—	Phase I preparation with BMS; 1st patient treated in DE (compassionate use)	DE	Tumor retention ≥7 days

#### Active partnerships

Area / Product	Partner	Notes
<b>Dekavil</b>	Pfizer	Ongoing collaboration
<b>Small organic molecules</b>	Janssen	Ongoing collaborations
<b>Nidlegly™</b>	Sun Pharma, MSD	Ongoing collaborations
<b>Fibromun</b>	Sun Pharma	Ongoing collaboration
<b>OncoFAP (imaging)</b>	Bracco	Ongoing collaboration
<b>OncoACP3</b>	RayzeBio	Ongoing collaboration

#### GMP facilities and authorizations

Site	Role	Authorization / No.	Date	Subject
<b>Rosia (Siena)</b>	Commercial and experimental production	<b>GMP MED — No. aM-149/2023</b>	<b>11/09/2023</b>	Production for commercial products (aseptic filling) and clinical products (aseptic filling)
<b>Rosia (Siena)</b>	—	<b>GMP API: API/175/2025</b>	<b>09/01/2025</b>	Production of active substances for commercial use
<b>Montarioso (Siena)</b>	Experimental production	<b>GMP API: API/7/2025</b>	<b>01/15/2025</b>	Renewal of production of active substances for experimental use
<b>Montarioso (Siena)</b>	—	<b>GMP MED — No. aM 29/2024 (Cert. IT/38/H/2024)</b>	<b>February 13</b>	Renewal of production of experimental medicinal products

# ***Condensed consolidated half-year financial statements as of June 30, 2025***

## Consolidated income statement

	Notes	Period ended June 30			
		2025	Of which with related parties	2024	Of which with related parties
Revenue from contracts with customers	5	5,502		779	
Other income	5	3,218		931	
<b>Total revenues and income</b>		<b>8,721</b>	<b>-</b>	<b>1,710</b>	<b>-</b>
Purchases of raw materials and consumables	6	(1,765)		(1,601)	
Costs for services	6	(12,329)	(3,597)	(7,427)	(843)
Costs for use of third-party assets	6	(235)		(175)	
Personnel costs	6	(8,118)		(7,466)	(206)
Depreciation	6	(1,963)	(454)	(1,798)	(433)
Other operating costs	6	(141)		(289)	
<b>Total operating costs</b>		<b>(24,552)</b>	<b>(4,050)</b>	<b>(18,756)</b>	<b>(1,482)</b>
<b>Operating result</b>		<b>(15,832)</b>	<b>(4,050)</b>	<b>(17,046)</b>	<b>(1,482)</b>
Financial income	7	2,670		3,571	
Financial expenses	7	(2,194)	(163)	(2,033)	(238)
<b>Total financial income and expenses</b>		<b>477</b>	<b>(163)</b>	<b>1,538</b>	<b>(238)</b>
<b>Profit before tax</b>		<b>(15,355)</b>	<b>(4,213)</b>	<b>(15,509)</b>	<b>(1,720)</b>
Tax	8	461		(8)	
<b>Profit (Loss) for the period</b>		<b>(14,894)</b>	<b>(4,213)</b>	<b>(15,516)</b>	<b>(1,720)</b>
Profit (Loss) for the period attributable to shareholders of the parent company		(14,894)		(15,516)	
Earnings (Loss) per share (in euros)	9	(0.37)		(0.39)	
Diluted earnings (loss) per share (in euros)	9	(0.37)		(0.39)	

## Consolidated statement of comprehensive income

Figures in thousands of euros	Notes	Period ended June 30	
		2025	2024
<b>Profit (Loss) for period (A)</b>		<b>(14,894)</b>	<b>(15,516)</b>
<i>Other gains (losses) that will subsequently be reclassified to profit (loss) for the period</i>			
Foreign currency translation differences	20	37	(217)
Gain (loss) on cash flow hedge	20		(58)
Tax effect	20		16
<b>Total other gains (losses) that will subsequently be reclassified to profit (loss) for the period (B)</b>		<b>37</b>	<b>(259)</b>
<i>Other gains (losses) that will not be subsequently reclassified to profit (loss) for the period</i>			
Gain (loss) from valuation of financial assets measured at fair value	20	183	(39)
Gain (loss) on actuarial valuation of employee benefits	20	35	39
Tax effect	20	(54)	(1)
<b>Total other gains (losses) that will not be subsequently reclassified to profit (loss) for the period (C)</b>		<b>165</b>	<b>(1)</b>
<b>Total other comprehensive income (B+C)</b>		<b>202</b>	<b>(260)</b>
<b>Comprehensive income (loss) after tax (A+B+C)</b>		<b>(14,693)</b>	<b>(15,776)</b>
Comprehensive income (loss) attributable to shareholders of the parent company		(14,693)	(15,776)

## Consolidated statement of financial position

<i>Figures in thousands of euros</i>	Notes	June 30, 2025	<i>Of which with related parties</i>	December 31, 2024	<i>Of which with related parties</i>
<b>ASSETS</b>					
Property, plant, and equipment	10	15,821		15,473	
Intangible assets	11	1,230		1,159	
Assets for right of use	12	9,369	8,959	9,401	9,229
Other non-current assets	16	3,188		1,626	
Deferred tax assets	8	10,883		8,468	
<b>Non-current assets</b>		<b>40,490</b>	<b>8,959</b>	<b>36,127</b>	<b>9,229</b>
Inventories	13	4,301		3,260	
Contract assets	14	5,156		3,261	
Trade receivables	15	969		760	
Tax receivables	16	7,036		10,253	
Other current financial assets	17	88,839		83,154	
Other current assets	18	1,373		1,062	
Cash and cash equivalents	19	11,182		30,574	
<b>Current assets</b>		<b>118,856</b>	<b>-</b>	<b>132,325</b>	<b>-</b>
<b>Total assets</b>		<b>159,346</b>	<b>8,959</b>	<b>168,452</b>	<b>9,229</b>
<b>NET EQUITY</b>					
Capital		5,731		5,731	
Share premium reserve		93,128		93,128	
Other reserves		41,846		(5,493)	
Profit (loss) for the period		(14,894)		45,292	
<b>Equity attributable to shareholders of the parent company</b>	<b>20</b>	<b>125,810</b>	<b>-</b>	<b>138,657</b>	<b>-</b>
<b>Total net assets</b>	<b>20</b>	<b>125,810</b>	<b>-</b>	<b>138,657</b>	<b>-</b>
<b>LIABILITIES</b>					
Employee benefits	21	1,360	206	1,293	151
Non-current lease liabilities	12	10,299	10,065	10,473	10,434
Non-current financial liabilities	22	-		-	
Deferred tax liabilities	24	405		1,107	
Other non-current liabilities	8	717		283	
<b>Non-current liabilities</b>		<b>12,781</b>	<b>10,271</b>	<b>13,157</b>	<b>10,585</b>
Current financial liabilities	22	40		37	
Current lease liabilities	12	1,157	954	1,034	31
Trade payables	23	13,471	42	9,550	75
Contractual liabilities	14	2,533		643	
Tax liabilities	16	188		2,135	
Other current liabilities	24	3,367	288	3,239	
<b>Current liabilities</b>		<b>20,756</b>	<b>1,283</b>	<b>16,639</b>	<b>106</b>
<b>Total liabilities</b>		<b>33,536</b>	<b>11,544</b>	<b>29,795</b>	<b>10,690</b>
<b>Total net assets and liabilities</b>		<b>159,346</b>	<b>11,554</b>	<b>168,452</b>	<b>10,690</b>

## Statement of changes in consolidated shareholders' equity

Data in thousands of euros	Capital	Share premium reserve	Other reserves										Profit (loss) for the year	Total consolidated shareholders' equity		
			Restricted reserves from capital increase to service the 2024-2026 Stock Grant Plan	Negative reserve for treasury shares	Legal reserve	FTA reserve	Merger surplus reserve	IAS 19 reserve	Valuation reserve for financial assets measured at fair value	Reserve for share-based payments	Reserve for translation differences	Cash flow hedge reserve			Retained earnings (losses)	Total other reserves
<b>Opening balances as of January 1, 2024</b>	<b>5,731</b>	<b>99,756</b>	<b>(124)</b>	<b>(4,840)</b>	<b>892</b>	<b>(1,265)</b>	<b>449</b>	<b>(17)</b>	<b>(2)</b>	<b>519</b>	<b>1,663</b>	<b>145</b>	<b>(6,156)</b>	<b>(8,737)</b>	<b>(6,161)</b>	<b>90,589</b>
Allocation of previous year's profit		(6,161)												-	6,161	-
Allocation of stock grants		(467)		680										680		213
Purchase of treasury shares				(27)										(27)		(27)
Stock grant plan										2,854				2,854		2,854
Result for the year														-	45,292	45,292
Other comprehensive income (loss) net of tax effect								(7)	97		(208)	(145)		(263)		(263)
<b>Closing balances at December 31, 2024</b>	<b>5,731</b>	<b>93,128</b>	<b>(124)</b>	<b>(4,187)</b>	<b>892</b>	<b>(1,265)</b>	<b>449</b>	<b>(24)</b>	<b>95</b>	<b>3,373</b>	<b>1,456</b>	<b>-</b>	<b>(6,156)</b>	<b>(5,493)</b>	<b>45,292</b>	<b>138,657</b>
<b>Opening balances as of January 1, 2025</b>	<b>5,731</b>	<b>93,128</b>	<b>(124)</b>	<b>(4,187)</b>	<b>892</b>	<b>(1,265)</b>	<b>449</b>	<b>(24)</b>	<b>95</b>	<b>3,373</b>	<b>1,456</b>	<b>-</b>	<b>(6,156)</b>	<b>(5,493)</b>	<b>45,292</b>	<b>138,657</b>
Allocation of previous year's profit					2,265								43,027	45,292	(45,292)	-
Stock Grant Plan										3,204				3,204		3,204
Purchase of treasury shares				(1,358)										(1,358)		(1,358)
Net income for the year														-	(14,894)	(14,894)
Other comprehensive income (loss) net of tax effect								26	139		37			202		202
<b>Final balances as of June 30, 2025</b>	<b>5,731</b>	<b>93,128</b>	<b>(124)</b>	<b>(4,187)</b>	<b>3,157</b>	<b>(1,265)</b>	<b>449</b>	<b>1</b>	<b>235</b>	<b>6,576</b>	<b>1,493</b>	<b>-</b>	<b>36,870</b>	<b>41,846</b>	<b>(14,894)</b>	<b>125,810</b>

## Consolidated cash flow statement

Figures in thousands of euros

	Notes	Period ended June 30			
		2025	Of which with related parties	2024	Of which with related parties
<b>Cash flows from operating activities</b>					
Profit for the period		(14,894)	(4,213)	(15,516)	(1,720)
<i>Adjustments for:</i>					
Depreciation and amortization of tangible and intangible assets	6	1,963	(454)	1,798	(433)
Net financial expenses/(income)	7	(477)	(163)	(1,538)	(433)
Provisions for employee benefits	21	142		122	
Provisions for group incentive plans	20	3,204		1,016	
Income taxes	7	(461)		8	
Other non-cash adjustments		(100)		(115)	
<i>Changes in:</i>					
Inventories	13	(1,040)		(693)	
Contract assets	14	(1,895)		933	
Trade receivables	15	(203)		572	4
Contract liabilities	14	(1,890)		202	
Trade payables	23	3,932	(33)	1,159	(76)
Other assets and liabilities <sup>(*)</sup>	16, 18, 24	(3,145)	288	2,555	(7)
Use of funds and employee benefits	21	(59)		(180)	
Interest paid	7	(185)		(356)	
Income taxes paid	8	-		-	
<b>Cash flow generated/(absorbed) by operating activities (A)</b>		<b>(11,329)</b>	<b>(4,575)</b>	<b>(10,036)</b>	<b>(2,663)</b>
<b>Cash flows from investing activities</b>					
Interest received	7	1,404		962	
Proceeds from the sale of financial assets	17	11,413		19,591	
Purchase of property, plant, and equipment	10	(1,660)		(1,423)	
Purchase of intangible assets	11	(160)		(78)	
Purchase of other financial assets	17	(17,148)		(11,459)	
<b>Cash flow generated/(absorbed) by investing activities (B)</b>		<b>(6,151)</b>	<b>-</b>	<b>7,592</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
Proceeds from the issue of shares	20	-		-	
Proceeds from the incurrence of financial liabilities	22	-		-	
Repayments of financial liabilities	22	-		(411)	
Payment of lease liabilities	12	(562)	(469)	(491)	(435)
Purchase of treasury shares	20	(1,358)		-	
<b>Cash flow generated/(absorbed) by financing activities (C)</b>		<b>(1,920)</b>	<b>(469)</b>	<b>(902)</b>	<b>(435)</b>
<b>Total cash flow (A + B + C + D)</b>		<b>(19,400)</b>	<b>(5,044)</b>	<b>(3,345)</b>	<b>(3,099)</b>
<b>Initial cash and cash equivalents</b>	<b>19</b>	<b>30,574</b>		<b>15,635</b>	
Change in cash and cash equivalents for the period		(19,400)		(3,345)	
Effect of translation on cash and cash equivalents		8		(25)	
<b>Cash and cash equivalents at end of period</b>	<b>19</b>	<b>11,182</b>		<b>12,264</b>	

<sup>(\*)</sup> Includes: other non-current assets, other current assets, other non-current liabilities, other current liabilities, tax payables and receivables.

## Notes to the condensed consolidated interim financial statements

### Preparation criteria

#### 1. Introduction

Philogen S.p.A. (hereinafter the "Company" or the "Parent Company" and, together with its Swiss subsidiary Philochem, the "Group") was admitted to listing on the Mercato Telematico Azionario (electronic stock market) organized and managed by Borsa Italiana S.p.A. on March 3, 2021. More specifically, 4,061,111 shares were issued, corresponding to approximately 10% of the Company's share capital at the start of trading, at a price of €17 each.

#### 2. Entity preparing the condensed consolidated half-yearly financial statements ( )

Philogen S.p.A. is based in Italy. The address of the Company's registered office is Piazza La Lizza, 7 Siena. The Group is mainly active in the integrated biotechnology sector and, in particular, in the development of advanced biopharmaceutical products for the treatment of diseases characterized by or associated with angiogenesis, based mainly on antibody conjugates capable of selectively accumulating in the sites where the disease is present.

Pursuant to paragraph 5 of Article 2497-bis of the Italian Civil Code, it is hereby disclosed that the Company is not subject to management and coordination by another company.

#### 3. Criteria for preparation

These condensed consolidated interim financial statements have been prepared in accordance with *International Financial Reporting Standards* (IFRS) issued by the *International Accounting Standards Board* ("IASB") and endorsed by the European Union, including all *International Accounting Standards* subject to interpretation (*International Financial Reporting Standards – IFRS*) and the interpretations of the *International Financial Reporting Interpretation Committee* (IFRIC) and the former *Standing Interpretations Committee* (SIC).

These condensed consolidated financial statements for the first half of 2025 have been prepared in accordance with the international accounting standard on interim reporting (IAS 34 *Interim Financial Reporting*) and do not include all the information required in the annual consolidated financial statements. They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2024, published on the institutional website (<http://www.philogen.com/>) in the *Financial Statements* section. The estimation processes and assumptions have been maintained in line with those used for the preparation of the annual financial statements. For comparative purposes, the consolidated financial statements present a comparison with the consolidated balance sheet data as of December 31, 2024, and with the consolidated income statement data as of June 30, 2024.

These condensed consolidated interim financial statements were approved and authorized for publication by the Company's Board of Directors on September 23, 2025.

Details of the main accounting policies adopted by the Group are specified in note 31.

#### Functional and presentation currency

These condensed consolidated interim financial statements are expressed in euros, the functional currency of the Parent Company. Unless otherwise indicated, all amounts expressed in euros have been rounded to the nearest thousand. It should also be noted that any differences found in some tables are due to the rounding of values expressed in thousands of euros.

#### Use of estimates and valuations

In preparing the condensed consolidated half-year financial statements, management had to make estimates and assessments that affect the application of accounting principles and the amounts of assets, liabilities, costs, and revenues recognized in the condensed consolidated half-year financial statements. However, it should be noted that, as these are estimates, the results obtained will not necessarily be the same as those presented in these condensed consolidated half-year financial statements.

These estimates and the underlying assumptions are reviewed regularly. Any changes resulting from the revision of accounting estimates are recognized prospectively.

The following is a summary of the items in the condensed consolidated half-year financial statements that require greater subjectivity on the part of the Directors in making estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on the condensed consolidated half-year financial statements.

i) Valuations

The decisions made by management that have the most significant effects on the amounts reported in the condensed consolidated half-year financial statements are provided in the following notes:

- Notes 5 and 32 - Accounting for revenue from contracts with customers: analysis of contracts with customers, with particular reference to the recognition at a specific point in time or over time of revenue from licensing and research and development activities commissioned by third parties and the identification of individual *performance obligations*.

(ii) Assumptions of uncertainty in estimates

For the year ended December 31, 2024, information on assumptions and uncertainties in estimates that have a significant risk of causing material changes to the carrying amount of assets and liabilities in the condensed consolidated financial statements for the subsequent period is provided in the following notes:

- Notes 5 and 32 - revenue recognition: assumptions in determining the total cost of *performance obligations* in relation to contracts with customers recognized over time;
- Note 32 - measurement of financial instruments: main assumptions underlying the calculation of *fair value*;
- Note 32 - definition of the discount rate: main assumptions underlying the calculation of the *incremental borrowing rate* (IBR), where the implicit interest rate is not available.
- Notes 8 and 32 - recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be used.
- Note 25 - Share-based payment incentive plan: estimate, using the Monte Carlo method, of the company performance component linked to the achievement of *the gate* and *target* of the Company's share price.

## 4. Segment reporting

For the purposes of IFRS 8, management has identified a single operating segment, "Biotechnology," which encompasses all of the Group's activities.

The Group is mainly active in the integrated biotechnology sector and, in particular, in the development of advanced biopharmaceutical products for the treatment of diseases characterized by or associated with angiogenesis, based mainly on antibody conjugates, capable of achieving selective accumulation at the sites where the disease is present.

Details of revenues from contracts with customers by type of product and service, by geographical area, and information on the Company's degree of dependence on its main customers are provided in Note 5.

The *Chief Operating Decision Maker* (CODM) is identified as the Executive Chairman.

## Income statement

### 5. Revenues and income

<i>Figures in thousands of euros</i>	Period ended June 30	
	2025	2024
Revenues from contracts with customers	5,502	779
Other income	3,218	931
<b>Total revenues and income</b>	<b>8,721</b>	<b>1,710</b>

#### Revenues from contracts with customers

Revenues from contracts with customers mainly refer to *upfront payments, milestones* and/or *maintenance fees*, research and development services, as well as revenues from contract manufacturing that the Group carries out under existing contracts.

In the period ended June 30, 2025, revenues from contracts with customers amounted to €5,502 thousand (€779 thousand at June 30, 2024) and relate to (i) the contribution from the SUN contract signed in 2024 for the product Fibromun, represented based on the progress of clinical trials (ii) the progress of GMP manufacturing contracts signed in 2024, in addition to the continuation of existing contracts, and (iii) sales of the Nidlegly™ product to SUN to support pre-commercialization plans.

Further details of revenues from contracts with customers are provided below.

#### Breakdown by type of consideration

<i>Data in thousands of euros</i>	Period ended June 30	
	2025	2024
Revenues from <i>upfront payments, milestones</i>	3,933	-
Revenues from Research and Development services	1,570	779
<b>Total revenue from contracts with customers</b>	<b>5,502</b>	<b>779</b>

#### Breakdown by recognition method

<i>Figures in thousands of euros</i>	Period ended June 30	
	2025	2024
Revenues recognized <i>at a point in time</i>	397	292
Revenues recognized <i>over time</i>	5,105	487
<b>Total revenue from contracts with customers</b>	<b>5,502</b>	<b>779</b>

#### Breakdown by geographical area

<i>Data in thousands of euros</i>	Period ended June 30	
	2025	2024
USA	-	47
European Union	5,220	289
Non-EU (Switzerland)	282	443
<b>Total revenue from contracts with customers</b>	<b>5,502</b>	<b>779</b>

#### Breakdown by type of product or service

<i>Figures in thousands of euros</i>	Period ended June 30	
	2025	2024
Product Development 1	-	47
<i>Good Manufacturing Practices (GMP) Services</i>	1,231	487
Ecoded Self-Assembling Chemical (ESAC) Services	266	-
Product Development 2	3,933	218
Services related to small organic molecules	-	27
L19-TNF development – Imaglio project	73	-

<b>Total revenue from contracts with customers</b>	<b>5,502</b>	<b>779</b>
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The following table shows details of customers who generate revenues for the Group exceeding 10% of total revenues from contracts with customers, as required by IFRS 8, note no. 30:

<i>Data in thousands of euros</i>	<b>Period ended June 30</b>			
	<b>2025</b>	<b>Inc.</b>	<b>2024</b>	<b>Inc.</b>
Customer 1	3,933	71	218	28
Customer 2	-	-	299	38%
Customer 4	1,288	23%	-	-
Other customers < 10%	282	5	132	17
<b>Total revenue from contracts with customers</b>	<b>5,502</b>	<b>100</b>	<b>779</b>	<b>100</b>

### **Other income**

<i>Figures in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Operating subsidies	2,910	705
Contributions to fixed assets	194	193
Other income	114	33
<b>Total other income</b>	<b>3,218</b>	<b>931</b>

Other income mainly relates to contributions for tax relief provided by law and, to a lesser extent, to *Eurostars* projects. This item mainly includes the recognition of certain contributions that the Group receives on an ongoing basis by virtue of its research activities, such as:

- (i) Contribution to the tax account relating to the research and development tax credit amounting to €2,342 thousand as at June 30, 2025;
- (ii) Contribution to the current account relating to the research and development tax credit of €568 thousand as *an adjustment* to the research and development credit estimated in the year ended December 31, 2024, calculated definitively in the first half of 2025;
- (iii) Contribution to fixed assets relating to the Industry 4.0 credit of €194 thousand as of June 30, 2025, relating to investments made for the equipment and interconnection of the new GMP facility at the Rosia site (Siena), provided for by Law 160/2019 (the 2020 Budget Law) and Law 178/2020 (the 2021 Budget Law). The Industry 4.0 credit relating to the interconnection of the new GMP facility totals €2,586 thousand (it should be noted that this contribution is accounted for on the basis of the amortization charge for the period);
- (iv) other income of €114 thousand.

For further details on the Company's receivables, please refer to note 16 of the condensed consolidated half-year financial statements.

## **6. Operating costs**

The following table shows a breakdown of operating costs as at June 30, 2025, and June 30, 2024:

<i>Figures in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Purchases of raw materials and consumables	1,765	1,601
Costs for services	12,329	7,427
Costs for use of third-party assets	235	175
Personnel costs	8,118	7,466
Depreciation	1,963	1,798
Other operating costs	141	289
<b>Total operating costs</b>	<b>24,552</b>	<b>18,756</b>

### Costs for purchases of raw materials and consumables

Costs for purchases of raw materials and consumables, amounting to €1,765 thousand in the period ended June 30, 2025 (€1,601 thousand in the previous period), are mainly attributable to the cost of materials used in operational management,

in particular for the production of drugs for clinical trials, for GMP production of antibodies on behalf of third parties, and for GMP-compliant pilot production carried out at the new site in Rosia (Siena).

### Costs for services

The item "Costs for services" includes, among others, the following categories:

<i>Data in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Costs related to Clinical Centers and CROs	4,825	3,309
Outsourced services for research and development activities	1,323	827
Remuneration of corporate bodies (net of contributions)	925	684
Social security contributions on remuneration of corporate bodies	109	88
Management by objectives (MBO)	287	184
Medium- to long-term incentive plan ( <i>stock grant</i> ) <sup>(1)</sup>	2,182	-
TFM for directors	49	22
Corporate expenses and consulting fees	916	332
Utilities and general expenses	808	773
Other service costs	906	1,210
<b>Total costs for services</b>	<b>12,329</b>	<b>7,427</b>

<sup>(1)</sup> As of June 30, 2024, the 2021-2024 Incentive Plan was in effect, which provided for the allocation of *units* for the third cycle and the assignment of shares to the three strategic executives (Mr. Duccio Neri, Prof. Dario Neri, and Mr. Giovanni Neri); therefore, the cost accrued as of June 30, 2024 (amounting to approximately €1,305 thousand) was included in personnel costs. For clarity, it should be noted that on May 6, 2024, the aforementioned strategic executives resigned from their positions as executives; however, at the same meeting, the Board of Directors resolved to maintain their right to the allocation of shares (subject to verification of the achievement of performance targets). In addition to the above, the Company's Ordinary Shareholders' Meeting on April 29, 2025, approved the "2024-2027 Share Ownership Plan for Directors" (originally called the "2024-2026 Share Ownership Plan for Directors," reserved for executive directors of the Philogen Group). For further details on the medium/long-term incentive plan, please refer to paragraph 4.5 of the management report.

Service costs mainly consist of costs related to the Group's operating activities, i.e., costs incurred for *trials* in clinical centers and costs related to outsourced research and development services. The most significant changes are:

- (i) The increase of €2,285 thousand in the "Monetary Incentive Plan" (MBO) following the increase, compared to the previous period, in the maximum impact of the MBO on the annual remuneration of executive directors and the "Medium/Long-Term Incentive Plan" (*stock grant*) (for further details, please refer to paragraph 4.5 of the interim report on operations);
- (ii) The increase of €1,516 thousand in costs relating to clinical centers is attributable to higher costs incurred in the period ended June 30, 2024, compared to the previous period, due to the progress of ongoing *trials*, mainly in the United States;
- (iii) The increase of €619 thousand in corporate and consulting expenses and utilities and general expenses is mainly linked to higher costs incurred for consulting services that were necessary in order to formalize the license agreement signed in June 2025 by the subsidiary Philochem AG and RayzeBio Inc. (a wholly owned subsidiary of Bristol-Myers Squibb). For further details on the agreement, please refer to paragraph 4.1 of the interim management report.
- (iv) The increase of €497 thousand in costs relating to research and development services linked to ongoing activities for GMP manufacturing contracts signed in previous years;
- (v) The increase of €290 thousand relating to directors' fees and contributions and the provision for severance indemnities, mainly linked to the increase in executive directors' fees following the appointment of the Board of Directors on April 29, 2025 (for further details, please refer to paragraph 4.6 of the interim management report);
- (vi) The decrease of €304 thousand in other service costs is mainly related to general expenses compared to the previous period. It should be noted that this cost item includes certain general costs such as transport, insurance, advertising, bank commissions and fees, and various consulting fees.

### Costs for use of third-party assets

The costs for the use of third-party assets amounted to €235 thousand in the period ended June 30, 2025, compared to €175 thousand at June 30, 2024, showing a slight increase of approximately €60 thousand. This item includes rental expenses, exclusively in relation to *leases* with a duration of less than twelve months and those of a negligible amount (excluded from the scope of IFRS 16 by ) and variable fees related to ancillary expenses quantified on a final balance basis, which are also not included in the calculation of financial liabilities and related rights of use pursuant to IFRS 16. Specifically, in view of the increase in personnel during the reporting period, there was an increase in costs for the use of

third-party assets, attributable to higher costs incurred for new corporate license/software contracts with a duration of less than one year.

### Personnel costs

The following table shows the breakdown of the Group's personnel costs for the periods ended June 30, 2025, and June 30, 2024:

<i>Figures in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Wages and salaries	5,605	5,122
Personnel costs for group incentive plans	1,264	1,016
Management by objectives (MBO)	214	9
Social security contributions	1,021	1,122
Provision for employee severance indemnities	15	197
<b>Total personnel costs</b>	<b>8,118</b>	<b>7,466</b>

The increase in personnel costs, amounting to €653 thousand, is mainly attributable to the increase in the average number of employees, as shown in the table below, as well as to the higher cost associated with group incentive plans for the provision as at June 30, 2025. For further details on the incentive plan, please refer to note 25 of the condensed consolidated half-year financial statements.

	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Change</b>
Average number of employees	193	174	19

For the exact number of employees as of June 30, 2025, and December 31, 2024, please refer to paragraph 12 of the interim management report.

### Amortization and depreciation

The breakdown of the item "Depreciation and amortization" for the periods ended June 30, 2025, and June 30, 2024, is shown below:

<i>Figures in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Amortization of intangible assets	91	94
Depreciation of property, plant, and equipment	1,320	1,211
Amortization of right-of-use assets	552	492
<b>Total amortization</b>	<b>1,963</b>	<b>1,798</b>

Depreciation and amortization increased slightly compared to the previous period, showing a change of approximately €166 thousand, mainly attributable to depreciation and amortization relating to investments made in the period between June 2024 and June 2025. For further details on investments, please refer to note 10 of the condensed consolidated half-year financial statements.

### Other operating costs

The breakdown of the item "Other operating costs" for the periods ended June 30, 2025, and June 30, 2024, is shown below:

<i>Figures in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Membership fees	10	9
Company vehicle costs	10	9
Taxes and duties	55	46
Entertainment expenses	13	20
Other operating costs	53	206
<b>Total other operating costs</b>	<b>141</b>	<b>289</b>

Other operating costs are mainly attributable to contingent liabilities and other operating expenses and show a decrease compared to the previous period.

## 7. Financial income and expenses

Financial income and expenses are composed as follows:

<i>Figures in thousands of euros</i>	Period ended June 30	
	2025	2024
<b>Financial income</b>		
Capital gains from the sale of financial assets <sup>(*)</sup>	1,332	727
Capital gains from the valuation of financial assets at <i>fair value</i>	394	765
Interest income	72	235
Gains on foreign exchange transactions	87	139
Gains on exchange rate valuation	786	1,708
<b>Financial income</b>	<b>2,670</b>	<b>3,571</b>
<b>Financial expenses</b>		
Losses on valuation of financial assets at <i>fair value</i>	(407)	(79)
Losses on disposal of financial assets	(18)	(122)
Interest expense on leases	(167)	(170)
Interest expense on bank loans	-	(65)
<i>Interest cost</i> for employee benefits	(20)	(17)
Foreign exchange losses on realisation	(73)	(48)
Foreign exchange losses on valuation	(1,509)	(1,532)
<b>Financial expenses</b>	<b>(2,194)</b>	<b>(2,033)</b>
<b>Total financial income (expenses)</b>	<b>477</b>	<b>1,538</b>

<sup>(\*)</sup> This item includes capital gains on disposals, coupons and dividends received.

Net financial income for the period ending June 30, 2025 shows a net positive result of €477 thousand (positive for €1,538 thousand for the period ended June 30, 2024), showing a decrease of approximately 67%.

As can be seen from the above details, the main change is attributable to net gains on foreign exchange valuation (translation risk) resulting from the different functional currencies of the subsidiary (Swiss franc) and the parent company (euro), which experienced greater volatility in the first six months of 2025 compared to the same period of the previous year.

For further details on the composition of the securities portfolio, please refer to note 17 of the condensed consolidated half-year financial statements.

## 8. Taxes

The Group has allocated taxes based on the application of current tax regulations.

Current taxes at June 30, 2025, refer to taxes calculated in accordance with Swiss tax regulations on the net equity of the subsidiary. Deferred taxes refer exclusively to the reversal of the tax effects recognized during the transition to IAS/IFRS international accounting standards.

The table below shows a breakdown of income taxes recorded in the period ending June 30, 2025, and June 30, 2024:

<i>Figures in thousands of euros</i>	Period ended June 30	
	2025	2024
Current taxes	24	(10)
Deferred taxes	436	2
<b>Total taxes</b>	<b>461</b>	<b>(8)</b>

### Reconciliation of effective tax rate

Reconciliation between the tax expense reported in the condensed consolidated half-year financial statements and the theoretical tax expense calculated based on the IRES tax rate applicable to the Group for the periods ended June 30, 2025, and June 30, 2024, respectively:

<i>Figures in thousands of euros</i>	Period ended June 30	
	2025	2024
Profit before tax	(15,355)	(15,509)
Theoretical tax rate	-24.0	-24.0
<b>Theoretical IRES tax (expense)/benefit (A)</b>	<b>3,685</b>	<b>3,722</b>
<b>Adjustments for:</b>		
<b>Effect</b>		
Tax effect on Research and Development Credit relief	745	169
Tax effect on Industry 4.0 Credit relief	47	45
Tax effect on unrecognized tax losses	(3,095)	(3,564)
Tax effect on other increases (decreases)	(655)	(181)
Tax effect on the Group's different tax rates	(220)	(196)
<b>Total adjustments (B)</b>	<b>(3,225)</b>	<b>(3,730)</b>
<b>Total effective income taxes (A+B)</b>	<b>461</b>	<b>(8)</b>
<b>Effective tax rate</b>	<b>-3.0</b>	<b>0.0</b>

For further details on the tax credits available to the Group, please refer to note 16 of the condensed consolidated half-year financial statements.

### Changes in deferred taxes during the period

The following table provides details and changes in deferred tax assets and liabilities from January 1 to December 31, 2024, and from January 1 to June 30, 2025, whose balances originate exclusively from the transition to IAS/IFRS accounting standards:

<i>Figures in thousands of euros</i>	Carrying amount at January 1, 2024	Utilization	Accrual	Exchange rate effect	Carrying amount at December 31, 2024
<b>Deferred tax assets</b>					
Assets for right of use	2,180	(199)	-	(9)	1,972
Deferred taxes on previous losses	-	-	8,357	-	8,357
IAS 19 reserve (recognized in comprehensive income)	6	-	3	-	9
Cash flow hedge reserve (recognized in comprehensive income)	52	(50)	-	-	100
IFRS 9 reserve (recognized in comprehensive income)	66	(11)	45	-	2
<b>Total deferred tax assets</b>	<b>2,305</b>	<b>(260)</b>	<b>8,405</b>	<b>(9)</b>	<b>10,441</b>
<b>Deferred tax liabilities</b>					
Other financial assets	6	-	-	-	6
Assets for right of use	2,180	(199)	-	(9)	1,972
Intangible assets	157	(11)	3	-	149
IFRS 9 reserve (recognized in comprehensive income)	65	(13)	77	-	129
Hedging cost reserve	9	(9)	-	-	-
<b>Total deferred tax liabilities</b>	<b>2,417</b>	<b>(232)</b>	<b>80</b>	<b>(9)</b>	<b>2,256</b>

*Figures in thousands of euros*

	Book value at January 1, 2025	Utilization	Accrual	Other changes	Exchange rate effect	Carrying amount at June 30, 2025
<b>Deferred tax assets</b>						
Assets for right of use	1,972	(87)	-	-	6	1,891
Deferred taxes on previous losses <sup>(1)</sup>	8,357	-	-	2,373	-	10,730
IAS 19 reserve (recognized in comprehensive income)	9	(11)	1	-	-	(1)
Cash flow hedge reserve (recognized in comprehensive income)	2	(2)	-	-	-	-
IFRS 9 reserve (recognized in comprehensive income)	100	-	51	-	-	151
<b>Total deferred tax assets</b>	<b>10,441</b>	<b>(100)</b>	<b>52</b>	<b>2,373</b>	<b>6</b>	<b>12,772</b>
<b>Deferred tax liabilities</b>						
Other financial assets	6	-	-	-	-	6
Assets for right of use	1,972	(87)	-	-	6	1,891
Intangible assets	149	(4)	4	-	(3)	146
IFRS 9 reserve (recognized in comprehensive income)	129	-	122	-	-	251
<b>Total deferred tax liabilities</b>	<b>2,256</b>	<b>(91)</b>	<b>126</b>	<b>3</b>	<b>2,294</b>	

<sup>(1)</sup> As of June 30, 2025, other changes relating to the item "Direct taxes on previous losses" are due to the final calculation of taxes for the 2024 financial year made in the tax returns.

### Uncertainties regarding the accounting treatment to be applied to taxes

Please refer to paragraph 4.7 of the interim report on operations.

## 9. Earnings/(loss) per share

The basic loss per share was calculated considering the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period ended June 30, 2025, and June 30, 2024.

The calculation of diluted loss per share was made considering the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period to take into account the effects of all potential ordinary shares with a dilutive effect.

The following table shows the income and information on the shares used to calculate basic and diluted earnings per share:

<i>Data in thousands of euros</i>	Period ended June 30	
	2025	2024
<b>Basic and diluted earnings (loss) per share</b>		
Profit (Loss) for the period – in thousands of euros (A)	(14,894)	(15,516)
Weighted average number of ordinary shares outstanding (B)	40,070,260	40,289,596
Weighted average number of potential dilutive ordinary shares outstanding (C)	-	-
Weighted average number of outstanding stock options granted (D)	-	-
Weighted average number of shares outstanding adjusted for dilution (E=B+C+D)	40,070,260	40,289,596
Basic earnings (loss) per share - in euros (A/B*1000)	(0.37)	(0.39)
Diluted earnings (loss) per share – in euros (A/C*100)	(0.37)	(0.39)

(A) Profit (Loss) for the year.

(B) Weighted average number of ordinary shares outstanding.

(D) The weighted average number of share options granted outstanding, potentially equal to 1,152,940 *Units* as of June 30, 2025, and 858,000 *Units* as of June 30, 2024, was considered equal to 0 for calculation purposes, as, in accordance with IAS 33, at the end of the period, these instruments did not have the characteristics necessary to be issued. For further information, please refer to note 25 of the condensed consolidated half-year financial statements.

## Assets

### 10. Property, plant, and equipment

The following table shows the changes in property, plant, and equipment from January 1 to December 31, 2024, and from January 1 to June 30, 2025:

<i>Figures in thousands of euros</i>	Plant and machinery	Industrial and commercial equipment	Improvements to third-party assets	Other tangible assets	Assets under construction and advances	Buildings and land	Total
Historical cost	9,046	13,165	275	1,047	1,664	2,514	27,711
Accumulated depreciation	(3,328)	(7,660)	(65)	(745)	-	-	(11,798)
<b>Net book value as of January 1, 2024</b>	<b>5,718</b>	<b>5,504</b>	<b>211</b>	<b>302</b>	<b>1,664</b>	<b>2,514</b>	<b>15,912</b>
Increases	262	606	99	111	1,089	-	2,167
(Decreases)	-	-	-	-	-	-	-
Reclassifications	37	-	-	-	(2,272)	-	(2,235)
Depreciation	(1,086)	(1,250)	(103)	(126)	-	-	(2,565)
Exchange rate effects (historical cost)	(21)	(62)	2,235	(4)	-	-	2,148
Exchange rate effect (accumulated depreciation)	6	36	-	3	-	-	45
Historical cost	9,324	13,709	2,609	1,154	481	2,514	29,792
Accumulated depreciation	(4,409)	(7,660)	(65)	(745)	-	-	(14,318)
<b>Net book value at December 31, 2024</b>	<b>4,915</b>	<b>4,835</b>	<b>2,442</b>	<b>286</b>	<b>481</b>	<b>2,514</b>	<b>15,473</b>
Increases	141	449	63	14	993	-	1,660
(Decreases)	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Amortization	(539)	(639)	(89)	(53)	-	-	(1,320)
Exchange rate effects (historical cost)	9	20	(0)	1	0	-	30
Exchange rate effect (accumulated depreciation)	(3)	209	(103)	(125)	-	-	(22)
Historical cost	9,474	14,178	2,672	1,169	1,474	-	31,481
Accumulated depreciation	(4,951)	(9,530)	(257)	(922)	-	-	(15,660)
<b>Net book value at June 30, 2025</b>	<b>4,523</b>	<b>4,648</b>	<b>2,415</b>	<b>247</b>	<b>1,474</b>	<b>2,514</b>	<b>15,821</b>

Plant and machinery show an increase of €141 thousand and mainly refer to the fitting out and/or renovation of laboratories and production sites instrumental to operating activities.

Industrial and commercial equipment shows an increase of €449 thousand and mainly includes the purchase cost incurred to equip and renovate production units.

Leasehold improvements show an increase of €63 thousand and refer to improvements made during the first half of 2025 to the Group's leased properties. From an accounting point of view, these leasehold improvements are amortized over the entire term of the lease of the asset to which they refer. In this specific case, the useful life was estimated considering a tacit renewal of the current lease agreement for the Rosia (Siena) site, in accordance with the provisions of International Accounting Standard IFRS 16, and therefore the depreciation process will be completed in the 2034 financial year. Please refer to the section on accounting standards for specific aspects of IAS 16 and IFRS 16.

Other tangible assets show an increase of €14 thousand and mainly refer to company cars and furniture and furnishings. Company cars are partly granted for mixed use to employees, partly assigned to certain members of the Board of Directors, and partly available to company staff.

Assets under construction show an increase of €993 thousand and mainly refer to the renovation of the production site in Montarioso (Siena) and the construction of a private-company car park with photovoltaic panel coverage at the Rosia site (Siena).

Buildings and land refer to the new building adjacent to the Philogen plant located in Montarioso (Siena), purchased in August 2023 and intended for future expansion of the Company. In line with IAS 16, the asset has not been depreciated as it is not in the condition necessary for company use.

## 11. Intangible assets

The following table shows the changes in intangible assets from January 1 to December 31, 2024, and from January 1 to June 30, 2025:

<i>Figures in thousands of euros</i>	Patent rights and rights to use intellectual property	Concessions, licenses, trademarks, and similar rights	Intangible assets in progress and advances	Other intangible assets	Total
Historical cost	2,870	538	-	5	3,413
Accumulated depreciation	(1,858)	(309)	-	-	(2,167)
<b>Book value as of January 1, 2024</b>	<b>1,011</b>	<b>229</b>	<b>-</b>	<b>5</b>	<b>1,245</b>
Increases	221	24	-	-	251
(Decreases)	-	-	-	-	-
Reclassifications	-	-	-	-	-
Amortization	(229)	(97)	-	-	(326)
Exchange rate effect	(6)	0	-	-	(7)
Historical cost	3,084	562	-	6	3,652
Accumulated depreciation	(2,087)	(406)	-	-	(2,493)
<b>Net book value at December 31, 2024</b>	<b>998</b>	<b>156</b>	<b>-</b>	<b>6</b>	<b>1,159</b>
Increases	138	4	18	-	160
(Decreases)	-	-	-	-	0
Reclassifications	-	-	-	-	0
Amortization	(48)	(43)	-	-	(91)
Exchange rate effect	3	-	-	-	3
Historical cost	3,221	566	18	6	3,811
Accumulated depreciation	(2,131)	(449)	-	-	(2,581)
<b>Net book value at June 30, 2025</b>	<b>1,090</b>	<b>116</b>	<b>18</b>	<b>6</b>	<b>1,230</b>

As of June 30, 2024, the Group owns over 40 international patent families and over 100 valid national patents. The increases recorded in the period ended June 30, 2025, amounting to €138 thousand, relate to expenses incurred by the Group for the filing of new patent applications, their nationalization, and the granting of patents in specific countries around the world.

Concessions, licenses, and trademarks mainly include the cost of trademarks and company software licenses and show no change compared to the period ended December 31, 2024.

It should also be noted that there are no assets with an indefinite useful life, goodwill, or intangible assets not yet in use.

## 12. Right-of-use assets and lease liabilities

The main financial information relating to the Group's lease agreements, in which it acts exclusively as lessee, is shown in the following tables:

<i>Data in thousands of euros</i>	Real estate	Cars	IT services	Total
Historical cost	13,322	246	329	13,897
Accumulated depreciation	(3,525)	(139)	(270)	(3,933)
<b>Carrying amount at December 31, 2023</b>	<b>9,798</b>	<b>107</b>	<b>59</b>	<b>9,964</b>
Increases	497	-	-	497
(Decreases)	-	-	-	-
Amortization	(887)	(34)	(85)	(1,006)
Exchange rate effect	(53)	-	-	(53)
Historical cost	13,755	246	329	14,329
Accumulated depreciation	(4,400)	(173)	(355)	(4,928)
<b>Book value at December 31, 2024</b>	<b>9,355</b>	<b>73</b>	<b>(26)</b>	<b>9,402</b>
Increases	79	94	326	498
(Decreases)	-	-	-	-
Amortization	(454)	(24)	(75)	(552)
Exchange rate effect	22	-	-	22

Historical cost	13,864	340	654	14,858
Accumulated depreciation	(4,862)	(196)	(430)	(5,488)
<b>Carrying amount at June 30, 2025</b>	<b>9,002</b>	<b>143</b>	<b>224</b>	<b>9,370</b>

Right-of-use assets for the period ended June 30, 2025, mainly relate to the lease of properties used by the Group for the management of its operating activities. The increases recorded during the first half of 2025, amounting to €79 thousand, relate to ISTAT adjustments to the rent provided for in the relevant contracts. It should be noted that these contracts were entered into in 2019 following the functional and structural reorganization of the Group, through which the real estate business was separated from the operating business.

The following table shows the changes in financial liabilities for leases from January 1 to December 31, 2024, and from January 1 to June 30, 2025:

<i>Figures in thousands of euros</i>	
<b>Lease liabilities at January 1, 2024</b>	<b>12,099</b>
Increases	497
Decreases	-
Capital repayments	(992)
Exchange rate effect	(98)
<b>Lease liabilities as of December 31, 2024</b>	<b>11,507</b>
Increases	498
Decreases	-
Capital repayments	(562)
Exchange rate effect	13
<b>Lease liabilities as of June 30, 2025</b>	<b>11,456</b>
Of which current	1,157
Of which non-current	10,299

The following table shows the reconciliation of cash outflows relating to leases for the periods ended June 30, 2024, and 2025:

<i>Data in thousands of euros</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Principal portion of real estate	469	435
Interest expense on leases (real estate)	163	167
Principal portion of motor vehicles	20	13
Interest expense on leases (cars)	1	1
Principal portion of IT services	73	42
Interest expense on leases (IT services)	3	2
<b>Total cash outflows for leases</b>	<b>729</b>	<b>660</b>

It should be noted that, for the purposes of determining *lease* liabilities and related rights-of-use assets, the Group applied:

- i. a discount rate of 2.73% for leases relating to real estate, cars, and IT services leased to the Parent Company;
- ii. for leases relating to the property leased to the Swiss subsidiary Philochem AG, a discount rate of 3.10%.

As of June 30, 2025, the Group has not identified any indicators of impairment losses relating to right-of-use assets.

### **Impairment test**

We note that, as of June 30, 2025, there were no elements that led the Directors to believe that the reasons that led to the recognition of property, plant, and equipment, intangible assets, and right-of-use assets were no longer valid; nor have any further indicators of impairment emerged that would lead the Directors to believe that there may be a reduction in the value of property, plant and equipment, intangible assets, and right-of-use assets; consequently, it was not necessary to perform impairment tests on the value recorded in the condensed consolidated half-year financial statements.

## **13. Inventories**

Details of inventories are as follows:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Raw materials and consumables	4,301	3,260
<b>Total inventories</b>	<b>4,301</b>	<b>3,260</b>

Raw materials and consumables include inventories valued at the lower of purchase cost and market value.

At June 30, 2025, inventories amounted to €4,301 thousand, an increase mainly due to the increased procurement of consumables used in the Group's operations.

## 14. Contract assets and liabilities

Contract assets relate to *performance obligations* fulfilled over time and are measured on a *cost-to-cost* basis as they are the subject of a contract already finalized with the customer.

Contract assets are recognized among assets net of related liabilities if, based on a contract-by-contract analysis, the gross value of the activities performed to date exceeds the advances received from customers. Conversely, if the advances received from customers exceed the related contract assets, the excess is recognized among liabilities.

The net balance of assets and liabilities arising from contracts is composed as follows: *Contracts with a positive net balance*

<i>Data in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Advance payments received from customers	(1,859)	(1,350)
Revenue recognized on advances received	7,016	4,611
<b>Assets from contracts with customers</b>	<b>5,157</b>	<b>3,261</b>

### *Contracts with negative net balance*

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Advance payments received from customers	5,565	685
Revenue recognized on advances received	(3,032)	(41)
<b>Liabilities from contracts with customers</b>	<b>2,533</b>	<b>643</b>

Advance payments received from customers mainly refer to *up-front fees* collected in relation to *performance obligations* that the Group must fulfill in the future, which are recognized *over time* based on the progress of the related contract costs (revenue recognized on advance payments).

Contract assets and liabilities arise from the balance of the two items indicated above.

Contract liabilities with customers are classified as current liabilities as the Group expects to complete its *performance obligations* within the next 12 months.

## 15. Trade receivables

The item "Trade receivables" is composed as follows:

<i>Data in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Trade receivables	969	760
<b>Total trade receivables</b>	<b>969</b>	<b>760</b>

As of June 30, 2025, trade receivables from customers amounted to €969 thousand, an increase of approximately 28% compared to December 31, 2024. The change is mainly attributable to the invoicing of some of the activities completed during the first half of 2025 provided for in contracts in progress for GMP production on behalf of third parties.

Overdue credit positions are monitored by the administrative department through periodic analysis of the main positions. The estimate of the expected loss pursuant to IFRS 9 ("*Expected Credit Loss*") is not significant for the type of customers of the Group, the contractual terms provided for, and the timing of collection of receivables.

Breakdown of receivables recorded under current assets by geographical area

The following table shows the breakdown by geographical area of receivables recorded under current assets.

Data in thousands of euros	Geographical area	
	June 30 2025	December 31 2024
Italy	160	330
European Union	660	24
Outside the European Union (USA)	-	56
Outside the European Union (Other)	149	350
<b>Total trade receivables</b>	<b>969</b>	<b>760</b>

## 16. Tax receivables and payables

The item "Tax receivables" is composed as follows:

Figures in thousands of euros	June 30 2025	December 31 2024
VAT credits	2,580	2,318
Other tax credits	2,061	3,023
Miscellaneous tax credits	2,395	4,911
<b>Total tax credits</b>	<b>7,036</b>	<b>10,253</b>

The item "VAT receivables" amounting to €2,580 thousand is substantially unchanged compared to the year ended December 31, 2024, showing a slight increase of approximately 11%. It should be noted that the Company mainly makes purchases in Italy and sales abroad, so that VAT receivable cannot currently be offset against VAT payable but is used to offset other taxes.

The item "Other tax credits" includes IRES credits consisting of the residual value of *withholding* taxes withheld on the basis of international agreements on the granting of license rights and withholdings for withholding tax purposes on financial income and interest income.

The item "Miscellaneous tax credits" at June 30, 2025 includes the portion of tax credits available to the Company that can be offset in future years. The portion of these credits beyond the current year is reclassified under non-current assets in the item "Other non-current assets."

The following table shows the details of credits available as of June 30, 2025

- estimated research and development tax credit for the period from January 1 to June 3, 2025, amounting to €2,342 thousand, which will be offset in three equal annual installments, in accordance with the relevant legislation (Article 1, paragraph 200 of Law 160 of December 27, 2019, as subsequently amended by Article 1, paragraph 1064 of Law 178 of December 30, 2020)
- research and development tax credit for 2024 amounting to €3,791 thousand relating to the remaining portion to be offset, in accordance with the relevant legislation (Article 1, paragraph 200 of Law 160 of December 27, 2019, as subsequently amended by Article 1, paragraph 1064 of Law 178 of December 30, 2020)
- research and development tax credit for 2023 amounting to €1,160 thousand relating to the remaining portion to be offset, in accordance with the relevant legislation (Article 1, paragraph 200 of Law 160 of December 27, 2019, as subsequently amended by Article 1, paragraph 1064 of Law 178 of December 30, 2020);
- technological innovation tax credit for 2023 amounting to €331 thousand relating to the remaining portion to be offset, in accordance with the relevant legislation (Article 1, paragraph 200 of Law 160 of December 27, 2019, as subsequently amended by Article 1, paragraph 1064 of Law 178 of December 30, 2020);

- Industry 4.0 credit relating to the interconnection of the new GMP production plant at the Rosia site (Siena), for €2,586 thousand, for the remaining portion to be offset in accordance with the relevant legislation (Article 1, paragraphs 184 to 194 of Law 160/2019 and Article 1, paragraphs 1051 to 1063 of Law 178/2020);

As of June 30, 2025, the portion of the above tax credits that can be offset beyond the year amounts to €3,188 thousand.

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Non-current tax receivables	3,188	1,626
<b>Other non-current assets</b>	<b>3,188</b>	<b>1,626</b>

The item "Tax payables" is composed as follows:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Current income tax liabilities	-	1,865
Tax liabilities for withholding taxes	188	271
Other tax liabilities	-	-
<b>Total tax liabilities</b>	<b>188</b>	<b>2,135</b>

The Group has quantified a tax burden for current taxes equal to zero for the period ended June 30, 2025.

Tax liabilities for withholding taxes remained substantially unchanged compared to the previous year.

## 17. Other current financial assets

The following is an analysis of changes in other current financial assets:

<i>Figures in thousands of euros</i>	<b>Other current financial assets</b>
<b>Carrying amount at December 31, 2023</b>	<b>59,709</b>
Increases	47,292
(Decreases)	(25,652)
Plus/minus from <i>fair value</i> adjustment	1,405
Accrued income on coupons accruing	39
<b>Carrying amount at December 31, 2024</b>	<b>83,154</b>
Increases	17,148
(Decreases)	(11,413)
Plus/minus from fair value adjustment	(509)
Accrued income on coupons accruing	46
<b>Carrying amount at June 30, 2025</b>	<b>88</b>

The Group invests cash in excess of ordinary requirements in financial instruments, in accordance with the "Investment Management Policy" approved by the Board of Directors for the first time after listing and amended periodically based on business needs and market trends.

The item "Other current financial assets" includes:

- i) the balance relating to financial instruments held in the portfolio, consisting of insurance policies, equity instruments, and fund units, held for the collection of contractual cash flows and sale, and whose contractual terms do not provide exclusively for principal repayments and interest payments on the principal amount to be repaid (i.e., that do not exceed the so-called "SPPI test"), which have been mandatorily measured at *fair value* through profit or loss (FVTPL);
- ii) the balance relating to the bond portion of the existing portfolio that has been measured at *fair value* without any impact on profit (loss) for the period (FVTOCI) (as it exceeds the so-called "SPPI test").

Details of financial assets broken down by type of instrument and accounting method are provided below:

<i>Data in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
<b>Other financial assets (FVTPL)</b>		
Equity	404	322
ETFs	1,845	1,784
Certificates	10,611	5,662
Funds	4,889	4,776
Insurance investment products	15,970	15,908
<b>Total</b>	<b>33,719</b>	<b>28,452</b>
<b>Other financial assets (FVOCI)</b>		
Bonds	55,120	54,703
<b>Total</b>	<b>55,120</b>	<b>54,703</b>
<b>Total other current financial assets</b>	<b>88,839</b>	<b>83,154</b>

## 18. Other current assets

The item "Other current assets" is composed as follows:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Other current receivables	863	683
Other current assets	510	380
<b>Other current assets</b>	<b>1,373</b>	<b>1,062</b>

Other current receivables mainly refer to advances to third-party suppliers and various types of receivables.

Other current assets mainly include prepaid expenses relating to costs incurred in advance and recorded in the condensed consolidated half-year financial statements for the portion pertaining to the period.

## 19. Cash

The breakdown of cash and cash equivalents is shown below:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Bank and postal deposits	11,181	30,571
Cash and valuables on hand	1	3
<b>Cash and cash equivalents</b>	<b>11,182</b>	<b>30,574</b>

The Group holds current accounts in both euros and foreign currencies (USD and CHF).

It should be noted that during the first half of 2025, two restricted current account contracts expired, of which: the first in February 2025 (outstanding at December 31, 2024) for a total amount of €5,000 thousand at a rate of 2.73%, the second in June 2025 (signed in March 2025) for a total amount of €5,000 thousand at a rate of 3.00%. In the first half of 2025, restricted current accounts generated cash flows from interest income of €53 thousand.

## 20. Shareholders' equity and liabilities

The statement of changes in consolidated shareholders' equity at June 30, 2025, is shown in the financial statements section.

As already specified in the introduction, on March 3, 2021, the Company was admitted to listing on the Mercato Telematico Azionario (electronic stock market) organized and managed by Borsa Italiana S.p.A. Specifically, 4,061,111 shares were issued, corresponding to approximately 10% of the share capital at the start of trading, at a price of €17 each.

## A. Share capital and shares

The shares issued by the Parent Company represent the entire share capital of €5,731,226.64, which consists of 40,611,111 shares. The categories of shares held are as follows:

Share categories	June 30, 2025
Ordinary shares (listed on the EXM market)	29,242,861
Special shares with multiple voting rights (Class B)	11,368,250
<b>Total</b>	<b>40,611,111</b>

The Parent Company has not issued any dividend rights shares.

The main characteristics of the types of shares listed above are shown below.

### Ordinary shares

Ordinary shares are registered, indivisible, freely transferable, and confer equal rights on their holders. In particular, each ordinary share entitles the holder to one vote at ordinary and extraordinary shareholders' meetings, as well as other financial and administrative rights in accordance with the Articles of Association and the law.

### Multiple voting shares

Multiple voting shares confer the same rights and obligations as ordinary shares and have the following characteristics:

- a) they confer a voting right in shareholders' meetings equal to 3 votes;
- b) they are automatically converted into Ordinary Shares at a ratio of one ordinary share for each Multiple Voting Share (without the need for resolutions by either the special shareholders' meeting of holders of Multiple Voting Shares or the Company's shareholders' meeting) in the event of a change of control of the Company or transfer of Multiple Voting Shares to persons who do not already hold Multiple Voting Shares;
- c) may be converted, in whole or in part, even in several *tranches*, into Ordinary Shares upon simple request by the holder thereof, to be sent to the Chairman of the Board of Directors and in copy to the Chairman of the Board of Statutory Auditors, at a ratio of one Ordinary Share for each Multiple Voting Share.

## B. Nature and purpose of reserves

The composition of shareholders' equity is shown below, indicating the nature and purpose of the reserves:

Figures in thousands of euros	Nature	Possibility of use	June 30, 2025	December 31 2024
Capital			5,731	5,731
Negative reserve for treasury shares <sup>(*)</sup>			(5,545)	(4,187)
Share premium reserve	Capital	A, B, C	93,128	93,128
Legal reserve	Profits	A, B	3,156	892
FTA reserve	Profits	A, B	(1,265)	(1,265)
Merger surplus reserve	Capital	A, B	449	449
Actuarial gains/losses reserve	Gains	A, B	1	(24)
Financial instrument valuation reserve	Profits	A, B	235	95
Reserve for translation differences	Profits	A, B	1,492	1,456
Restricted profit reserve for capital increase to service the 2024-2026 <i>Stock Grant Plan</i> <sup>(**)</sup>	Profits	A	(124)	(124)
Reserve for share-based payments <sup>(***)</sup>	Profit	A	6,576	3,373
Retained earnings (losses)	Profits	A, B, C	36,870	(6,156)
Profit (loss) for the year			(14,894)	45,292
<b>Shareholders' equity</b>			<b>125,810</b>	<b>138,657</b>

<sup>(\*)</sup> The negative reserve for treasury shares includes the value of shares purchased by the Company in accordance with the purchase program approved by the Board of Directors on November 24, 2021.

<sup>(\*\*)</sup> The reserve for profits tied to the free and divisible capital increase to service the 2024-2026 *Stock Grant Plan*. The reserve will remain tied to servicing the plan until the final subscription date of December 31, 2026.

<sup>(\*\*\*)</sup> The Share-based payments reserve includes the *fair value* of the shares allocated by the 2024-2026 *Stock Grant Plan* for the second and third cycles, as well as

the first cycle of the 2027-2029 *Stock Grant Plan* and the 2024-2026 share ownership plan for directors. For further details on the *Stock Grant Plan*, please refer to note 25 of the consolidated financial statements.

Key:

- A) For capital increase
- B) For loss coverage
- C) For distribution to shareholders

**C. Incentive plan with share-based payment**

On May 31, 2021, the Company's Ordinary Shareholders' Meeting approved an incentive plan pursuant to Article 114-bis of the Consolidated Law on Finance (TUF) called the "2024-2026 *Stock Grant Plan*" reserved for Group employees and granted the Board of Directors all necessary and appropriate powers to implement it.

In support of the aforementioned Plan, the Shareholders' Meeting also approved a free, divisible share capital increase, pursuant to Article 2349 of the Italian Civil Code, to be carried out by the deadline of December 31, 2026, for a maximum amount of €123,974, to be allocated entirely to share capital, and to establish a specific reserve for the same amount, a specific reserve, drawing it from the retained earnings reserve, called "Reserve for capital increase to service the 2024-2026 *Stock Grant Plan*," which will remain restricted to service the free capital increase until the final subscription deadline.

On September 28, 2021, the Company's Board of Directors, upon the recommendation of the Nomination and Compensation Committee, approved the regulations for the aforementioned Plan and implemented it, identifying the beneficiaries and defining the performance objectives and related *targets* for the first allocation cycle 2021-2024, assigning a total of 145,000 *Units*.

On October 11, 2022, the Company's Board of Directors, following a positive opinion from the Nomination and Remuneration Committee, identified the beneficiaries and defined the performance objectives and related *targets* for the second allocation cycle 2022-2025, assigning a total of 139,000 *Units*.

On November 7, 2023, the Company's Board of Directors, following a positive opinion from the Nomination and Remuneration Committee, identified the beneficiaries and defined the performance objectives and related *targets* for the second allocation cycle 2023-2026, assigning a total of 619,000 *Units*.

With reference to the "2024-2026 *Stock Grant Plan*" reserved for Group employees, approved on May 31, 2021, by the Company's Ordinary Shareholders' Meeting, on November 7, 2024, the Board of Directors verified the achievement of the objectives assigned to the beneficiaries of the first cycle of the aforementioned Plan and consequently approved the allocation of shares to the beneficiaries according to the parameters set out in the *stock grant plan*.

In addition, at the Company's Ordinary Shareholders' Meeting on April 29, 2024, the following incentive plans were approved: the "2027-2029 *Stock Grant Plan*" (reserved for employees and consultants of the Philogen Group) and the "2024-2026 Share Ownership Plan for Directors" (reserved for executive directors of the Philogen Group).

The Board of Directors, meeting on November 7, 2024, following the favorable opinion of the Nomination and Remuneration Committee, approved the regulations, identified the beneficiaries, defined the *performance* objectives and related *targets*, and approved the respective Regulations of the aforementioned Plans.

At the Company's Ordinary Shareholders' Meeting on April 29, 2025, amendments were made to the Information Documents for the following incentive plans: the "2027-2029 *Stock Grant Plan*" (reserved for employees and consultants of the Philogen Group) and the "2024-2027 Share Ownership Plan for Directors" (originally called the "2024-2026 Share Ownership Plan for Directors," reserved for executive directors of the Philogen Group).

The Board of Directors, meeting on May 27, 2025, following the favorable opinion of the Nomination and Remuneration Committee, approved the updated regulations for both Plans and identified the beneficiaries of the "2024-2027 Shareholding Plan for Directors" and defined the *performance* objectives and related *targets* for the second cycle of the aforementioned Shareholding Plan. The characteristics of the 2027-2029 *Stock Grant Plan* and the 2024-2027 Share Ownership Plan for Directors, as amended by the Shareholders' Meeting, are illustrated in the respective Information Documents and related Regulations available and consultable on the Company's website at (<http://www.philogen.com/>).

The reserve at June 30, 2025 represents the cost accrued to date of the shares to be allocated to beneficiaries relating to the second and third allocation cycles of the 2024-2026 *Stock Grant Plan*, the first cycle of the "2027-2029 *Stock Grant*

Plan" and the first and second cycles of the "2024-2026 Share Ownership Plan for Directors" (reserved for executive directors of the Philogen Group).

Please refer to note 25 of the condensed consolidated half-year financial statements for further information.

#### **D. Purchase of treasury shares**

On April 29, 2024, the Ordinary Shareholders' Meeting, after revoking the resolution authorizing the purchase and disposal of treasury shares adopted on April 28, 2023, for the part not executed, authorized the Company to purchase, on one or more occasions, treasury shares, giving the Board of Directors a mandate, with the power to delegate to the Chairman of the Board of Directors and/or the Vice Chairman of the Board of Directors, if appointed, and/or the Chief Executive Officer, to proceed, including through specially appointed intermediaries, with the purchase of Philogen S.p.A. shares, establishing the relevant terms and conditions and the price per share, in compliance with applicable laws and regulations.

On December 20, 2024, the Board of Directors met and approved the launch of the share buyback program (the "Program") with (i) a maximum of 250,000 ordinary shares (ii) within the limits established by Article 2357, paragraph 3, of the Italian Civil Code, (iii) for a total expenditure not exceeding €5,000,000 in any case. The Program will run until December 29, 2025.

For further information on the share buyback program, please refer to paragraphs 4.4 and 13.2 of the interim management report.

## **21. Employee benefits**

This item includes all pension obligations and other benefits in favor of employees and executive directors, subsequent to the termination of employment or to being paid upon the fulfillment of certain requirements, and is represented by provisions for severance indemnities relating to the Parent Company's personnel and provisions for end-of-term indemnities relating to the Parent Company's executive directors.

#### Employee severance indemnities:

Liabilities for employee severance indemnities amounted to €1,155 thousand at June 30, 2025 (€1,142 thousand at December 31, 2024). The changes for the periods ending June 30, 2025, and December 31, 2024, are shown below:

<i>Data in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Balance at the beginning of the period	1,142	1,132
Utilizations	(59)	(219)
Provision for employee severance indemnities	93	194
Financial expenses	18	33
Actuarial gains/(losses)	(39)	1
<b>Total employee benefits</b>	<b>1,155</b>	<b>1,142</b>

Provisions for personnel represent the estimated obligation, determined on the basis of actuarial techniques, relating to the amount to be paid to employees upon termination of employment. As of June 30, 2025, and December 31, 2024, employee benefit provisions refer to severance pay (hereinafter "TFR") set aside and allocated to employees.

In accordance with IAS 19, the valuation of employee severance indemnities was carried out using the methodology set out in the recent provisions introduced by the National Order of Actuaries in conjunction with the competent bodies OIC, Assirevi, and ABI for companies with more than 50 employees.

The main assumptions made for the actuarial estimation process are shown below:

<b>Economic assumptions</b>	<b>June 30 2025</b>	<b>December 31 2024</b>
Annual inflation rate	2.00	2.00
Annual discount rate	3.21	3.18
Annual rate of increase in severance pay	3.00	3.00

<b>Annual turnover and severance pay advances</b>	<b>June 30 2025</b>	<b>December 31 2024</b>
Advance payment frequency	2.00	2.00
Turnover frequency	10.00	10.00

<b>Demographic recruitment</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Death	RG48 mortality tables published by the State General Accounting Office	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables broken down by age and gender 100% upon fulfillment of the AGO requirements in accordance with Legislative Decree No. 4/2019	INPS tables broken down by age and gender 100% upon fulfillment of the AGO requirements in accordance with Legislative Decree no. 4/2019
Retirement		

#### End-of-term severance pay

The severance indemnity, provided for in the Remuneration Policy approved by the Shareholders' Meeting on April 27, 2022, consists of an annual provision in favor of the Company's executive directors, equal to one twelfth of the annual remuneration net of actuarial adjustments, to be paid upon termination of office.

Liabilities for severance indemnities amounted to €206 thousand for the period ended June 30, 2025 (€152 thousand at December 31, 2024). The changes for the periods ending June 30, 2025, and December 31, 2024, are shown below:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Balance at the beginning of the period	152	70
Utilizations	-	-
Provision for final exam fees	49	79
Financial expenses	2	3
Actuarial gains/(losses)	3	-
<b>Total employee benefits</b>	<b>206</b>	<b>152</b>

The actuarial valuation of severance indemnities is carried out on the basis of the "benefits accrued" methodology using the "Projected Unit Credit" (PUC) criterion, as provided for in paragraphs 67-69 of IAS 19.

The main assumptions made for the actuarial estimation process are shown below:

<b>Economic assumptions</b>	<b>June 30 2025</b>	<b>December 31 2024</b>
Annual discount rate	2.35%	2.69
Annual compensation revaluation rate	-	-

<b>Demographic assumptions</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Death	RG48 mortality tables published by the State General Accounting Office	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables broken down by age and gender	INPS tables broken down by age and gender
Retirement	100% upon meeting AGO requirements	100% upon meeting AGO requirements
Frequency of mandate revocation	0.00	0.00

## 22. Current and non-current financial liabilities

The following table shows the changes in current and non-current financial liabilities for the periods ended June 30, 2025, and December 31, 2024:

<i>Data in thousands of euros</i>	<b>Amount</b>
<b>Financial liabilities at January 1, 2024</b>	<b>2,817</b>
Loans taken out	-
Financial liabilities from hedging derivatives	-
Liabilities for interest on loans	(32)
Credit cards	15

Principal repayments	(2,761)
Exchange rate effect	(2)
<b>Financial liabilities at December 31, 2024</b>	<b>36</b>
Liabilities for interest on loans	3
Credit cards	0
Principal repayments	1
Exchange rate effect	
<b>Financial liabilities as of June 30, 2025</b>	<b>40</b>
Of which current	
Of which non-current	

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Current financial liabilities	40	37
Non-current financial liabilities	-	-
<b>Total financial liabilities</b>	<b>40</b>	<b>37</b>

## 23. Trade payables

Trade payables to suppliers amounted to €13,471 thousand at June 30, 2025 (€9,550 thousand at December 31, 2024) and mainly relate to payables to the clinical centers where the Group conducts clinical trials and, for the remainder, to other suppliers of services and consumables.

The changes in trade payables during the period ended June 30, 2025 are shown below:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Trade payables	13,471	9,550
<b>Total trade payables</b>	<b>13,471</b>	<b>9,550</b>

### Breakdown of payables by geographical area

<i>Figures in thousands of euros</i>	<b>Geographical area</b>	
	<b>June 30 2025</b>	<b>December 31 2024</b>
Italy	4,231	3,317
European Union	3,458	3,369
Outside the European Union (USA)	3,934	1,806
Outside the European Union (other)	1,848	1,059
<b>Total trade payables</b>	<b>13,471</b>	<b>9,550</b>

## 24. Other current liabilities and non-current

The Group's other current liabilities for the period ended June 30, 2025, and December 31, 2024, are detailed below:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Payables to social security institutions	757	907
Accrued liabilities and deferred income	824	630
Other payables	1,785	1,702
<b>Other current liabilities</b>	<b>3,367</b>	<b>3,239</b>

Payables to social security institutions represent the amount owed to INPS and INAIL for withholdings to be paid and amounted to €757 thousand at June 30, 2025.

The "Accrued liabilities and deferred income" amounting to €824 thousand mainly relate to the deferred income from the Industry 4.0 tax credit certified in the 2022 financial year for a total of €2,586 thousand and, specifically, to its accounting treatment as a capital grant related to the depreciation period of the assets covered by the subsidy. For this reason, in the period ended June 30, 2025, the deferrals related to Industry 4.0 are classified under current liabilities for the portion that will be reversed to the income statement by July 2025 – June 2026, amounting to €391 thousand (€391 thousand at

December 31, 2024) and under non-current liabilities for the portion beyond July 2025 for €717 thousand (€1,107 thousand at December 31, 2024).

Other payables, amounting to €1,785 thousand at June 30, 2025, mainly refer to:

- Payables to employees for salaries to be paid, amounting to €1,564 thousand;
- Other payables of various kinds amounting to €221 thousand.

Below is a breakdown of other non-current liabilities:

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>December 31 2024</b>
Deferred income, non-current portion	717	1,107
<b>Other non-current liabilities</b>	<b>717</b>	<b>1,107</b>

## Other information

### 25. Share-based payment incentive plan

On May 31, 2021, the Company's Ordinary Shareholders' Meeting approved an incentive plan pursuant to Article 114-bis of the Consolidated Law on Finance (TUF) called the "2024-2026 *Stock Grant Plan*" (hereinafter also the "Plan") reserved for Group employees and granted the Board of Directors all necessary and appropriate powers to implement it.

In support of the aforementioned Plan, the Shareholders' Meeting also approved a free, divisible share capital increase, pursuant to Article 2349 of the Italian Civil Code, to be carried out by the deadline of December 31, 2026, for a maximum amount of €123,974, to be allocated entirely to share capital, and to establish a specific reserve for the same amount, a specific reserve, drawing from the retained earnings reserve, called "**Reserve for capital increase to service the 2024-2026 *Stock Grant Plan***," which will remain restricted to service the free capital increase until the final subscription deadline.

Specifically:

- on September 28, 2021, the Company's Board of Directors, upon the proposal of the Nomination and Compensation Committee, approved the regulations of the aforementioned Plan and implemented it, identifying the beneficiaries and defining the performance objectives and related *targets* for the first allocation cycle 2021-2024, assigning a total of 121,000 *Units*;
- On October 11, 2022, the Company's Board of Directors, following a positive opinion from the Nomination and Compensation Committee, identified the beneficiaries and defined the performance objectives and related *targets* for the second allocation cycle 2022-2025, assigning a total of 130,000 *Units*;
- On November 7, 2023, the Company's Board of Directors, following a positive opinion from the Nomination and Remuneration Committee, identified the beneficiaries and defined the performance objectives and related *targets* for the third allocation cycle 2023-2026, assigning a total of 619,000 *Units*.

#### Summary of the regulations

The Plan is divided into three cycles (2021, 2022, and 2023), each lasting three years, which provide for:

- the allocation of a certain number of *Units* (free of charge) to beneficiaries.
- the definition, at the time of allocation, of *performance targets*;
- a three-year *performance* period.
- the allocation of shares to beneficiaries, subject to the achievement of the *performance targets* set for the three-year period.

The Plan involves the allocation of a maximum of 877,286 *Units*, which entitle the beneficiaries to receive, free of charge, a maximum of 877,286 shares, corresponding to approximately 3% of the current share capital, with reference to ordinary shares only. The beneficiaries receive the shares following the allocation decided by the Board of Directors at the end of the performance period for each of the Plan cycles.

At the end of each Performance Period, the Board of Directors will assess whether any gate has been exceeded and whether the performance targets have been achieved, determining the number of shares to be allocated to each beneficiary. After ascertaining that any gate has been exceeded, the Board of Directors will assess the following:

a) achievement of corporate objectives: for each Cycle of the Plan, the allocation of shares is subject to the condition that the corporate objectives related to the Company's performance and/or the performance of the stock, which will be identified by the Board of Directors for each beneficiary, are achieved as a whole or in part. The Board of Directors, after consulting with the Nomination and Compensation Committee, verifies the achievement of corporate objectives at the end of the performance period of each Cycle of the Plan.

b) achievement of individual objectives: in addition to the corporate objectives, the Board of Directors, after consulting with the Nomination and Remuneration Committee, has drawn up individual objectives for each beneficiary of the Plan based on criteria mainly oriented towards: (i) the development of projects in which the individual Beneficiary is involved; (ii) the achievement of the results of these projects in accordance with the methods and timelines set by the Company and/or the Group; (iii) the obtaining of authorizations from the competent authorities in the biotechnology sector for the marketing of products developed by the Company and/or the Group; (iv) the conclusion of commercial agreements with leading companies in the research and development sector in which the Company operates. The Board of Directors, after consulting with the Nomination and Compensation Committee, verifies the achievement of individual objectives at the end of the performance period of each Cycle of the Plan.

c) the existence of an employment relationship between the Company or its subsidiary and the beneficiary on the date of allocation of the shares.

Individual performance targets will be measured with reference to the specific three-year period of each Cycle, starting from the relevant grant date.

The Plan will end on the date coinciding with the date of allocation of the shares relating to the third Cycle.

Further information on the Plan is provided in the information document available on the Company's website at (<http://www.philogen.com/>).

#### Evaluation criteria

The assessment was carried out by considering separately the two performance objectives, corporate and personal, assigned to each beneficiary. Specifically, the corporate performance component (known as '*market-based*') linked to the achievement of *the gate* and *target* of the Company's stock was estimated using stochastic simulation with the Monte Carlo method ( ), which, based on appropriate assumptions, made it possible to define a significant number of alternative scenarios over the time period considered.

Regarding individual performance targets, based on various assumptions of achievement, a probability of success estimated by the Company itself was defined.

For each option, the expected dividend rate and the annual probability of exit (representing an average value for previous years) were considered.

In particular, the following data were used in the *fair value* assessment at the grant date:

#### Second assignment cycle 2022-2025

Number of rights	Grant date	Expiration date	Price at the valuation date	Annual volatility	Dividend rate	Exit rate
127,000	November 1, 2022	October 31, 2025	13.820	29	0	0

#### Third allocation cycle 2023-2026

Number of rights	Allocation date	Expiry date	Price on valuation date	Annual volatility	Dividend rate	Exit rate
605,000	December 1, 2023	November 30, 2023	18.250	27.44	0	0

During 2024, two additional incentive plans were approved. One was for Company employees, called the 2027-2029 Stock Grant Plan, and the other was a single cycle share ownership plan for directors for 2024-2026.

The 2027-2029 Stock Grant Plan is aimed at Employees and Consultants who, at the sole and discretionary discretion of the Board of Directors, after consulting with the Nomination and Remuneration Committee, hold a key role and thereby actively contribute to the development of the Company. Like the previous plan, the Plan is divided into three cycles (2024, 2025, and 2026), each lasting three years. The characteristics are the same as those of the previous Stock Grant Plan, with the exception that the access gate has been eliminated.

The Plan involves the allocation of a maximum of 600,000 Units, which entitle the holders to receive a maximum of 600,000 Shares free of charge. Beneficiaries receive the Shares on the Allocation Date provided that, during the Performance Period, they have achieved the assigned Performance Targets, and their employment or consulting relationship continues. For each Beneficiary, the Allocation Letter specifies (i) the number of Units allocated, (ii) the company performance target, (iii) the date from which the Performance Period will commence.

Number of rights	Allocation date	Expiration date	Price on the valuation date	Annual volatility	Dividend rate	Exit rate
114,000	November 29, 2024	November 30, 2027	19.00		0	0

Finally, at the Company's Ordinary Shareholders' Meeting on April 29, 2025, amendments were made to the Information Documents of the following incentive plans: the "2027-2029 Stock Grant Plan" (reserved for employees and consultants of the Philogen Group) and the "2024-2027 Share Ownership Plan for Directors" (originally called the "2024-2026 Share Ownership Plan for Directors," reserved for executive directors of the Philogen Group).

The Board of Directors, meeting on May 27, 2025, following the favorable opinion of the Nomination and Remuneration Committee, approved the updated regulations for both Plans and identified the beneficiaries of the "2024-2027 Share Ownership Plan for Directors" and defined the *performance* objectives and related *targets* for the second cycle of the aforementioned Share Ownership Plan. The characteristics of the 2027-2029 Stock Grant Plan and the 2024-2027 Share Ownership Plan for Directors

The Plan involves the allocation of a maximum of 600,000 Units, which entitle the holders to receive a maximum of 800,000 Shares free of charge. Beneficiaries receive the Shares on the Performance Delivery Date, provided they have achieved the assigned company performance target and remain in office.

If the Board of Directors (BoD) identifies a new Beneficiary, the BoD may, at its discretion, determine the number of Units due to the new Beneficiary on a pro-rata temporis basis, taking into account, in particular, the period during which the new Beneficiary participates in the Plan and, therefore, that said Beneficiary has not participated in the Plan since its inception.

Number of rights	Date of assignment	Performance period	Price on the valuation date	Annual volatility	Dividend yield	Exit rate
200,000	November 8, 2024	2024-2027	20.50		0	0
600,000	November 8, 2024	June 1, 2025 – May 31, 2028	22.41		0	0

## 26. Financial risk disclosure

In terms of business risks, the main risks identified, monitored, and, as specified below, actively managed by the Group are as follows:

### Credit risk

Credit risk is the risk that a customer or one of the counterparties to a financial instrument will cause a financial loss by failing to fulfill a contractual obligation and derives mainly from the Group's trade receivables and debt securities.

The carrying amount of financial assets and contractual assets represents the Group's maximum exposure to credit risk.

The Group's exposure to credit risk depends mainly on the specific characteristics of each customer.

However, management also considers variables typical of the Group's customer portfolio, including the risk of insolvency in the sector and country in which customers operate. The primary counterparties for contract activities are pharmaceutical companies and multinationals with a low risk profile.

### Liquidity risk

This is the risk that the Group will have difficulty meeting its obligations associated with financial liabilities settled in cash or through another financial asset. The Group's approach to liquidity management is to ensure that, as far as possible, there are always sufficient funds to meet its obligations as they fall due, both in normal and stressed financial conditions, without incurring excessive costs or risking damage to its reputation.

The Group ensures that it has cash on demand and other securities in excess of the expected cash outflows for financial liabilities (other than trade payables). In addition, the Group regularly monitors the level of expected cash inflows from trade receivables and other receivables, as well as cash outflows relating to trade payables and other payables.

The following is an analysis of the maturities of trade receivables and payables and financial liabilities as of June 30, 2025:

<i>Figures in thousands of euros</i>	June 30, 2025				
	Within 90 days	From 90 days to 1 year	From 1 to 5 years	Over 5 years	Total
Lease liabilities	457	701	4,289	6,010	<b>11,456</b>
Financial liabilities	40	-	-	-	<b>40</b>
Trade payables	13,471	-	-	-	<b>13,471</b>
<b>Total</b>	<b>13,968</b>	<b>701</b>	<b>4,289</b>	<b>6,010</b>	<b>24,967</b>

<i>Figures in thousands of euros</i>	June 30, 2025				
	Within 90 days	From 90 days to 1 year	From 1 to 5 years	Over 5 years	Total
Trade receivables	969	-	-	-	<b>969</b>
<b>Total</b>	<b>969</b>	-	-	-	<b>969</b>

In addition to cash and cash equivalents, amounting to €11,182 thousand as of June 30, 2025, the Group holds a portfolio of financial investments totaling €88,839 thousand as of June 30, 2025, which is readily liquidatable and can be used to meet any liquidity requirements.

### Market risk

Market risk is the risk that the *fair value* or future cash flows of a financial instrument will fluctuate due to changes in market prices, caused by changes in exchange rates, interest rates, or equity prices. The objective of market risk management is to manage and control the Group's exposure to this risk within acceptable levels while optimizing investment returns.

### Currency risk

The Group is exposed to exchange rate risk in the case of sales, purchases, receivables, and loans denominated in a currency other than the Group's functional currency.

Production activities are limited to Italy and Switzerland and therefore the Group is exposed to fluctuations between the euro and the Swiss franc, while receipts are mainly in dollars and euros. The reference currency is the euro. Philogen is subject to exchange rate risk arising from the conversion of the financial statements of its Swiss subsidiary Philochem AG, with an effect on consolidated net income and consolidated shareholders' equity (translation risk).

In the period ending June 30, 2025, revenues from contracts with customers were mainly realized in euros and accounted for approximately 95% of total revenues.

The following table shows a breakdown of revenues from customers by currency for the periods ending June 30, 2025, and 2024:

<i>Data in thousands of euros</i>	<b>Period ended June 30</b>			
	<b>2025</b>	<b>%</b>	<b>2024</b>	<b>%</b>
US dollar (USD)	-	0	47	6
Euro (EUR)	5,220	95%	289	37
Swiss franc (CHF)	282	5	443	57
<b>Total revenue from contracts with customers</b>	<b>5,502</b>	<b>100%</b>	<b>779</b>	<b>100%</b>

Below is a sensitivity analysis in absolute terms on revenues from contracts with customers resulting from a 1% change in the exchange rate of the currencies listed above for the period ended June 30, 2025, and 2024:

<i>Data in thousands of euros in absolute terms</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
US Dollar (USD)	-	1
Euro (EUR)	52	3
Swiss franc (CHF)	3	4
<b>Total effect on revenue from contracts with customers</b>	<b>55</b>	<b>8</b>

The Group also incurs certain operating costs in foreign currencies. Details of operating costs broken down by currency for the periods ended June 30, 2025, and 2024 are shown below:

<i>Data in thousands of euros</i>	<b>Period ended June 30</b>			
	<b>2025</b>	<b>%</b>	<b>2024</b>	<b>%</b>
US dollar (USD)	1,534	6	451	2
Euro (EUR)	19,204	78%	14,681	78%
Pounds (GBP)	41	0	2	0
Polish zloty (PLN)	3	0	-	-
India (RUP)	-	-	1	0
United Arab Emirates dirham (AED)	-	-	2	0
Swiss Franc (CHF)	3,769	15	3,619	19.3
<b>Total operating costs</b>	<b>24,552</b>	<b>100</b>	<b>18,756</b>	<b>100</b>

Below is a sensitivity analysis in absolute terms of operating costs resulting from a 1% change in the exchange rate of the currencies listed above for the periods ending June 30, 2025, and 2024:

<i>Data in thousands of euros in absolute terms</i>	<b>Period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
US dollar (USD)	15	5
Euro (EUR)	192	147
Swiss franc (CHF)	38	36
<b>Total effect on operating costs</b>	<b>246</b>	<b>188</b>

The Group does not use exchange rate hedging instruments.

The following table summarizes the quantitative data on the Group's financial assets' exposure to exchange rate risk:

<i>Data in thousands of euros</i>	<b>June 30 2025</b>	<b>June 30 2024</b>
EUR	83,234	52,050
GBP	-	-
RUB	-	-
USD	5,605	294
TRY	-	-
<b>Total current financial assets</b>	<b>88,839</b>	<b>52,344</b>

#### Financial investment risk management

Following careful financial planning, the Parent Company invested the portion of liquidity exceeding ordinary cash requirements in current financial assets. Investments were selected on the basis of monitoring and consultations with the

research department of the securities custodian bank. Constant information on the solvency of issuers, country risk, and market variables is made available to the company in order to enable it to take prompt corrective action.

Based on the logic described in note 17 "Other current financial assets," to which reference should be made for further details, the Group has adopted an HTCS business model. Failure to pass the SPPI Test resulted in measurement at FVTPL, while passing the SPPI Test resulted in measurement at FVTOCI.

### Country risk management

The Group does not operate in countries that are unstable from an economic, political, or social point of view. In accordance with the ESAM recommendations published on March 14, 2022, although the Company has no relationships with counterparties resident in Russia and/or Ukraine and/or the Middle East, it continues to monitor the impact on financial markets of the war in Ukraine and the sanctions imposed on Russia and the war in the Middle East.

## 27. Information on financial instruments

### Categories of financial assets and liabilities

The following tables provide a breakdown of financial assets and liabilities by category, in accordance with IFRS 9, as at June 30, 2025, and December 31, 2024.

<i>Figures in thousands of euros</i>	June 30 2025	December 31 2024
<b>Financial assets:</b>		
<b>Financial assets measured at amortized cost</b>		
Trade receivables	969	760
Current financial assets	-	-
Cash and cash equivalents	11,182	30,574
Other current assets	1,373	1,062
<b>Financial assets measured at fair value</b>		
Current financial assets	88,839	83,154
Non-current financial assets	-	-
<b>Total financial assets</b>	<b>102,363</b>	<b>115,551</b>
<b>Financial liabilities measured at amortized cost</b>		
Non-current financial liabilities	-	-
Non-current lease liabilities	10,299	10,473
Current financial liabilities	40	37
Current lease liabilities	1,157	1,034
Trade payables	13,471	9,550
Other current liabilities	3,367	3,239
<b>Total financial liabilities</b>	<b>28,334</b>	<b>24,334</b>

Given the nature of short-term financial assets and liabilities, for most of these items the carrying amount is considered a reasonable approximation of *fair value*.

Non-current financial liabilities and assets are settled or measured at market rates and their *fair value* is therefore considered to be substantially in line with their current carrying amounts.

### Fair value disclosures

In relation to assets and liabilities recognized in the statement of financial position and measured at *fair value*, IFRS 13 requires that these values be classified on the basis of a hierarchy of levels, reflecting the significance of the inputs used in determining *fair value*.

The following tables summarize the financial assets and liabilities measured at *fair value*, broken down according to the levels in the hierarchy:

<i>Data in thousands of euros</i>	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Current financial assets measured at <i>fair value</i> through profit or loss	67,246	15,908	-	<b>83,154</b>

in profit (loss) for the year

<b>Total assets measured at fair value</b>	<b>67,246</b>	<b>15,908</b>	-	<b>83,154</b>
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Figures in thousands of euros

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Current financial assets measured at fair value through profit or loss in profit (loss) for the period	72,869	15,970	-	<b>88,839</b>
<b>Total assets measured at fair value</b>	<b>72,869</b>	<b>15,970</b>	-	<b>88,839</b>

Financial assets in Level 1 of the fair value hierarchy refer to securities in the bond portfolio and units in investment funds listed on regulated markets. For further details on the securities portfolio, see Note 17 to the condensed consolidated half-year financial statements.

Level 2 of the fair value hierarchy includes current financial assets measured at fair value through profit or loss in accordance with IFRS 9, consisting of insurance investment products held by the Group for the purpose of investing excess liquidity (see note 17 to the condensed consolidated half-year financial statements for further details on the nature of these assets).

These investments represent financial assets managed by insurance companies and are valued, at the date of the condensed consolidated half-year financial statements, on the basis of the NAV (Net Asset Value) reported by the insurance companies, representing the liquidation value of the policies at the date of the condensed consolidated half-year financial statements.

There were no transfers between the different levels of the fair value hierarchy in the periods considered.

## 28. Related parties

On May 12, 2022, the Parent Company's Board of Directors reviewed the contents of the "Procedure for Transactions with Related Parties," previously approved on April 27, 2021, and approved a new version of the aforementioned procedure, pursuant to Article 2391-bis of the Italian Civil Code and the Related Parties Regulation, subject to the favorable opinion of the Independent Directors, who expressed their opinion on May 11, 2022 (for further details on the procedure for transactions with related parties, please refer to paragraph 6 of the interim management report).

This document is available on the Company's website at (<http://www.philogen.com/>).

The total amount of transactions with related parties is summarized below.

### Period ended June 30, 2025

Figures in thousands of euros

	Related party						Total	Inc. % of balance sheet item
	Rendo S.r.l.	Rendo AG	Strategic managers	Directors and Board Members	Board of Statutory Auditors			
<b>Statement of financial position</b>								
Assets for right of use	5,810	3,149	-	-	-	<b>8,959</b>	96	
Current financial liabilities for leases	628	326	-	-	-	<b>954</b>	82	
Non-current financial liabilities for leases	5,595	4,470	-	-	-	<b>10,065</b>	98	
Employee benefits	-	-	-	206	-	<b>206</b>	15	
Payables to corporate bodies <sup>(1)</sup>	-	-	-	15	27	<b>42</b>	0	
<b>Other current liabilities</b>	-	-	-	288	-	<b>288</b>	9%	
<b>Income statement</b>								
Depreciation	326	127	-	-	-	<b>454</b>	23	
Costs for services	-	-	-	3,551	46	<b>3,597</b>	29	
Financial expenses	88	76	-	-	-	<b>163</b>	7	

<sup>(1)</sup> In the balance sheet formats, payables to corporate bodies are included under "Trade payables."

### Period ended December 31, 2024

Figures in thousands of euros

	Related party						Total	Inc. % on balance
	Rendo S.r.l.	Rendo AG	Nerbio S.r.l.	Strategic managers	Directors and Board Members	Board of Statutory Auditors		

sheet  
item

<b>Statement of financial position</b>							
Assets for right of use	5,974	3,255	-	-	-	-	<b>9,229</b> 98
Current financial liabilities for leases	6	25	-	-	-	-	<b>31</b> 83%
Non-current financial liabilities for leases	5,831	4,602	-	-	-	-	<b>10,433</b> 100%
Employee benefits	-	-	-	-	151	-	<b>151</b> 12
Payables to corporate bodies <sup>(*)</sup>	-	-	-	-	15	60	<b>75</b> 1
<i>Other current liabilities</i>	-	-	-	-	589	-	<b>589</b> 18%

<sup>(\*)</sup> In the balance sheet formats, payables to corporate bodies are included under "Trade payables."

### Period ended June 30, 2024

Figures in thousands of euros

	Related party					Total	Inc. % on balance sheet item
	Rendo S.r.l.	Rendo AG	Strategic executives	Directors and Board Members	Board of Statutory Auditors		
<b>Income statement</b>							
Amortization	325	108	-	-	-	<b>433</b>	24
Costs for services	-	-	-	811	32	<b>843</b>	11
Personnel costs	-	-	206	-	-	<b>206</b>	3
Financial expenses	167	72	-	-	-	<b>238</b>	12

The above-mentioned transactions with related parties are not considered atypical or unusual, as they fall within the normal course of business of the Group companies and are regulated at market conditions.

### Remuneration of directors, strategic managers, statutory auditors, other board members, and scientific committee

Relations with the directors, statutory auditors, and scientific committee of the Group companies are limited to the payment of emoluments and remuneration as shown in the following tables:

#### i) Board of Directors

Figures in thousands of euros	June 30 2025	June 30 2024
Duccio Neri – Executive Chairman	215	165
Dario Neri – CEO	265	128
Giovanni Neri – Managing Director	155	77
Sergio Gianfranco Luigi Maria Dompé – Director	15	15
Nathalie Francesca Maria Dompé - Director	15	15
Leopoldo Zambelletti Pedrotti	15	15
Roberto Ferraresi	10	16
Guido Guidi	10	16
Marta Bavasso <sup>(*)</sup>	15	15
Maria Giovanna Calloni	10	16
Chiara Falciani	5	-
Patrizia Sacchi	5	-
Flavia Scarpellini	5	-
Other Directors <sup>(**)</sup>	96	94
<b>Total compensation</b>	<b>837</b>	<b>571</b>
Monetary incentive plan <sup>(*)</sup>	287	184
Share ownership plan for directors	2,182	-
End-of-term benefits <sup>(**)</sup>	49	22
<b>Total</b>	<b>1,172</b>	<b>776</b>

<sup>(\*)</sup> Please refer to paragraph 4.5 of the interim management report.

<sup>(\*\*)</sup> Termination benefits (TFM) include the portion of TFM paid to outgoing executive directors (end of term with the approval of the financial statements as of December 31, 2021) and the TFM provision relating to the new position conferred on executive directors (appointment by the Shareholders' Meeting on April 27, 2022).

#### ii) Strategic executives

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>June 30 2024</b>
Duccio Neri	-	31
Dario Neri	-	66
Giovanni Neri	-	109
<b>Remuneration Strategic executives</b>	<b>-</b>	<b>206</b>

On May 6, 2024, Prof. Dario Neri, Dr. Duccio Neri, and Dr. Giovanni Neri resigned from their positions as strategic executives of the Company.

iii) Board of Statutory Auditors

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>June 30 2024</b>
Maurizio Di Marcotullio - Chairman	26	5
Stefano Mecacci - Chairman	-	9
Pierluigi Matteoni - Standing Auditor	10	9
Alessandra Pinzuti – Standing Auditor	10	9
<b>Remuneration of the Board of Statutory Auditors</b>	<b>46</b>	<b>32</b>

iv) Internal bodies

<i>Figures in thousands of euros</i>	<b>June 30 2025</b>	<b>June 30 2024</b>
Marta Bavasso	15	15
Roberto Ferraresi	7	10
Maria Giovanna Calloni	7	10
Chiara Falciani	3	-
Patrizia Sacchi	3	-
<b>Remuneration of Board Committees</b>	<b>35</b>	<b>35</b>

Control, Risk and Sustainability Committee: Marta Bavasso (Chair), Chiara Falciani and Patrizia Sacchi. This committee also acts as the Related Party Transactions Committee.

Remuneration and Appointments Committee: Marta Bavasso (Chair), Chiara Falciani, Patrizia Sacchi.

## Accounting principles

### 29. Valuation criteria

These condensed consolidated interim financial statements have been prepared using the historical cost measurement principle, except for financial instruments, which are measured at *fair value* at each reporting date.

These condensed consolidated half-year financial statements have also been prepared on a going concern basis. The Directors' assessment of this assumption takes into account the Group's current development strategies, its financial position and the possibility of revising the timing and structure of its development strategy, as well as its ability to obtain the financial resources necessary to continue its activities, including through the licensing of some of its proprietary products to third parties through *outlicensing* agreements.

### 30. Main accounting principles

#### **Criteria for preparation**

The condensed consolidated half-year financial statements have been prepared in accordance with the international accounting standard on interim reporting (IAS 34 Interim Financial Reporting). All the statements comply with the minimum content requirements of international accounting standards and the applicable provisions of national legislation and Consob regulations. The tables used are considered adequate for the fair representation of the Group's financial position, results of operations, and cash flows. In particular, it is believed that the income statements reclassified by nature provide reliable

and relevant information for the fair representation of the Group's results of operations. The tables comprising the condensed consolidated interim financial statements are as follows:

Consolidated statement of financial position

The statement is presented by separating current and non-current assets and current and non-current liabilities, with a description in the notes for each asset and liability item of the amounts expected to be settled or recovered within or beyond 12 months from the balance sheet date.

An asset/liability is classified as current when it meets one of the following criteria:

- it is expected to be realized/settled or is expected to be sold or used in the Group's normal operating cycle;
- it is held primarily for trading purposes;
- it is expected to be realized/settled within 12 months of the balance sheet date.

If none of these three conditions are met, assets/liabilities are classified as non-current.

Consolidated income statement

Costs are classified by nature, highlighting the interim results relating to operating profit and pre-tax profit.

Consolidated statement of comprehensive income

The statement includes the components that make up the result for the period and the expenses and income recognized directly in shareholders' equity for transactions other than those carried out with shareholders.

Statement of changes in consolidated shareholders' equity

The statement shows the changes in equity items relating to:

- allocation of the profit for the period of the parent company and subsidiaries to minority shareholders;
- amounts relating to transactions with shareholders (purchase and sale of treasury shares);
- each item of profit and loss net of any tax effects which, as required by IFRS, are either recognized directly in equity (gains or losses on the sale of treasury shares, actuarial gains and losses generated by the measurement of defined benefit plans), or have a corresponding entry in an equity reserve (share-based payments for incentive plans);
- changes in reserves from the valuation of derivative instruments hedging future cash flows, net of any tax effect.

Consolidated cash flow statement

The statement is presented using the indirect method, whereby net income is adjusted for the effects of non-cash transactions, any deferrals or provisions for past or future operating receipts or payments, and items of revenue or costs related to cash flows arising from investing or financing activities.

Income and expenses relating to interest, dividends received, and income taxes are included in the cash flows based on the type of underlying transaction that generated them.

Cash and cash equivalents included in the cash flow statement comprise the balance of this item at the reporting date. Cash flows in foreign currencies have been converted at the average exchange rate for the period.

Cash equivalents are those held to meet short-term cash commitments, rather than for investment or other purposes. For an investment to be considered a cash equivalent, it must be readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

Cash equivalents include short-term restricted bank deposits.

**Consolidation criteria**

The consolidated financial statements of the Philogen Group include the financial statements for the period of Philogen S.p.A. and those of its subsidiary Philochem AG, a Swiss company in which the Parent Company holds control pursuant to Article 26 of Legislative Decree 127/91. Below is a summary of the Group companies and the consolidation methods used:

Company name	Registered office	% of control	Currency	Consolidation method
Philogen S.p.A.	Siena – Italy	Parent company	EUR	Full
Philochem AG	Zurich – Switzerland	99.998	CHF	Full

Subsidiaries are entities over which the Group has control, i.e. when the Group is exposed to variable returns from its relationship with the entity, or has rights to such returns, while also having the ability to influence them by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the parent company begins to exercise control until the date on which such control ceases.

These financial statements are appropriately reclassified and adjusted to bring them into line with the parent company's accounting policies and valuation criteria in the event of significant differences. All Group companies close their financial year on December 31.

The carrying amount of investments in companies included in the consolidation is eliminated against the corresponding portions of the investees' shareholders' equity, attributing to the individual assets and liabilities their current value at the date of acquisition. Any residual difference, if positive, is recorded under non-current assets and, on a residual basis, under goodwill; if negative, it is charged to the income statement.

Changes in the Group's shareholding in a subsidiary that do not result in the loss of control are accounted for as transactions between shareholders in their capacity as shareholders.

When preparing the consolidated financial statements, the balances of intercompany transactions, as well as unrealized intercompany revenues and costs, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, to the extent that there are no indicators that may give evidence of a reduction in value.

### **Foreign currency**

#### *Foreign currency transactions*

Foreign currency transactions are converted into the functional currency of each Group entity at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the end of the period are translated into the functional currency using the exchange rate at that date. Non-monetary items that are measured at *fair value* in a foreign currency are translated into the functional currency using the exchange rates prevailing at the date when the *fair value* was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the same date as the transaction. Exchange differences arising from translation are generally recognized in profit/(loss) for the period under financial expenses.

#### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and *fair value* adjustments arising from the acquisition, are translated into euros using the exchange rate at the end of the period. Revenues and costs of foreign operations are translated into euros using the exchange rate in effect on the date of the transactions. Exchange differences are recognized in other comprehensive income and included in the translation reserve, except for exchange differences attributable to minority interests. When the Group disposes of an investment in a foreign operation, in whole or in part, in such a way as to lose control, significant influence, or joint control over it, the amount accumulated in the translation reserve relating to that foreign operation is reclassified to profit/(loss) for the period to adjust the profit or loss arising from the disposal.

The exchange rates used at June 30, 2025, and June 30, 2024, for the translation of foreign currency items are summarized in the following table and refer to the subsidiary Philochem:

Exchange rates (CHF/EUR)	2025	2024
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Spot exchange rate (for conversion of assets and liabilities)	0.93470	0.96340
Average exchange rate (for conversion of costs and revenues)	0.94140	0.96160

### **Revenues from contracts with customers**

Revenues are measured taking into account the consideration specified in the contract with the customer. The Group recognizes revenues when it transfers control of the goods or services.

IFRS 15 "Revenue from contracts with customers" defines the criteria for recognizing and measuring revenue from contracts with customers. In general, IFRS 15 requires revenue to be recognized for an amount that reflects the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer. In particular, IFRS 15 requires revenue to be recognized based on the following five steps:

- (i) identification of the contract with the customer;
- (ii) identification of *performance* obligations (i.e., contractual promises to transfer goods and/or services to a customer);
- (iii) determination of the transaction price;
- (iv) allocation of the transaction price to the *performance* obligations identified on the basis of the stand-alone selling price of each good or service;
- (v) recognition of revenue when the related *performance* obligation is satisfied.

The Group's revenues derive mainly from licensing agreements and contracts for the performance of research and development services commissioned by customers.

With regard to contracts for the granting of license rights on the Group's intellectual property, the first step is to analyze whether the granting of the license right is distinguishable from other *performance obligations*. The Group recognizes separate performance obligations when:

- the customer can benefit from the good/service either on its own or in combination with other readily available resources;
- the promise to transfer a good or service is identifiable separately from other promises in the contract.

If it is determined that the granting of the license right is not distinguishable from the promise to transfer other goods or services, the Group accounts for the promise to grant a license and the other promised goods or services as a single performance obligation.

If, on the other hand, it is determined that the granting of the license right is distinct from the promise to transfer other goods or services, the Group analyzes whether the customer obtains a right of access or a right to use the intellectual property. The customer has a right of access to the company's intellectual property if all of the following conditions are met:

- The contract requires, or the customer expects, the Group to perform activities that have a significant impact on the intellectual property;
- These activities, when carried out, do not transfer separate goods/services to the customer;
- The rights arising from the license expose the customer to positive/negative effects for the Group's activities with regard to intellectual property.

If the granting of the license right confers a right of access to intellectual property, revenues are recognized over the term of that right ("over time"). Conversely, if the license is a right to use intellectual property, the related revenues are recognized when that right is granted ("at a point in time").

Below is a summary of the main fees and related payment terms covered by the Group's license agreements:

Type of consideration	Accounting recognition
<i>Up-front Fees</i>	<p>These represent fees received in advance of the contract being signed. If they relate to the granting of license rights, they are recognized:</p> <ul style="list-style-type: none"> <li>— <i>at point in time</i>, if they constitute rights to use intellectual property;</li> <li>— <i>over time</i>, if they constitute rights to access intellectual property.</li> </ul> <p>If no specific goods/services are identified as transferred to the customer at the time of collection of <i>the up-front fee</i>, such collection represents an advance and is recognized as revenue in the future when the <i>performance obligations</i> are satisfied ("<i>over time</i>").</p> <p>The Group issues an invoice for the <i>upfront fee</i> at the time the contract is signed. This invoice is usually payable within 30 days. The payment terms do not include trade discounts.</p>
Commercial Options (so-called " <i>Commercial Option Fees</i> ")	<p>If the license right is separable from other performance obligations, it is recognized as intellectual property rights and the related revenues are recognized <i>at a point in time</i> when the license right is granted.</p> <p>If the license right is not separable from other performance obligations, such collection represents an advance payment and is recognized as revenue in the future when the <i>performance obligations</i> are satisfied ("<i>over time</i>").</p> <p>The Group issues an invoice for the <i>commercial option fee</i> at the same time as the customer notifies its intention to exercise that option. This invoice is usually payable within 30 days. The payment terms do not include trade discounts.</p>
<i>Milestones</i>	<p>These represent variable payments contingent upon the achievement of certain significant milestones in product development (e.g., the start of Phase III clinical trials). Upon signing the contract, management assesses whether the achievement of <i>the milestones</i> is highly probable and estimates the amount to be included in the transaction price using the <i>most likely</i> amount method. If it is probable that there will be no subsequent significant reversal of revenue, the value of <i>the milestone</i> is included in the transaction price.</p> <p>Payments linked to events that are not under the Group's control and that typically depend on obligations to be fulfilled by the counterparty (such as product approval by regulatory authorities or the completion of research phases conducted by the customer) are not considered highly probable until there is certainty that <i>the milestone</i> will be achieved (e.g., a communication from the customer or regulatory authorities).</p> <p>At the end of each financial year, management reassesses the probability of achieving all <i>milestones</i> and, if necessary, adjusts its estimate of the total transaction price.</p> <p>The Group issues an invoice for the <i>milestone</i> at the same time as the customer notifies it of the achievement of the objective/event. This invoice is usually payable within 30 days. The payment terms do not include commercial discounts.</p>
<i>Royalties</i> (based on sales)	<p>The Group recognizes sales-based royalty revenue only when (or as) the latest of the following events occurs:</p> <ul style="list-style-type: none"> <li>— subsequent sale or use; and</li> <li>— the fulfillment (or partial fulfillment) of the performance obligation to which the sales-based royalty has been assigned, in whole or in part.</li> </ul>

With regard to *other performance obligations* contained in contracts (typically consisting of the performance of research and development services or the sale of GMP products), the Group recognizes the transaction price allocated to these activities as the *performance obligation* is fulfilled ("*over time*") if one of the following criteria is met:

- the customer simultaneously receives and uses the benefits deriving from the service performed by the Group as the latter performs it;
- the Group's performance creates or improves the asset that the customer controls as the asset is created or improved;
- the performance does not create an asset that has an alternative use for the Group, and the Group has an enforceable right to payment for the performance completed up to the date considered.

If none of the above criteria are met, the *performance obligation* is considered fulfilled when the good or service is transferred and the related revenues are recognized *at a point in time*.

### **Government grants**

Unrestricted government grants are recognized in profit/(loss) for the period as other income when the government grant becomes receivable. Other government grants relating to assets are initially recognized at *fair value* as deferred revenue if there is reasonable certainty that they will be received and that the Group will comply with the conditions for their receipt, and are then recognized in profit/(loss) for the period as other income on a systematic basis over the useful life of the asset to which they relate.

Government grants are presented in the balance sheet under current and non-current assets according to their availability for use.

Grants that offset costs incurred by the Group are recognized in profit/(loss) for the period on a systematic basis, to be offset in the same period against the costs that the grant is intended to offset.

### **Recognition of costs**

Costs are recognized when they relate to goods and services purchased or consumed during the period or on a systematic basis in accordance with economic and temporal accrual.

### **Financial income and expenses**

Financial income and expenses are recognized on an accrual basis based on the interest accrued on the net value of the related financial assets and liabilities using the effective interest rate.

Financial expenses are accounted for on an accrual basis and recorded in the income statement in the period in which they accrue.

Financial income is accounted for on the basis of the effective rate of return in accordance with the accrual principle.

### **Tax**

The tax expense for the period includes current and deferred taxes recognized in profit/(loss) for the period, except for those relating to business combinations or items recognized directly in equity or among other components of comprehensive income.

The Group has determined that interest and penalties relating to income taxes, including the accounting treatment to be applied to uncertain income taxes, are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as they do not meet the definition of income taxes.

#### *i) Current taxes*

Current taxes include the estimated amount of income taxes payable or receivable, calculated on the taxable income or tax loss for the year, as well as any adjustments to taxes for previous years. The amount of taxes due or receivable, determined on the basis of tax rates in force or substantially in force at the end of the period, also includes the best estimate of any amount payable or receivable that is subject to uncertainty. Current taxes also include any taxes relating to dividends.

Current tax assets and liabilities are offset only when certain criteria are met.

#### *ii) Deferred taxes*

Deferred taxes are recognized with reference to temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the corresponding amounts recognized for tax purposes. Deferred taxes are not recognized for:

- temporary differences relating to the initial recognition of assets or liabilities in a transaction other than a business combination that affects neither accounting profit (or loss) nor taxable income (or tax loss);

- temporary differences relating to investments in subsidiaries, associates, and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that, in the foreseeable future, the temporary difference will not reverse; and
- taxable temporary differences relating to the initial recognition of goodwill.

Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that future taxable income will be available against which these assets can be utilized. Future taxable income is defined on the basis of the reversal of the related deductible temporary differences. If the amount of taxable temporary differences is not sufficient to recognize a deferred tax asset in full, future taxable income, adjusted for the reversal of existing temporary differences, as forecast in the business plans of the individual Group companies, is taken into consideration. The value of deferred tax assets is reviewed at each year-end and reduced to the extent that it is no longer probable that the related tax benefit will be realized. These reductions must be reversed when the probability of achieving future taxable income increases.

Unrecognized deferred tax assets are reviewed at the end of each financial year and recognized to the extent that it has become probable that the Group will achieve sufficient taxable income in the future to utilize them.

Deferred taxes are measured using the tax rates that are expected to apply to temporary differences in the period in which they reverse, based on tax rates enacted or substantively enacted at the end of the financial year, and reflect any uncertainties relating to income taxes.

The measurement of deferred taxes reflects the tax effects that result from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amount of assets and liabilities.

### ***Operating profit***

Operating profit is determined by the Group's operating activities that generate recurring revenues and other income and expenses related to operating activities. Net financial expenses and income taxes are excluded from operating profit.

### ***Earnings/loss per share***

Basic earnings per share were calculated by considering the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share were calculated by considering the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period, taking into account the effects of all potential ordinary shares with a dilutive effect. The dilutive effect of potential ordinary shares was calculated using the *treasury share method* provided for in IAS 33 .

### ***Property, plant, and equipment***

#### *i) Recognition and measurement*

An item of property, plant, and equipment is measured at cost, including capitalized borrowing costs, net of accumulated depreciation and impairment losses.

If an item of property, plant and equipment consists of several components with different useful lives, these components are accounted for separately (significant components).

The gain or loss generated by the disposal of an item of property, plant, and equipment is recognized in profit/(loss) for the year, under "Other income" and "Other operating costs," respectively.

#### *ii) Subsequent costs*

Subsequent costs are capitalized only when it is probable that the related future economic benefits will flow to the Group.

#### *iii) Depreciation*

Depreciation of an item of property, plant, and equipment is calculated to reduce the cost of that item, net of its estimated residual value, on a straight-line basis over the useful life of the item. Depreciation is generally recognized in profit/(loss) for the period under "Depreciation." Land is not depreciated. Fixed assets are depreciated when the asset is in the condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives for the current period and comparative years are as follows:

Category	Rate
Buildings	3
Plant and machinery	20
Automatic machinery	20
Industrial and commercial equipment	15
Passenger cars	25
Furniture and furnishings	12
Improvements to third-party property	8

Depreciation methods, useful lives, and residual values are reviewed at the end of the period and adjusted where necessary.

### **Intangible assets**

#### *i) Recognition and measurement*

*Research and development:* research costs are recognized in profit/(loss) for the period in which they are incurred. Development costs are capitalized only if the cost attributable to the activity during its development can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends and has sufficient resources to complete the development and use or sell the activity. Other development costs are recognized in profit/(loss) for the period when incurred. Capitalized development costs are recorded at cost net of accumulated amortization and any accumulated impairment losses.

If all the requirements for capitalization are not met, the costs incurred by the Group for research and development are charged to the income statement in the period in which they are incurred.

*Other intangible assets:* other intangible assets, patents, and licenses that have a finite useful life are recorded at cost net of accumulated amortization and any accumulated impairment losses.

#### *ii) Subsequent costs*

Subsequent costs are capitalized only when they increase the expected future economic benefits attributable to the asset to which they relate. All other subsequent costs, including those relating to internally generated goodwill and trademarks, are charged to profit/(loss) for the period in which they are incurred.

#### *iii) Amortization*

Amortization is recognized in profit/(loss) for the year on a straight-line basis over the estimated useful life of the intangible assets, from when the asset is available for use.

The estimated useful lives for the current period and comparative years are as follows:

Category	Average rate
Patent and intellectual property rights	5%
Concessions, licenses, trademarks, and similar rights	10%

Amortization methods, useful lives, and residual values are reviewed at each period end and adjusted as necessary.

### **Right-of-use assets**

At the inception of the contract, the Group assesses whether the contract is, or contains, a lease. The contract is, or contains, a lease if, in exchange for consideration, it transfers the right to control the use of an identified asset for a period

of time. To assess whether a contract confers the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

At the inception of the contract or upon modification of a contract that contains a lease component, the Group allocates the contract consideration to each lease component based on its stand-alone price.

At the lease commencement date, the Group recognizes the right-of-use asset and the lease liability. The right-of-use asset is initially measured at cost, including the amount of the initial measurement of the lease liability, adjusted for lease payments due on or before the commencement date, plus initial direct costs incurred and an estimate of the costs to be incurred by the lessee for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, net of any lease incentives received.

The right-of-use asset is subsequently amortized on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or, considering the cost of the right-of-use asset, the Group expects to exercise the purchase option. In this case, the right-of-use asset will be amortized over the useful life of the underlying asset, determined on the same basis as that of property and equipment. In addition, the right-of-use asset is regularly reduced by any impairment losses and adjusted to reflect any changes arising from subsequent measurements of the lease liability.

The Group measures the lease liability at the present value of the lease payments not paid at the inception date, discounted using the implicit interest rate of the lease. Where this rate cannot be readily determined, the Group uses the marginal borrowing rate. Generally, the Group uses the marginal borrowing rate as the discount rate.

The Group's marginal borrowing rate is calculated based on interest rates obtained from various external financing sources, with certain adjustments to reflect the terms of the lease and the type of asset being leased.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments (including payments that are substantially fixed);
- variable lease payments that depend on an index or rate, initially measured using an index or rate at the commencement date;
- amounts expected to be paid as a guarantee on the residual value; and
- the exercise price of a purchase option that the Group is reasonably certain to exercise, lease payments due in an optional renewal period if the Group is reasonably certain to exercise the renewal option, and penalties for early termination of the lease, unless the Group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortized cost using the effective interest method and is remeasured in the event of a change in future lease payments resulting from a change in the index or rate, in the event of a change in the amount that the Group expects to pay as a guarantee on the residual value, or when the Group changes its assessment with regard to whether or not to exercise a purchase, extension, or termination option, or in the event of a revision of the lease payments that are fixed in substance.

When the lease liability is remeasured, the lessee makes a corresponding change to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, the lessee recognizes the change in profit/(loss) for the period.

The Group has applied IFRS 16 using the modified retrospective application method as of January 1, 2017.

#### Short-term leases and leases of low-value assets

The Group has decided not to recognize right-of-use assets and lease liabilities relating to low-value assets and short-term leases, including IT equipment. The Group recognizes the related lease payments as an expense on a straight-line basis over the term of the lease.

#### Lease backs

If an entity transfers a specific asset to another entity and obtains it under a lease, it is necessary to determine, based on the provisions of IFRS 15, whether the transfer should be accounted for as a sale. In this case, the lessor-seller must measure the asset consisting of the right of use arising from the lease back at the percentage of the previous carrying

amount of the asset that is transferred to the right of use retained by the lessor-seller. Consequently, the lessor-seller must recognize only the amount of gains or losses relating to the rights transferred to the lessor-purchaser. If the *fair value* of the consideration for the sale of the asset does not equal the *fair value* of the asset, or if the lease payments are not at market rates, the entity must make the following adjustments to measure the proceeds of the sale at *fair value*: (i) below-market terms must be accounted for as an advance payment of lease payments, and (ii) above-market terms must be accounted for as additional financing provided by the lessor-purchaser to the lessee-seller.

### **Inventories**

Inventories are measured at the lower of purchase or production cost and net realizable value. Purchase cost means the actual purchase price plus incidental charges. The purchase cost of materials includes, in addition to the price of the material, transportation costs, customs duties, other taxes, and other costs directly attributable to that material. Returns, trade discounts, rebates, and bonuses are deducted from costs. Production cost refers to all direct and indirect costs reasonably attributable to the product for the period of manufacture and up to the time when the asset can be used, based on normal production capacity. The realizable value based on market trends is equal to the estimated selling price of goods and finished products in the normal course of business, net of estimated costs of completion and direct selling costs. In order to determine the realizable value based on market trends, the rate of obsolescence and inventory turnover times are taken into account, among other factors. The cost of inventories is determined using the weighted average cost method. In the case of inventories of goods produced by the Group, the cost includes a portion of overhead costs determined on the basis of normal production capacity.

### **Financial instruments**

#### *i) Recognition and measurement*

Trade receivables are recognized when they arise. All other financial assets and liabilities are initially recognized on the trade date, i.e., when the Group becomes a contractual party to the financial instrument.

With the exception of trade receivables that do not contain a significant financing component, financial assets are initially measured at *fair value* plus or minus, in the case of financial assets or liabilities not measured at FVTPL, the transaction costs directly attributable to the acquisition or issue of the financial asset. Upon initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

#### *ii) Classification and subsequent measurement*

##### *Financial assets:*

Upon initial recognition, a financial asset is classified based on its measurement: amortized cost; *fair value* through other comprehensive income (FVOCI) - debt securities; FVOCI - equity securities; or *fair value* through profit or loss (FVTPL).

Financial assets are not reclassified after initial recognition, unless the Group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the first financial year following the change in the business model.

A financial asset must be measured at amortized cost if both of the following conditions are met and it is not designated at FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect the related contractual cash flows; and
- the contractual terms of the financial asset provide for cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL:

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and
- the contractual terms of the financial asset provide for cash flows on specified dates that are solely payments of principal and interest on the principal amount of the debt.

Upon initial recognition of an equity security not held for trading, the Group may make an irrevocable election to present subsequent changes in *fair value* in other comprehensive income. This election is made for each asset.

All financial assets not classified as measured at amortized cost or FVOCI, as indicated above, are measured at FVTPL. This includes all derivative financial instruments. Upon initial recognition, the Group may irrevocably designate the financial asset as measured at *fair value* through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortized cost or FVOCI.

*Financial assets: business model assessment*

With specific reference to the Business Model, IFRS 9 identifies three different business models, which in turn reflect the ways in which financial assets are managed:

- i. "Held To Collect": a business model that includes financial assets held with the objective of realizing contractual cash flows, maintaining the financial instrument until maturity;
- ii. "Held to Collect and Sell": a business model that includes financial assets held with the objective of both realizing contractual cash flows over the life of the asset and collecting proceeds from the sale of the asset;
- iii. "Other": a business model that includes financial instruments that cannot be classified in the above categories, mainly represented by financial assets held for the purpose of generating cash flows through sale (assets held for trading).

The business model therefore represents the way in which the Group manages its financial assets, i.e., how it intends to generate cash flows from them.

The Group assesses the objective of the business model within which the financial asset is held at portfolio level, as this best reflects the way in which the asset is managed and the information communicated to management. This information includes:

- the stated criteria and objectives of the portfolio and the practical application of those criteria, including, among other things, whether management's strategy is based on earning interest income from the contract, maintaining a specific interest rate profile, matching the duration of financial assets to that of related liabilities, expected cash flows, or collecting cash flows through the sale of assets;
- the methods used to evaluate the *performance* of the portfolio and the methods used to communicate *performance* to the Group's strategic management;
- the risks affecting the *performance* of the business model (and the financial assets held within the business model) and how those risks are managed;
- the methods used to remunerate the company's managers (for example, whether remuneration is based on *the fair value* of the assets managed or on the contractual cash flows collected); and
- the frequency, value, and timing of sales of financial assets in previous years, the reasons for the sales, and expectations regarding future sales.

Transfers of financial assets to third parties in transactions that do not result in derecognition are not considered sales for the purposes of assessing the business model, in line with the Group's continued recognition of these assets on its balance sheet.

Financial assets that meet the definition of financial assets held for trading or whose performance is assessed on the basis of *fair value* are measured at FVTPL.

*Financial assets: assessment to determine whether contractual cash flows consist solely of payments of principal and interest.*

For valuation purposes, 'principal' is the *fair value* of the financial asset at initial recognition, while 'interest' is the consideration for the time value of money, for the credit risk associated with the amount of principal to be repaid over a given period of time, and for other basic risks and costs associated with the loan (e.g., liquidity risk and administrative costs), as well as the profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. Therefore, it assesses, among other things, whether the financial asset contains a

contractual clause that modifies the timing or amount of the contractual cash flows in such a way that it does not meet the following condition. For the purposes of the assessment, the Group considers:

- contingent events that would change the timing or amount of cash flows;
- clauses that could adjust the contractual coupon rate, including variable rate elements;
- early payment and extension features; and
- clauses that limit the Group's cash flow requirements from specific assets (e.g., non-recourse features).

The prepayment feature is consistent with the criterion of "cash flows consisting solely of payments of principal and interest" when the prepayment amount substantially represents unpaid amounts of principal and accrued interest on the principal amount to be repaid, which may include reasonable compensation for early termination of the contract. Furthermore, in the case of a financial asset acquired at a significant premium or discount to its contractual nominal amount, a feature that permits or requires prepayment of an amount that substantially represents the contractual nominal amount plus accrued contractual interest (but unpaid) (which may include reasonable compensation for early termination of the contract) is accounted for in accordance with that criterion if the *fair value* of the prepayment feature is not significant at initial recognition.

*Financial assets: subsequent measurement and gains and losses*

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<i>Financial assets measured at FVTPL</i>	These assets are subsequently measured at <i>fair value</i> . Net gains and losses, including dividends or interest received, are recognized in profit or loss for the period.
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<i>Financial assets measured at amortized cost</i>	These assets are subsequently measured at amortized cost in accordance with the effective interest method. Amortized cost is reduced by any impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss for the period, as are any gains or losses on derecognition.
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<i>Debt securities measured at FVOCI</i>	These assets, subject to passing the SPPI Test, are subsequently measured at <i>fair value</i> . Interest income calculated in accordance with the effective interest method, foreign exchange gains and losses, and impairment losses are recognized in profit/(loss) for the period. Other net gains and losses are recognized in other comprehensive income. Upon derecognition, gains or losses accumulated in other comprehensive income are reclassified to profit/(loss) for the period.
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<i>Equity securities measured at FVOCI</i>	These assets are subsequently measured at <i>fair value</i> . Dividends are recognized in profit/(loss) for the period unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit/(loss) for the period.
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*Financial liabilities: classification, subsequent measurement, and gains and losses*

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL when it is held for trading, represents a derivative, or is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at *fair value* and any changes, including interest expense, are recognized in profit/(loss) for the period. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains/(losses) are recognized in profit/(loss) for the period, as are any gains or losses arising from derecognition.

iii) Accounting elimination

*Financial assets*

Financial assets are derecognized from the balance sheet when the contractual rights to the cash flows arising from them expire, when the contractual rights to receive cash flows in a transaction in which substantially all the risks and rewards of

ownership of the financial asset are transferred, or when the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The Group is involved in transactions that involve the transfer of assets recognized in its statement of financial position, but retains all or substantially all of the risks and rewards of the transferred asset. In such cases, the transferred assets are not derecognized.

#### *Financial liabilities*

The Group derecognizes a financial liability when the obligation specified in the contract has been fulfilled or canceled, or has expired. The Group also derecognizes a financial liability when the relevant contractual terms change and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognized at *fair value* based on the modified contractual terms.

The difference between the carrying amount of the extinguished financial liability and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit/(loss) for the period.

#### *iv) Offsetting*

Financial assets and liabilities may be offset and the amount resulting from the offset is presented in the statement of financial position if, and only if, the Group currently has a legal right to offset these amounts and intends to settle the balance on a net basis or to realize the asset and settle the liability simultaneously.

#### **Impairment losses**

#### *i) Financial instruments and assets arising from contracts*

The Group recognizes impairment provisions for expected credit losses on:

- financial assets measured at amortized cost;
- debt securities measured at FVOCI; and
- contract assets.

In addition, the Group recognizes impairment allowances for expected losses over the entire term of the receivables implicit in lease agreements among trade receivables and other receivables.

The Group measures impairment allowances at an amount equal to the expected losses over the entire life of the receivable, except as indicated below, for the following twelve months:

- debt securities with low credit risk at the balance sheet date; and
- other debt securities and bank current accounts whose credit risk (i.e., the risk of default over the expected life of the financial instrument) has not increased significantly since initial recognition.

Allowances for trade receivables (including those relating to leases) and contract assets are always measured at an amount equal to the expected losses over the life of the credit.

In order to determine whether the credit risk associated with a financial asset has increased significantly since initial recognition for the purpose of estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis based on the Group's historical experience, credit assessment, and forward-looking information.

Expected losses on long-term loans are the expected losses on loans arising from all possible defaults over the expected life of a financial instrument.

Expected losses on 12-month loans are the expected losses on loans arising from possible defaults within twelve months of the end of the financial year (or within a shorter period if the expected life of a financial instrument is less than 12 months).

The maximum period to be considered in assessing expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

#### *Assessment of expected credit losses*

Expected credit losses (ECL) are an estimate of credit losses weighted by probability. Credit losses are the present value of all uncollected amounts (i.e., the difference between the cash flows due to the entity under the contract and the cash flows that the Group expects to receive).

ECLs are discounted using the effective interest rate of the financial asset.

#### Non-financial assets

At each reporting date, the Group assesses whether there is objective evidence of impairment in the carrying amounts of its non-financial assets, excluding investment property, inventories, contract assets, and deferred tax assets. If, based on this assessment, it appears that the assets have indeed been impaired, the Group estimates their recoverable amount.

#### **Share capital**

In accordance with IAS 32, ordinary shares and other shares issued by the Parent Company are classified as equity instruments.

Incremental costs directly attributable to the issue of ordinary shares are recognized as a decrease in shareholders' equity. Income taxes relating to the transaction costs of a capital transaction are recognized in accordance with IAS 12.

#### **Provisions**

The amount of provisions is represented by the present value of estimated expected cash flows, discounted at a pre-tax rate that reflects current market assessments of the time value of money and the specific risks associated with the liability.

#### **Employee benefits**

Starting January 1, 2007, the 2007 Finance Act and related implementing decrees introduced significant changes to the rules governing employee severance indemnities (TFR), including the option for employees to choose whether to allocate their accrued TFR to supplementary pension funds or to the "Treasury Fund" managed by INPS. As a result, the obligation to INPS and contributions to supplementary pension schemes are classified as "defined contribution plans" in accordance with IAS 19, while the amounts recorded under employee severance indemnities remain classified as "defined benefit plans."

The Group's net obligation arising from defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have accrued in exchange for their service in the current and previous periods; this benefit is discounted and the *fair value* of any plan assets is deducted from the liabilities.

The calculation is performed by an independent actuary using the projected unit credit method. If the calculation generates a benefit for the Group, the amount of the asset recognized is limited to the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. In order to determine the present value of the economic benefits, the minimum funding requirements applicable to any Group plan are taken into account.

Actuarial gains and losses, returns on plan assets (excluding interest) and the effect of the asset ceiling (excluding any interest) arising from remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income. Net interest for the period on the net defined benefit liability/(asset) is calculated by applying to the net liability/(asset) the discount rate used to discount the defined benefit obligation, determined at the beginning of the period, taking into account any changes in the net defined benefit liability/(asset) that occurred during the year as a result of contributions received and benefits paid. Net interest and other costs relating to defined benefit plans are recognized in profit/(loss) for the period.

When changes are made to the benefits of a plan or when a plan is curtailed, the portion of the economic benefit relating to past service or the gain or loss arising from the curtailment of the plan is recognized in profit/(loss) for the period when the adjustment or curtailment occurs.

### **Share-based payments**

The *fair value* at the grant date of incentives recognized in share-based payments settled with equity instruments granted to employees is usually recognized as an expense, with a corresponding increase in equity, over the period during which the employees become entitled to the incentives. The amount recognized as an expense is adjusted to reflect the actual number of incentives for which the conditions of continued service and achievement of non-market results have been met, so that the final amount recognized as an expense is based on the number of incentives that satisfy the above conditions at the vesting date. In the case of incentives recognized in share-based payments whose conditions are not considered vesting conditions, the *fair value* at the grant date of the share-based payment is measured to reflect these conditions. With regard to non-vesting conditions, any differences between the assumptions made at the grant date and the actual assumptions will have no impact on the financial statements.

The *fair value* of the amount to be paid to employees in relation to cash-settled share revaluation rights is recognized as an expense with a corresponding increase in liabilities over the period during which employees become unconditionally entitled to receive payment. The liability is measured at each period-end closing date and at the settlement date based on the *fair value* of the share revaluation rights. Any changes in *the fair value* of the liability are recognized in profit/(loss) for the period.

### **Fair value measurements**

Various accounting standards and certain disclosure requirements require the Group to measure the *fair value* of financial and non-financial assets and liabilities. In measuring the *fair value* of an asset or liability, the Group uses observable market data as far as possible. *Fair values* are classified into various hierarchical levels based on the input data used in the measurement techniques, as illustrated below.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: input data other than quoted prices in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- *Level 3*: input data relating to the asset or liability that are not based on observable market data.

*Fair value* is the price that would be received on the measurement date for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants in the principal (or most advantageous) market to which the Group has access at that time. The *fair value* of a liability reflects the effect of a default risk.

Where available, the Group measures the *fair value* of an instrument using the quoted price of that instrument in an active market. A market is active when transactions in the asset or liability occur with sufficient frequency and volume to provide useful information for pricing on a continuous basis.

In the absence of a quoted price in an active market, the Group uses valuation techniques that maximize the use of observable input data and minimize the use of unobservable input data. The chosen valuation technique includes all factors that market participants would consider in estimating the transaction price.

If an asset or liability measured at *fair value* has an ask price and a bid price, the Group measures long and active positions at the bid price and short and passive positions at the ask price.

The best evidence of *the fair value* of a financial instrument at initial recognition is usually the transaction price (i.e., the *fair value* of the consideration given or received). If the Group notes a difference between the *fair value* at initial recognition and the transaction price, and the *fair value* is not determined either by using a quoted price in an active market for identical assets or liabilities or by using a valuation technique whose unobservable inputs are considered immaterial, the financial instrument is initially measured at *fair value*, adjusted to defer the difference between the *fair value* at initial recognition and the transaction price. Subsequently, this difference is recognized in profit or loss over the life of the instrument using an appropriate method, but no later than when the measurement is fully supported by observable market data or the transaction is completed.

## **Operating segment**

IFRS 8 - Operating Segments - defines an operating segment as a component:

- that engages in business activities that generate revenues and incur costs;
- whose operating results are reviewed periodically at the highest decision-making level;
- for which separate financial data is available.

The *Chief Operating Decision Maker* ("CODM") is identified as the Executive Chairman.

The CODM receives information, mainly from the *Chief Medical Officer* (CMO) and the *Chief Financial Officer* (CFO), regarding the progress of research programs, licensing agreements, and products, in order to monitor business performance and take the relevant decisions.

In this regard, the Company's management has identified a single business segment. The essentially homogeneous nature of the business, together with the progress of projects under development, does not allow for a division into multiple sectors subject to risks and benefits different from other sectors of activity. Furthermore, the services provided, the nature of the production processes, and the type of customer base per product do not allow the company's activities to be divided into different business segments. Therefore, the company believes that, at present, a financial representation by business and geographical segment would not provide a better representation and understanding of the business or its risks, opportunities, and benefits.

## **Changes in international accounting standards, interpretations, and amendments**

The following are the new accounting standards, interpretations, and improvements issued by the IASB and adopted as of January 1, 2025:

- *Amendments to IAS 21 - Unrealizable Foreign Currency Exchange*

It should be noted that the adoption of these amendments did not have a significant impact on the Group's consolidated financial statements.

## **Accounting standards, amendments, and interpretations not yet endorsed by the European Union as of June 30, 2025.**

The following accounting standards, amendments, and interpretations have been issued by the IASB but have not yet been adopted by the EU:

- *Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments* (effective from January 1, 2026);
- *IFRS 18 – Presentation and Disclosure in Financial Statements* (effective January 1, 2027)
- *IFRS 19 – Subsidiaries without Public Accountability: Disclosures* (effective January 1, 2027)
- *Amendments to IAS 28 and IFRS 10 – Sales of Contribution of Assets between an Investor and its Associate or Joint Venture* (possible optional application for which the effective date has been postponed indefinitely).

The Group has not early adopted any standards, interpretations, or improvements that have been issued but are not yet effective.

The Group is still assessing the possible impact of adopting the new standards listed above, but a preliminary *assessment* does not indicate any significant impact on the Group's consolidated financial statements.

**Certification of the condensed consolidated half-year financial statements pursuant to Article 81-ter of Consob Regulation No. 11971 of May 14, 1999, as amended and supplemented by Legislative Decree No. 58 of February 24, 1998**

The undersigned, Duccio Neri, in his capacity as Executive Chairman, and Laura Baldi, in her capacity as Manager responsible for preparing the accounting and corporate documents of Philogen S.p.A., certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:


- a) the adequacy in relation to the characteristics of the company and
- b) the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements during the period January 1 to June 30, 2025.

It is also certified that the condensed consolidated half-yearly financial statements of the Philogen Group as of June 30, 2024:

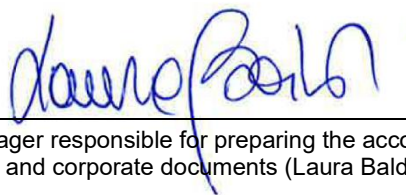
- has been prepared in accordance with the international accounting standards applicable in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, and subsequent amendments;
- correspond to the results of the accounting books and records;
- is suitable for providing a true and fair view of the financial position, results of operations, and cash flows of the Issuer and the companies included in the consolidation.

The interim management report includes a reliable analysis of the performance and results of operations, as well as the situation of the Issuer and all the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Siena, September 23, 2025



Executive Chairman (Duccio Neri)



Manager responsible for preparing the accounting and corporate documents (Laura Baldi)