

PHILOGEN S.p.A.

THE BOARD OF DIRECTORS APPROVES THE DRAFT FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021 (Courtesy English Translation)

- **Revenues from contracts with customers amounting to € 2,496 thousand** (€ 4,778 thousand in 2020)
- **EBITDA negative € 14,913 thousand** (negative € 10,633 thousand in 2020)
- **EBIT negative € 16,775 thousand** (negative € 12,129 thousand in 2020)
- **Net loss of € 15,725 thousand** (net loss of € 13,285 thousand as of 31 December 2020)
- **Net financial indebtedness positive € 85,184 thousand** (positive € 44,238 thousand as of 31 December 2020)

Siena (Italy), March 28, 2022 - the Board of Directors of Philogen S.p.A. (the "**Company**" or "**Philogen**") and, together with its Swiss subsidiary Philochem, (the "**Group**"), which met today under the chairmanship of Dr. Duccio Neri, approved the draft financial statements and the consolidated financial statements as of December 31, 2021, prepared in accordance with IAS/IFRS.

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

"On March 3, 2021, the listing process on the Mercato Telematico Azionario provided the Group with the financial resources necessary to accelerate the completion of the clinical trials of Nidlegy™ and Fibromun in melanoma and sarcoma, respectively. Philogen now has sufficient funds to invest in additional programs that will allow the diversification of the pipeline and consequently increase the probability of bringing one or more drugs to registration.

In 2021, the Group also began collecting encouraging emerging data in recurrent Glioblastoma where Fibromun is administered in combination with Lomustine.

Through its subsidiary Philochem, the Group has consolidated the OncoFAP platform on which it intends to invest in the years to come."

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

The Group's Total Revenues at December 31, 2021 amounted to €4,964 thousand, a decrease compared to December 31, 2020 of approximately 22%, and consisted of (i) Revenues from contracts with customers of €2,496 thousand and (ii) Other Income of €2,468 thousand. The decrease is mainly related to the completion, in 2020, of some existing contracts, as well as the Group's desire to focus on the clinical development of the most advanced products in its pipeline. It should be noted that in the last quarter of 2021, contracts for GMP production on behalf of third parties were signed for a total of approximately Euro 7,000 thousand, which will contribute to generating revenues based on the progress of the orders during 2022 and in subsequent years.

Operating expenses, amounting to €19,877 thousand, show an increase of approximately 17% compared to the year ended December 31, 2020. The change is mainly attributable to the extraordinary costs incurred during the year 2021 related to the IPO process, partly to the operational and governance structure the Company is equipping itself with to execute the business plan, and partly to the increase in personnel costs due to the hiring plan aimed at structuring the workforce of the new GMP facility in Rosia and the strengthening of staff functions under the new corporate governance code (during the year 2021, 44 new resources were hired).

EBITDA shows an increase compared to the year ended December 31, 2020 of approximately 40%, as a result of the above.

Depreciation and amortization, amounting to €1,862 thousand, shows an increase of approximately 24% compared to the year ended December 31, 2020, mainly due to depreciation related to investments incurred during 2021 for the equipment of the new GMP of the Rosia (Siena) site.

EBIT, calculated as the difference between EBITDA and amortization and depreciation, shows a negative balance of € 16,775 thousand at December 31, 2021. Compared to December 31, 2020, there is an increase of € 4,646 thousand.

Net financial management at December 31, 2021 showed income of € 1,535 thousand compared to the negative balance at December 31, 2020 of € 290 thousand. The change is mainly due to the *fair value* of the portfolio that for most of 2020

reflected the negative trend of the financial markets related to the effects of the Covid-19 pandemic. It should be noted that the company holds a portfolio of financial investments fed by liquidity in excess of current cash requirements.

The result for the period, as a consequence of the above, shows a loss of € 15,725 thousand compared to a loss of € 13,285 thousand at 31 December 2020.

As of December 31, 2021, the net financial position amounted to positive €(85,184) thousand, compared to a net financial position, also positive, of €(44,237) thousand at December 31, 2020. The change mainly reflects the cash flows absorbed by core operations in the year ended December 31, 2021 and investments in progress.

<i>Figures in thousands of euros</i>	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net financial debt					
(A) Cash and cash equivalents(*)	8,880	15,855	21,506	73,639	11,958
(B) Cash equivalent(*)	-	-	-	-	-
(C) Other current financial assets	92,797	91,974	91,736	48,776	49,984
(D) Liquidity (A+B+C)	101,678	107,829	113,242	122,414	61,943
(E) Current financial debt	9	9	15	6	15
(F) Current portion of non-current financial debt	1,798	2,030	2,018	2,043	1,790
(G) Net current financial debt (E+F)	1,807	2,039	2,033	2,048	1,805
(H) NET CURRENT FINANCIAL INDEBTEDNESS (G-D)	(99,870)	(105,790)	(111,209)	(120,366)	(60,137)
(I) Non-current financial debt	14,686	14,886	15,132	15,698	15,899
(J) Debt instruments	-	-	-	-	-
(K) Trade payables and other current payables	-	-	-	-	-
(L) Non-current financial debt (I+J+K)	14,686	14,886	15,132	15,698	15,899
(M) NET FINANCIAL DEBT (H+L)	(85,184)	(90,905)	(96,077)	(104,668)	(44,238)

(*) In accordance with the recommendations issued by ESMA, in order to standardize and make the indicators comparable, item (B) Cash equivalent (bank current accounts) was reclassified within item (A) Cash and cash equivalents (cash on hand).

The Group closed the fourth quarter of 2021 with liquidity of €101,678 thousand compared to €61,943 thousand at December 31, 2020, and a positive net financial position of €85,184 thousand at December 31, 2021 compared to a net financial position, also positive, of €44,238 thousand at December 31, 2020 (showing an overall percentage increase of over 90% compared to December 31, 2020).

The change in the net financial position compared to December 31, 2020 mainly derives from the capital raised during the IPO, amounting to €65,404 thousand, net of commissions paid to the consortium for the institutional placement and costs related to the issue of new shares of approximately €3,635 thousand.

Between the third and the fourth quarter of 2021, the net financial position showed a decrease of approximately 6%, though still positive, going from € 90,905 thousand at September 31, 2021 to € 85,184 thousand at December 31, 2021. In the same period, liquidity decreased from € 107,828 thousand at 31 September 2021 to € 101,678 thousand at 31 December 2021, down approximately 6%. The latter change is mainly due to (i) collections for ongoing research and development contracts for € 271 thousand, (ii) costs of ordinary operations of about € 5,244 thousand, (iii) investments for the construction of the new GMP plant in Rosia (Siena) of about € 1,460 thousand, (iv) purchase of treasury shares for € 538 thousand, and (v) the net positive change in the *fair value* of the securities portfolio of about € 823 thousand.

Current and non-current financial indebtedness decreased from € 16,925 thousand as of 30 September 2021 to € 16,493 thousand as of 31 December 2021, showing a decrease of approximately 12% resulting from the progress of the existing amortization plans. It should be noted that the financial indebtedness is represented for approximately € 11,849 thousand by the notional debt related to the real estate leases, for the three company sites, represented according to the international accounting standards (IFRS 16). The remainder relates to the outstanding loan taken out in order to finance the expansion project of the Rosia (Siena) production site. This loan envisages compliance with commercial *covenants* (verified as from the financial statements for the year ended 31 December 2021) and financial *covenants* (verified as from the financial statements for the year ended 31 December 2022), the breach of which does not require repayment of the loan, but it would result in an increase in the interest rate of 0.50%. As of December 31, 2021, the commercial *covenants* had been complied with.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

The Group is continuing with the share buyback program approved on November 24, 2021 by the Company's Board of Directors, which began on December 1, 2021 and runs for 18 months from approval.

Since the start of the program and through March 25, 2022, Philogen has purchased 118,910 ordinary shares (equal to 0.2928% of the share capital), for a total consideration of €1,699,833.61.

Notices pursuant to Buyback regulations are available on the Company's website (<https://www.philogen.com>), "Investors/Buyback" section.

Moreover, on March 3, 2022 the *lock-up* commitment for the shareholders Nerbio S.r.l. and Dompé Holding S.r.l., which had a duration of 365 days from the date of the start of trading, expired. Therefore, as from this date, all outstanding shares are free from *lock-up*.

FORESEEABLE EVOLUTION OF OPERATIONS

During the year ended December 31, 2021, the patient enrollment rate, which declined slightly in 2020, increased. In addition to the general variable trend in the speed of patient enrollment from year to year and the improvement in the situation related to the COVID-19 emergency, this increase is related to the opening of new clinical centers. In order to further accelerate recruitment, the Group is opening new centers in several European and non-European countries for the various ongoing studies conducted with proprietary drugs.

The Group also reports the following scientific events planned for the year 2022:

- Nidlegly™
 - Recruitment of new patients and opening of new centers in the various ongoing clinical trials;
 - Completion of patient enrollment in the European Phase III study in melanoma;
 - Initiation of a second Phase II study in various non-melanoma skin cancers;
- Fibromun
 - Recruitment of new patients and opening of new centers in various ongoing clinical trials;
 - publication of emerging data from the Phase I/II study in first recurrence/recurrence glioblastoma conducted with Fibromun in combination with Lomustine. Completion of the first phase of the study is also expected;
- Radio-conjugated OncoFAP
 - initiation of one or more clinical trials with the aim of exploring OncoFAP-⁶⁸ Ga (diagnostic agent) and/or OncoFAP-¹⁷⁷ Lu (therapeutic agent) in a larger number of patients with cancer of different origins;
- New GMP plant in Rosia (Siena)
 - the installation and validation of the process machines of the new GMP site is expected to be completed, following which the AIFA authorization for the production and marketing of antibody-based drugs will be requested. It should be noted that this new plant will join the existing GMP facility in Montarioso (Siena), which was improved in 2021, and is dedicated to the production of experimental drugs.

FINANCIAL STATEMENTS OF THE PARENT COMPANY PHILOGEN S.P.A.

The Board of Directors approved the draft financial statements of the Parent Company, Philogen S.p.A.

Revenues from contracts with customers amounted to € 2,581 thousand, a decrease compared to the year ended December 31, 2020 of approximately 37%, a reduction attributable to the Group's desire to focus on the clinical development of the *pipeline*. However, existing customer contracts continue.

Other income amounted to € 2,242 thousand in 2021, compared to € 1,211 thousand in the year ended December 31, 2020, showing an increase of approximately 85% to be attributed primarily to (i) the 2021 research and development tax credit amounting to € 1.980 thousand, increasing compared to the 2020 R&D credit by more than 90% as a direct reflection of the higher research and development costs incurred in the period, (ii) the 2021 lease credit, amounting to € 195 thousand, provided for by the Decree 73/2021 (so-called Decree Bis supports) through which new measures were introduced to support the economic system still affected by the crisis related to the Covid-19 pandemic.

Operating costs amounted to €17,039 thousand, an increase of approximately 14% compared to the year ended December 31, 2020.

EBITDA shows a negative value of € 12,216 thousand, showing an increase compared to the year ended December 31, 2020 of approximately 27%, as a result of a reduction in revenues and an increase in costs in the year ended December 31, 2021.

Depreciation and amortization amounted to €1,406 thousand, an increase of approximately 31% compared to the year ended December 31, 2020, due primarily to depreciation related to investments incurred during 2021 for the equipment of the new GMP at the Rosia (Siena) site.

Net financial management at December 31, 2021 showed income of € 1,674 thousand compared to the negative balance at December 31, 2020 of € 196 thousand. The change is mainly due to the *fair value* of the portfolio that for most of 2020 reflected the negative trend of the financial markets related to the effects of the Covid-19 pandemic. It should be noted that the Company holds a portfolio of financial investments fed by cash in excess of current cash requirements.

Income from equity investments shows a negative balance of €2,308 thousand in 2021, an increase compared to the negative balance of €1,686 thousand for the year ended December 31, 2020. It should be noted that in March 2022, Philochem AG, a subsidiary of the Group, signed an important license and collaboration agreement for the development and commercialization of a small organic molecule for imaging applications with a proven ability to selectively visualize and diagnose a variety of metastatic solid tumors. This agreement will have economic implications during fiscal year 2022.

The Company's net result for the year ended December 31, 2021 shows a loss of € 14,759 thousand compared to the year ended December 31, 2020, which closed with a loss of € 13,285 thousand.

As of December 31, 2021, the Company's net debt amounted to €(90,412) thousand.

PROPOSAL TO COVER THE LOSS FOR THE YEAR

The Board of Directors resolved to propose to the Shareholders' Meeting that the loss for the year ended 31 December 2021, amounting to 14,759 thousand euros, be fully covered by using 1,107,270 euros from the "*Retained earnings*" reserve and 13,652,156 euros from the "*Additional paid-in capital*" reserve.

* * *

The Manager in charge of drawing up the corporate accounting documents, Laura Baldi, hereby declares, pursuant to art. 154-bis, paragraph 2 of Legislative Decree no. 58/1998, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

* * *

In line with the recommendations contained in the ESMA/2015/1415 guidelines of 5 October 2015, it should be noted that this press release includes some indicators that, although not provided for by IFRS, derive from financial amounts provided for therein. These indicators - which are presented in order to allow a better assessment of the Group's operating performance - must not be considered as alternatives to those provided for by IFRS and are consistent with those shown in the Report and Financial Statements at 31 December 2020. Moreover, it is noted that the methods for the calculation of these indicators applied therein - since they are not specifically regulated by the reference accounting standards - may not be consistent with those adopted by others and, therefore, these indicators may not be properly comparable. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be underlined that the alternative performance indicators have not been subject to audit by the Independent Auditors, as well as the attached accounting schedules.

* * *

Philogen Group Description

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

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

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

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

* * *

FOR MORE INFORMATION:

Philogen - Investor Relations

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

Philogen Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2021

<i>Figures in thousands of euros and as a percentage</i>	Year ended 31 December				Variations	
	2021	%	2020	%	2021 vs 2020	%
Revenues from contracts with customers	2,496	100.0%	4,778	100.0%	(2,282)	(47,8)%
Other income	2,468	98.9%	1,567	32.8%	901	57,5%
Total Revenues	4,964	198.9%	6,345	132.8%	(1,381)	(21,8)%
Operating costs (**)	(19,877)	(796.3)%	(16,977)	(355.3)%	(2,900)	17,1%
EBITDA (*)	(14,913)	(597.5)%	(10,633)	(222.5)%	(4,281)	40,3%
Depreciation	(1,862)	(74.6)%	(1,496)	(31.3)%	(365)	24,4%
EBIT	(16,775)	(672.0)%	(12,129)	(253.9)%	(4,646)	38,3%
Financial income	2,581	103.4%	2,179	45.6%	402	18,4%
Financial charges	(1,046)	(41.9)%	(2,469)	(51.7)%	1,423	(57,6)%
Profit before tax	(15,240)	(610.5)%	(12,419)	(259.9)%	(2,821)	22,7%
Taxes	(485)	(19.4)%	(866)	(18.1)%	381	(44,0)%
Profit (loss) for the period	(15,725)	(630.0)%	(13,285)	(278.0)%	(2,439)	18,4%

(*) Operating costs are the sum of the following items: purchase of raw materials and consumables, costs for services, costs for use of third party assets, personnel costs and other operating costs.

(**) EBITDA is represented by the operating income before amortization and depreciation. EBITDA is a measure defined and used by the Group to monitor and assess the Group's operating performance, but is not defined within IFRS. The Company believes that EBITDA is an important parameter for measuring the Group's performance, as it makes it possible to analyze the Group's margins by eliminating the effects deriving from non-recurring economic elements. Given that EBITDA is not a measure whose determination is regulated by the reference accounting standards for the preparation of the Group's consolidated financial statements, the criterion applied to determine EBITDA may not be homogeneous with that adopted by other groups, and therefore may not be comparable.

Philogen Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

<i>Figures in thousands of euros and as a percentage</i>	Year ended 31 December		Variations	
	2021	2020	2021 vs 2020	%
Uses				
Property, plant and machinery	10,984	5,163	5,821	112.8%
Intangible assets	950	961	(11)	(1.2)%
Right-of-use activity	10,005	10,288	(283)	(2.7)%
Deferred tax assets	674	1,176	(502)	(42.7)%
Employee Benefits	(1,033)	(847)	(187)	22.1%
Deferred tax liabilities	(183)	(234)	51	(21.9)%
Net fixed assets (*)	21,397	16,507	4,890	29.6%
Inventories	1,295	774	520	67.2%
Contractual activities	87	207	(120)	(57.8)%
Trade receivables	688	515	173	33.7%
Tax receivables	5,740	3,812	1,928	50.6%
Other current assets	876	635	241	37.9%
Trade payables	(5,826)	(3,920)	(1,906)	48.6%
Liabilities under contract	(2,233)	(4,155)	1,922	(46.3)%
Tax payables	(309)	(362)	53	(14.7)%
Other current liabilities	(1,812)	(2,578)	766	(29.7)%
Net working capital (*)	(1,494)	(5,072)	3,578	(70.5)%
Net invested capital (*)	19,903	11,435	8,468	74.0%
Sources				
Shareholders' equity	105,087	55,673	49,414	88.8%
Net financial debt (*)	(85,184)	(44,238)	(40,946)	92.6%
Total sources	19,903	11,435	8,468	74.0%

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

Philogen Group

CONSOLIDATED CASH FLOW STATEMENT AS AT 31 DECEMBER 2021

<i>Figures in thousands of Euros</i>	Year ended 31 December			
	2021	<i>Of which with related parties</i>	2020	<i>Of which with related parties</i>
Cash flow from operating activities				
Result for the period	(15,725)	(2,853)	(13,285)	(3,820)
<i>Adjustments for:</i>				
Depreciation of tangible and intangible assets	1,862	747	1,496	709
Net financial income/(charges)	(1,535)	343	290	353
Provisions for risks and employee benefits	121		94	
Provisions for Group incentive plans	21		-	
Income Taxes	485		866	
Other non-cash adjustments	(48)		345	
<i>Variations of:</i>				
Inventories	(515)		(157)	
Contractual activities	121		(209)	
Trade receivables	(149)		685	
Liabilities under contract	(1,922)		(3,643)	
Trade payables	1,709	20	634	(2)
Other current assets and liabilities (*)	(2,996)		690	
Utilisation of provisions and employee benefits	(36)		(66)	
Interest paid	(417)		(898)	
Income taxes paid	(8)		(7)	
Cash flow generated/absorbed by operations (A)	(19,032)	(1,743)	(13,165)	(2,760)
Cash flow from investment activities				
Interest received	164		1,084	
Proceeds from the sale of property, plant and equipment	-		-	
Proceeds from the sale of investment property	-		-	
Proceeds from the sale of financial assets	1,743		28,338	
Purchase of property, plant and equipment	(6,550)		(3,454)	
Purchase of intangible assets	(268)		(195)	
Purchase of other financial assets	(42,860)		(8,005)	
Cash flow generated/absorbed by investing activities (B)	(47,771)	-	17,768	
Cash flow from financing activities				
Proceeds from the issue of shares	65,404		-	
Proceeds from the assumption of financial liabilities	-		5,011	
Repayment of financial liabilities	(1,074)		(487)	
Payment of lease liabilities	(738)	(738)	(736)	(736)
Purchase of own shares	(537)		-	
Cash flow generated/absorbed by financing activities (C)	63,055	(738)	3,787	(736)
Increase in cash and cash equivalents from merger (D)	560		-	
Total cash flow (A + B + C + D)	(3,188)	(2,481)	8,389	(3,496)
Opening cash and cash equivalents	11,958		3,564	
Change in cash and cash equivalents for the period	(3,188)		8,389	
Translation effect on cash and cash equivalents	110		5	
Closing cash and cash equivalents	8,880		11,958	

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

Philogen S.p.A.

RECLASSIFIED INCOME STATEMENT AS AT 31 DECEMBER 2021

<i>Figures in thousands of euros and as a percentage</i>	Year ended 31 December				Variations	
	2021	%	2020	%	2021 vs 2020	%
Revenues from contracts with customers	2,581	100.0%	4,099	100.0%	(1,518)	(37.0)%
Other income	2,242	86.9%	1,211	29.5%	1,031	85.1%
Total Revenues	4,823	186.9%	5,310	129.5%	(487)	(9.2)%
Operating costs (*)	(17,039)	(660.2)%	(14,909)	(363.7)%	(2,130)	14.3%
EBITDA(**)	(12,216)	(473.3)%	(9,599)	(234.2)%	(2,616)	27.3%
Depreciation	(1,406)	(54.5)%	(1,074)	(26.2)%	(332)	30.9%
EBIT	(13,622)	(527.8)%	(10,673)	(260.4)%	(2,948)	27.6%
Financial income	2,559	99.2%	2,137	52.1%	422	19.8%
Financial charges	(885)	(34.3)%	(2,333)	(56.9)%	1,448	(62.1)%
Result from equity investments	(2,308)	(89.4)%	(1,686)	(41.1)%	(622)	36.9%
Profit before tax	(14,256)	(552.4)%	(12,555)	(306.3)%	(1,700)	13.5%
Taxes	(504)	(19.5)%	(730)	(17.8)%	226	(31.0)%
Net income (loss) for the period	(14,759)	(571.9)%	(13,285)	(324.1)%	(1,474)	11.1%

(*) Operating costs are given by the sum of the following items: purchase of raw materials and consumables, costs for services, costs for leases and rentals, payroll costs and other operating costs.

(**) EBITDA is represented by the operating income before amortization and depreciation. EBITDA is a measure defined and used by the Group to monitor and assess the Group's operating performance, but is not defined within IFRS. The Company believes that EBITDA is an important parameter for measuring the Group's performance, as it makes it possible to analyze the Group's margins by eliminating the effects deriving from non-recurring economic elements. Given that EBITDA is not a measure whose determination is regulated by the reference accounting standards for the preparation of the Group's consolidated financial statements, the criterion applied to determine EBITDA may not be homogeneous with that adopted by other groups, and therefore may not be comparable.

Philogen S.p.A.

RECLASSIFIED BALANCE SHEET AS AT 31 DECEMBER 2021

<i>Figures in thousands of euros and as a percentage</i>	As of December 31		Variations	
	2021	2020	2021 vs 2020	%
Uses				
Property, plant and machinery	9,769	3,866	5,902	152.7%
Intangible assets	759	791	(32)	(4.0)%
Right-of-use activity	6,839	7,376	(537)	(7.3)%
Participations	-	2,369	(2,369)	(100.0)%
Deferred tax assets	664	1,172	(508)	(43.3)%
Employee Benefits	(1,033)	(847)	(187)	22.1%
Deferred tax liabilities	(145)	(177)	32	(18.0)%
Net fixed assets (*)	16,852	14,551	2,301	15.8%
Inventories	1,166	712	454	63.8%
Contractual activities	52	-	52	-
Trade receivables	727	754	(26)	(3.5)%
Tax receivables	5,661	3,780	1,881	49.8%
Other current assets	541	668	(127)	(19.0)%
Trade payables	(5,593)	(5,117)	(477)	9.3%
Liabilities under contract	(2,233)	(4,155)	1,922	(46.3)%
Tax payables	(309)	(362)	53	(14.7)%
Other current liabilities	(1,224)	(2,166)	941	(43.5)%
Net working capital (*)	(1,212)	(5,886)	4,674	(79.4)%
Net invested capital (*)	15,640	8,665	6,975	80.5%
Sources				
Shareholders' equity	106,053	55,673	50,380	90.5%
Net financial debt (*)	(90,412)	(47,007)	(43,405)	92.3%
Total sources	15,640	8,665	6,975	80.5%

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

Philogen S.p.A.

CASH FLOW STATEMENT AS AT 31 DECEMBER 2021

<i>Data in Euro</i>	2021	<i>Of which with related parties</i>	2020	<i>Of which with related parties</i>
Cash flow from operating activities				
Operating result	(14,759)	(5,584)	(13,285)	(7,057)
<i>Adjustments for:</i>				
Amortization of tangible and intangible assets and assets for right of use	1,406	555	1,074	534
Net financial income/(charges)	(1,674)	201	196	207
Provisions for risks and employee benefits	122		94	
Provision for stock grant plans	21	13	-	
Income Taxes	504		729	
Write-downs/reversals of investments	2,308	2,308	1,686	1,686
Other non-cash adjustments	(231)		278	
<i>Variations of:</i>				
Inventories	(454)		(180)	
Contractual activities	(52)		-	
Trade receivables	26	(106)	(114)	107
Liabilities under contract	(1,922)		(3,052)	
Trade payables	636	(978)	2,008	(1,276)
Other current assets and liabilities *	(2,748)		708	
Utilisation of provisions and employee benefits	(36)		(66)	
Interest paid	(275)		(775)	
Income taxes paid	-		(386)	
Cash flow generated/absorbed by operations (A)	(17,129)	(3,590)	(10,700)	(5,799)
Cash flow from investment activities				
Interest received	169		1,084	
Proceeds from the sale of property, plant and equipment	-		-	
Proceeds from the sale of financial assets	1,743		28,339	
Purchase of property, plant and equipment	(6,498)		(3,158)	
Purchase of intangible assets	(171)		(191)	
Purchase of other financial assets	(45,730)	(2,870)	(8,005)	
Cash flow generated/absorbed by investing activities (B)	(50,488)	(2,870)	18,069	-
Cash flow from financing activities				
Proceeds from the issue of shares	65,404		-	
Proceeds from the assumption of financial liabilities	-		5,000	
Repayment of financial liabilities	(2,544)	(1,464)	(3,169)	(2,682)
Payment of lease liabilities	(504)	(473,805)	(532)	(532)
Dividends paid	-		-	
Purchase of own shares	(537)		-	
Cash flow generated/absorbed by financing activities (C)	61,819	(1,938)	1,299	(3,213)
Increase in cash and cash equivalents from merger (D)	560		-	
Total cash flow (A + B + C + D)	(5,239)	(8,398)	8,668	(9,013)
Opening cash and cash equivalents	11,650		2,981	
Change in cash and cash equivalents for the period	(5,239)		8,668	
Closing cash and cash equivalents	6,411		11,650	

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