PHILOGEN S.p.A. (COURTESY ENGLISH TRANSLATION)

THE BOARD OF DIRECTORS APPROVES THE DRAFT OPERATING BUDGET AND CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

- **Revenues from contracts with customers amounting to 23,130 thousand euros** (23,713 thousand euros in 2022)
- **Negative EBITDA of 5,199 thousand Euro** (positive 3,021 thousand Euro in 2022)
- **Negative EBIT of 8,840 thousand euros** (positive 240 thousand euros in 2022)
- **Negative net result of 6,161 thousand Euro** (negative net result of 5,376 thousand Euro as of December 31, 2022**)**
- **Net financial position positive 60,430 thousand Euro** (positive 70,438 thousand Euro as of December 31, 2022)

AT THE SAME MEETING, THE BOARD OF DIRECTORS RESOLVED, AMONG OTHER THINGS, TO PROPOSE TO THE SHAREHOLDERS' MEETING CONVENED FOR APRIL 29, 2024:

- **The adoption of an incentive plan pursuant to Article *114-bis* of Legislative Decree No. 58 of February 24, 1998, called the "*2027-2029 Stock Grant Plan*," reserved for Group employees and consultants;**
- **The adoption of an incentive plan pursuant to Article *114-bis* of Legislative Decree No. 58 of February 24, 1998, called the "*Directors' Stock Ownership Plan 2024-2026*," reserved for the Group's directors;**
- **The authorization to purchase and dispose of treasury shares;**
- **The amendment of Article 11 (*Right to attend Shareholders' Meetings*) of the bylaws.**

Siena (Italy), March 27, 2024 - The Board of Directors of Philogen S.p.A. (the "**Company**" or "**Philogen**") and, together with its Swiss subsidiary Philochem, (the "**Group**"), which met today under the chairmanship of Dr. Duccio Neri, approved the draft financial statements and consolidated financial statements as of December 31, 2023, prepared in accordance with IAS/IFRS.

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

"Philogen closes its first three years as a listed company after successfully completing several corporate milestones.

The Phase III clinical trial of Nidlegy™ in melanoma has reached the primary study objective. The Group is finalizing the electronic Common Technical Document that it will submit to the European Medicines Agency in the first half of 2024. Philogen is also working together with its partner Sun Pharma on the preparation of the commercial launch of this product. As foreseen, Philogen will be in charge of manufacturing, and Sun Pharma of activities associated with commercialization. The authorization of the new GMP production site in Rosia was a crucial event in view of the commercial drug distribution.

We are also very proud of the progress of the Fibromun programs, the company's second most advanced investigational drug in the pipeline. The Phase III trial in soft tissue sarcoma has successfully passed interim analysis and continues toward completion of patient enrollment scheduled for the summer of 2024. The European trial in recurrent glioblastoma is proceeding faster than expected, and an expansion of the program to the United States is underway, with a trial that has already been approved by the U.S. Food and Drug Administration.

The OncoFAP platform is performing exceptionally well. The Group is completing patient enrollment in the FAPrimo imaging study with 68Ga-OncoFAP (in collaboration with Bracco) and is finalizing the Clinical Trial Application of the therapeutic radiopharmaceutical 177Lu-OncoFAP-23 (proprietary product). In addition, a clinical trial is underway in animals with spontaneous tumors lacking therapeutic alternatives, in which the nonradioactive drug OncoFAP-GlyPro-MMAE is showing excellent results. OncoFAP-GlyPro-MMAE is expected to enter the clinic for human use in 2025. Recall that the OncoFAP ligand is a small molecule with the ability to target more than 28 different tumor types. Since there are tumors that are more sensitive to radioactivity, while others are more sensitive to the effect of cytotoxic agents (e.g., MMAE), we anticipate that 177Lu-OncoFAP-23 and OncoFAP-GlyPro-MMAE will have complementary market opportunities.

Philogen's Zurich-based research center recently discovered a new small organic molecule with very high affinity and selectivity for a prostate cancer marker ACP-3. While most companies focus on the cancer marker PSMA, Philogen will

work on ACP-3. The latter is more expressed in prostate cancer, but less expressed in healthy tissues than PSMA. We believe these characteristics will enable our new OncoACP-3 platform to generate more effective and safer drugs than current marketed drugs for the treatment of prostate cancer directed against PSMA."

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

The Group's Total Revenues amounted to Euro 25,121 thousand, showing a decrease of approximately Euro 2,175 thousand compared to the year ended December 31, 2022, and consisted of (i) Revenues from contracts with customers amounting to Euro 23,130 thousand, substantially in line with the previous year and (ii) Other Income amounting to a decrease of Euro 1,991 thousand.

This change is mainly related to other income amounting to €1,991 thousand as of December 31, 2023 (€3.582 thousand as of December 31, 2022), attributable to (i) tax credits, which the Company benefited from during 2022, related to "extraordinary" activities carried out during 2021 such as the SME tax credit in the amount of 500 thousand Euro for consulting costs incurred for admission to listing on a regulated market and the ACE tax credit in the amount of 180 thousand Euro related to the capital increase raised during the listing, and (ii) to the reduction in the rate of the research and development credit facility from which the Company benefits on an ongoing basis by virtue of its research activity. This decrease can be attributed to the entry into force of the new percentages provided for in the Budget Law 2022, which envisage a reduction in the facilitation rate from 20% to 10%. As a result of this reduction, as of December 31, 2023, the research and development credit amounted to 1,161 thousand euros, while as of December 31, 2022, it amounted to 1,812 thousand euros.

Operating costs amounting to Euro 30,320 thousand, an increase of Euro 6,046 thousand compared to the year ended December 31, 2022 are mainly composed of production material costs, clinical and preclinical service costs, personnel costs, and other operating costs. The change can be attributed to (i) the increase in material costs from Euro 2,853 thousand as of December 31, 2022 to Euro 3,472 thousand as of December 31, 2023; (ii) the increase in service costs related to the Group's *core* business activities from Euro 10,334 thousand as of December 31, 2022 to Euro 13.990 thousand as of December 31, 2023; (iii) the increase in personnel costs related to the hiring plan aimed at structuring the workforce of the two GMP facilities and strengthening the management and staff functions, rising from Euro 10,464 thousand as of December 31, 2022 to Euro 12,176 thousand as of December 31, 2023.

EBITDA shows a decrease of approximately Euro 8,221 thousand, from a positive value of Euro 3,021 thousand as of December 31, 2022 to a negative value of Euro 5,199 thousand as of December 31, 2023, as a result of an increase in operating costs of 25% against revenues decreasing by 8.0%.

Depreciation and amortization show an increase of approximately 30.9% compared to the previous year, from Euro 2,782 thousand as of December 31, 2022 to Euro 3,641 thousand as of December 31, 2023, due to the entry into operation of the investments incurred for the equipment and interconnection of the new GMP facility at the Rosia (Siena) site. It should be noted that, in line with the company's forecasts, the investments for the new GMP were completed and the new facility came into operation during the year 2022, in order to carry out the mandatory activities to obtain the AIFA authorization necessary for the production of drugs.

EBIT, calculated as the difference between EBITDA and depreciation and amortization, showed a negative balance of 8,840 thousand euros as of December 31, 2023, compared to a positive balance of 240 thousand euros as of December 31, 2022.

Net financial management for the year ended December 31, 2023 shows a net positive result of Euro 2,659 thousand, a negative result of Euro 4,599 thousand in the year ended December 31, 2022. The positive result for the year is mainly attributable to (i) net valuation gains of Euro 2,184 thousand related to changes in the *fair value of* the securities portfolio, (ii) net income on the securities portfolio of Euro 1.158 thousand given by net capital gains on realization, coupon and dividend collections, (iii) interest income collected amounting to Euro 392 thousand of which Euro 195 thousand related to time deposits collected at maturity and the remainder related to the extinguishment of the derivative on outstanding loans; (iv) interest expense and other financial charges amounting to Euro 546 thousand; and (v) net foreign exchange losses amounting to Euro 529 thousand.

The change from the previous year is mainly attributable to valuation items and in particular to the *fair value* of financial assets, mainly due to a recovery in the financial markets as well as the new parameters provided by the "Investment Management Policy" approved by the Board of Directors in October 2022 in order to counter the unstable financial economic environment that had characterized the markets during the previous year.

Taxes amounting to Euro 20 thousand are represented by deferred taxes mainly attributable to the reversal of the tax effects recognized at the transition to IAS/IFRS and show a decrease of Euro 1,037 thousand compared to the previous year due to the reduction of the subsidiary's result for the year to which the taxes for the year 2022 were linked.

The result for the year ended December 31, 2023 shows a loss of 6,161 thousand euros, compared to the loss as of December 31, 2022 of 5,376 thousand euros.

The following is a table of the Philogen Group's Net Financial Debt as of December 31, 2022, prepared in accordance with ESMA Guideline 32-382-1138 of March 4, 2021 and Consob's Attention Call No. 5/21:

Figures in thousands of euros **Net financial debt**	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**
(A) Cash and cash equivalents	10,635	12,636	20,592	3,663	8,436
(B) Cash equivalents to cash and cash equivalents.	5,000	15,000	16,000	16,000	16,000
(C) Other current financial assets	59,709	56,119	57,710	62,458	61,764
(D) Liquidity (A+B+C)	**75,344**	**83,755**	**94,302**	**82,121**	**86,200**
(E) Current financial debt	22	41	23	31	29
(F) Current part of non-current financial debt	1,868	1,827	1,786	1,744	1,726
(G) Net current financial debt (E+F)	**1,890**	**1,868**	**1,809**	**1,775**	**1,755**
(H) NET CURRENT FINANCIAL DEBT (G-D)	**(73,455)**	**(81,887)**	**(92,494)**	**(80,346)**	**(84,445)**
(I) Non-current financial debt	13,025	13,265	13,424	13,615	14,007
(J) Debt instruments	-	-	-	-	-
(K) Trade and other current payables.	-	-	-	-	-
(L) Non-current financial debt (I+J+K)	**13,025**	**13,265**	**13,424**	**13,615**	**14,007**
(M) NET FINANCIAL DEBT (H+L)	**(60,430)**	**(68,622)**	**(79,069)**	**(66,731)**	**(70,438)**

The Group ended the fourth quarter of 2023 with liquidity of Euro 75,344 thousand, compared to Euro 86,200 thousand as of December 31, 2022, and a positive net financial position as of December 31, 2023 of Euro 60,430 thousand, compared to a net financial position, also positive, of Euro 70,438 thousand as of December 31, 2022 (showing an overall percentage decrease of approximately 14% compared to December 31, 2022).

Between the third and fourth quarters of 2023, the net financial position went from a positive value of 68,622 euros as of September 30, 2023, to a positive value of 60,430 euros as of December 31, 2023, showing a decrease of approximately 12%. In the same period, cash and cash equivalents decreased from Euro 83,755 thousand as of September 30, 2023 to Euro 75,344 thousand as of December 31, 2023, showing a decrease of approximately 10%. The latter change is mainly attributable to the net balance between (i) costs of core operations of approximately Euro 8,032 thousand, (ii) costs mainly related to investments incurred for the construction of the new office building at the Rosia (Siena) site of approximately Euro 1,641 thousand, (iii) purchase of treasury shares of Euro 421 thousand, (iv) net positive change in financial operations of approximately Euro 1.684 thousand, given by Euro 333 thousand related to the collection of coupons occurred in the fourth quarter 2023, by Euro 1,371 thousand related to the net positive change in the *fair value* of the securities portfolio held, and by Euro 20 thousand related to the negative change in the *market to market* of the hedging derivative on outstanding loans. It should also be noted that part of the liquidity, amounting to €5,000 thousand as of December 31, 2023, is invested in short-term time deposits, which are remunerated at market rates on maturity.

Current and noncurrent financial debt decreased from 15,133 thousand euros as of September 30, 2023 to 14,915 thousand euros as of December 31, 2023, showing a decrease of approximately 218 thousand euros resulting from the progress of the amortization schedules of existing loans. It should be noted that financial indebtedness is represented for approximately Euro 12,100 thousand by the accounting representation of the debt inherent in the leases of the three company sites, represented in accordance with the international accounting standard (IFRS 16), for Euro 2,793 thousand by the medium/long-term loan entered into with the Banca Intesa Group (formerly Ubi Banca S.p.A.) in January 2021, in order to partially finance the construction and equipment of the new GMP plant at the Rosia (Siena) site, and for Euro 22 thousand by the balance of credit cards as of December 31, 2023. It should be noted that during 2023 there were Istat adjustments in the rent of real estate that were affected by the high rate of inflation during the period, resulting in a consequent increase in financial debt.

MAJOR EVENTS AFTER THE END OF THE FINANCIAL YEAR

On January 22, 2024, the Board of Directors approved the update of the "Model of Organization, Management and Control," which became necessary following the introduction of the "*Whistleblowing*" procedure in compliance with Legislative

Decree 24/2023 for reporting violations stipulated in the regulations. This document was disseminated via the company intranet and the Company's website at http://www.philogen.com/ under *Governance/code-ethics-and-model-231*.

In January 2024, the Company experienced an attempted cyber-attack on its IT systems that was promptly detected and contained by the Company's IT department, which immediately put in place the security and control procedures required by company protocols. After an initial IT system outage that lasted approximately four days, the Company was able to restore IT services and resume its activities (e.g., experimental drug production and clinical activities). Notably, the attack was localized and isolated and did not cause any loss of data and/or operations.

On March 27, 2024, the Company's Board of Directors approved the Sustainability Report 2023 prepared in accordance with GRIs. The document is published in the "*Sustainability*" section on the Company's website at http://www.philogen.com/ under Governance/Sustainability-ESG.

FORESEEABLE DEVELOPMENT OF OPERATIONS

During the year ended December 31, 2023, the speed of patient enrollment increased. This increase is related not only to the general variable trend of patient enrollment speed from year to year, but also 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.

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

Following the achievement of the primary objective of the Phase III study in locally advanced melanoma, the Company is working on the finalization of the *Marketing Authorization Application* documentation, which is expected to be submitted to the European *Medicines Agency* (EMA) in the first half of 2024.

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

Two Phase II studies are ongoing in "*High-Risk Locally Advanced*" Basal Cell Carcinoma (BCC) and other non-melanoma skin cancers. The Group accelerated activities in BCC based on the high rate of durable complete remissions (clinical and/or pathological CR) observed in patients treated with Nidlegy™. As of the date of this Report, 67 patients have been enrolled in the ongoing Duncan study in Switzerland, Poland, and Germany. Discussions are ongoing with regulatory authorities to finalize an industrial development plan to bring the drug to registration. The two clinical trials also allow Nidlegy™ to be investigated in other non-melanoma skin cancers (e.g., squamous cell carcinoma, *Merkel Cell Carcinoma*).

As disclosed on May 30, 2023, Nidlegy™ was the subject of an exclusive marketing, licensing and supply agreement with Sun Pharma for Europe, Australia and New Zealand. Philogen retains the rights for all other territories and all indications other than skin cancer.

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

In the European Phase III study in the first-line STS in combination with doxorubicin, 99 patients of the 118 in the protocol were enrolled. The study is continuing in Germany, Italy, Spain, Poland and France. Patients are randomized 1:1. Fifty percent of patients are treated with doxorubicin (control arm) and the other 50 percent of patients are treated with doxorubicin in combination with Fibromun (experimental arm). The study, whose primary endpoint is *Progression Free Survival* (PFS)*, was* designed to observe at least 80% improvement in the experimental arm versus the control arm. Based on historical data, the *median* PFS of doxorubicin alone is expected to be around 4.6 months. An *Independent Data and Safety Monitoring Board* meeting on Feb. 19, 2024 recommended the continuation of the study as per the protocol, based on the evaluation of interim efficacy and safety data.

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

The randomized phase of the European Phase II trial in the third-line STS in combination with dacarbazine continues. The trial has enrolled 59 patients of the 92 planned by protocol. Additional centers are being activated.

Regarding the Phase I/II Study in second-line Glioblastoma in combination with lomustine, Phase I is completed with 15 patients divided into 3 cohorts and Phase II is ongoing. As of the date of this Report, 53 of the 158 patients scheduled for Phase II of the study have been enrolled. The study is currently ongoing in Switzerland, Italy and Germany. Philogen is working with the aim of opening additional centers in major European countries.

The Phase I/II/IIb trial in first-line Glioblastoma in combination with radiotherapy and temozolomide continues at the University Hospital of Zurich. Cohort 4 of the 5 planned Phase I trial *is* currently underway.

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

68Ga-OncoFAP (radio-diagnostic derivative) is being studied in the Phase I clinical trial in patients with solid tumors. The study has been approved by AIFA and is conducted in Italy.

The *company-sponsored* clinical study of the 177Lu-OncoFAP-23 derivative (radio-therapeutic derivative) is scheduled to begin in 2024.

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

- Products in *partnerships*

Partnerships continue on (i) Dodekin (Confidential *Partner*), (ii) Dekavil (Pfizer), and (iii) Nidlegy™ (Sun Pharma and MSD), and (iv) small organic molecules (Janssen and Bracco).

- New GMP Plant Rosia (Siena)

The first inspection of the new GMP manufacturing facility in Rosia, Siena, by AIFA's GMP MED office was successful in July 2023. A second inspection by AIFA's GMP API office was carried out in October 2023. The latter was aimed at approving the new GMP facility for commercial purposes. It should be noted that this facility will complement the existing GMP plant at the Montarioso (Siena) site, which is dedicated to the production of experimental drugs.

The Group is also consolidating its *core business* by conducting experimental clinical trials with its proprietary drugs, and at the same time planning some industrial activities aimed at the commercialization activities of its drugs

Specifically, the Rosia production site currently has the following approvals from AIFA following the above inspections:

- MED GMP Authorization 09.11.2023 No.aM- 149/2023):

  1. Production Authorization for Commercial Products (Filling in asepsis);
  2. Production Authorization for Clinical Products (Filling in asepsis)
  3. Recognition and appointment of the relevant "Qualified Person" (*QP*) of site.

- API GMP Authorization 05.01.2024 N°API- 10/2024)

  1. Authorization for the Production of Active Substances for Commercial Use;
  2. Recognition and appointment of the relevant "Qualified Person" (QP) of site.

- Montarioso production site

  1. Renewal of Authorization for the Production of Active Substances for Experimental Use (GMP API 28.08.2023 N°aAPI- 100/2023);
  2. Recognition and appointment of the relevant "Qualified Person" (QP) of site.

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

The Board of Directors approved the draft financial statements as of December 31, 2023 of the parent company Philogen S.p.A.

The Company's Total Revenues amounted to €25,687 thousand, an increase of €15,557 compared to the year ended December 31, 2022, and consisted of (i) Revenues from customer contracts of €23,738 thousand and (ii) Other income of €1,950 thousand. This change is mainly attributable to the advancement of revenues for research and development services, third-party productions, *milestones* and *upfront payments* under current customer contracts.

Operating costs of Euro 26,415,000, an increase of Euro 6,151,000 compared to the year ended December 31, 2023, are mainly composed of production material costs, clinical and preclinical service costs, personnel costs, and others from operating costs. The change is mainly attributable to (i) the increase in costs for materials and services related to the Company's *core business* activities, and (ii) the increase in personnel costs related to the hiring plan aimed at structuring the staffing of the two GMP facilities and strengthening management and staff functions.

Consequently, to the change in revenues and costs in fiscal year 2023, EBITDA shows a positive change from the previous year from a negative value of Euro 10,134 thousand as of December 31, 2022 to a negative value of Euro 728 thousand as of December 31, 2023.

Depreciation and amortization show an increase of more than 34% compared to the previous year, rising from 2,345 thousand euros as of December 31, 2022 to 3,143 thousand euros as of December 31, 2023 due to the entry into operation of the investments incurred for the equipment and interconnection of the new *facility* at the Rosia (Siena) site.

EBIT, calculated as the difference between EBITDA and depreciation and amortization, shows a negative balance of 3,870 thousand euros as of December 31, 2023, compared with a negative balance of 12,479 thousand euros as of December 31, 2022.

Net financial management for the year ended December 31, 2023 shows a net positive result of €3,024 thousand (compared to a net negative result of €3,441 thousand in the year ended December 31, 2022). The change from the previous year is attributable to net gains from *fair value* measurement of financial assets due to more stable exchange rates and financial markets than in the year ended December 31, 2022.

The Equity Investment Result changed from a positive value as of December 31, 2022 of 10,187 thousand euros to a negative value as of December 31, 2023 of 5,325 thousand euros. This change is related to the negative fiscal year 2023 result of the subsidiary Philochem AG compared to the positive fiscal year 2022 result.

Taxes went from a negative value of Euro 608 thousand as of December 31, 2022, to a positive value of Euro 11 thousand as of December 31, 2023, a decrease of Euro 618 thousand from the previous year, and refer exclusively to the reversal of the tax effects recognized upon transition to IAS/IFRS.

The Result for the year, as a result of the above, shows a loss of 6,161 thousand euros, down from the loss as of December 31, 2022 of 6,341 thousand euros.

As of December 31, 2023, the net financial position, which was positive, amounted to 59,959 thousand euros, compared with a net financial position, also positive, of 64,701 thousand euros as of December 31, 2022.

PROPOSED COVERAGE OF OPERATING LOSS

The Board of Directors resolved to propose to the Shareholders' Meeting that the loss for the year ended December 31, 2023, amounting to 6,161,004.57 thousand euros, be fully covered through the use of the "*Share Premium* Reserve."

OTHER SIGNIFICANT BOARD RESOLUTIONS

1) Incentive plan pursuant to Article *114-bis* of Legislative Decree No. 58 of February 24, 1998, called "*Stock Grant Plan 2027-2029*," reserved for Group employees and consultants

The Board of Directors has resolved to propose to the Shareholders' Meeting the adoption of the 2027-2029 Stock Grant Plan, which provides for the free allocation to employees and consultants of the group headed by the Company of up to

600,000 shares of the Company. The Plan provides for three cycles of granting rights to receive free Shares based on the achievement of *performance* targets.

The features of the 2027-2029 Stock Grant Plan are explained in the information document prepared by the Company pursuant to Article *114-bis* of Legislative Decree No. 58 of February 24, 1998 and Article *84-bis* of the Issuers' Regulations, which is available to the public at the Company's registered office, on the Company's website www.philogen.com (Section "Governance/Shareholders' Meetings") and on the authorized storage mechanism called "1Info" (www.1info.it) within the terms provided by the applicable regulations.

2) Incentive plan pursuant to Article *114-bis* of Legislative Decree No. 58 of February 24, 1998, called " *Directors' Share Ownership Plan 2024-2026* ", reserved for directors of the Group

The Board of Directors resolved to propose to the Shareholders' Meeting the adoption of the Directors' Share Ownership Plan 2024-2026, which provides for the free allocation of up to 600,000 shares of the Company to directors with management authority in the Group. The Plan provides for a single cycle of granting the right to receive free Shares based on the achievement of the company's *performance* target.

The features of the 2024-2026 Directors' Shareholders' Plan are explained in the information document prepared by the Company pursuant to Article *114-bis* of Legislative Decree No. 58 of February 24, 1998 and Article *84-bis* of the Issuers' Regulations, which is available to the public at the Company's registered office, on the Company's website www.philogen.com (Section "Governance/Shareholders' Meetings") and on the authorized storage mechanism called "1Info" (www.1info.it) within the terms provided by the applicable regulations.

3) Authorization for the purchase and disposition of treasury stock

The Board of Directors resolved to propose to the Shareholders' Meeting, subject to revocation of the authorization of the Shareholders' Meeting of April 28, 2023 for the unexecuted part, to authorize, pursuant to and in accordance with Art. 2357 of the Civil Code, the purchase, on one or more occasions, within 18 months from the date of the resolution, of Philogen ordinary shares, up to a maximum number that, taking into account the ordinary shares of Philogen S.p.A. from time to time held in the portfolio by the Company and its subsidiaries, does not exceed in the aggregate 3%% of the Company's share capital on the date on which the purchase takes place.

4) Proposed amendment to Article 11 (*Right to attend shareholders' meetings*) of the bylaws.

The Board of Directors resolved to propose to the Shareholders' Meeting to amend Article 11 (*Right to Attend Shareholders' Meetings*) of the Articles of Association for the reasons stated in the relevant explanatory report to the Shareholders' Meeting.

The documents related to the items on the agenda of the Shareholders' Meeting required by current regulations are available to the public within the terms and in the manner prescribed by current regulations.

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

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

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Philogen Group Description.

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

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

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

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

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FOR MORE INFORMATION:

Philogen - Investor Relations

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

Philogen Group

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31, 2023

Figures in thousands of euros and in percent	Year ended December 31				Variations	
	2023	**%**	**2022**	**%**	**2023 vs. 2022**	**%**
Revenue from contract with customers	23,130	100.0%	23,713	100.0%	(583)	(2.5)%
Other income	1,991	8.6%	3,582	15.1%	(1,592)	(44.4)%
Total Revenues	**25,121**	**108.6%**	**27,295**	**115.1%**	**(2,175)**	**(8.0)%**
Operating costs(*)	(30,320)	(131.1)%	(24,275)	(102.4)%	(6,046)	24.9%
EBITDA(**)	**(5,199)**	**(22.5)%**	**3,021**	**12.7%**	**(8,221)**	**(272.1)%**
Depreciation	(3,641)	(15.7)%	(2,782)	(11.7)%	(859)	30.9%
EBIT	**(8,840)**	**(38.2)%**	**240**	**1.0%**	**(9,080)**	**(3793.6)%**
Financial income	5,141	22.,2%	1,548	6.5%	3,593	232.0%
Financial charges	(2,482)	(10.7)%	(6,147)	(25.9)%	3,665	(59.6)%
Earnings before taxes	**(6,181)**	**(26.7)%**	**(4,359)**	**(18.4)%**	**(1,822)**	**41.8%**
Taxes	20	0.1%	(1,017)	(4.3)%	**1,037**	(102.0)%
Profit (Loss) for the period	**(6,161)**	**(26.6)%**	**(5,376)**	**(22,.)%**	**(785)**	**14.6%**

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

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

Philogen Group

RECLASSIFIED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2022

Figures in thousands of euros and in percent	Year ended December 31		Variations	
	2023	2022	2023 vs. 2022	%
Assets				
Property, plant and equipment	15,912	12,699	3,212	25.3%
Intangible assets	1,245	1,218	28	2.3%
Activities by right of use	9,963	9,862	101	1.0%
Other non-current assets	2,790	2,987	(197)	(6.6)%
Deferred tax assets	123	98	25	25.6%
Employee benefits	(1,202)	(960)	(242)	25.3%
Deferred tax liabilities	(236)	(191)	(45)	23.6%
Other non-current liabilities	(1,507)	(1,962)	455	(23.2)%
Net fixed assets(*)	**27,088**	**23,751**	**3,337**	**14.0%**
Inventories	2,248	1,922	326	17.0%
Activities arising from contract	1,350	2,300	(950)	(41.3)%
Trade receivables	1,281	885	396	44.7%
Tax credits	8,176	6,796	1,380	20.3%
Other current assets	837	860	(23)	(2.7)%
Trade payables	(7,799)	(6,352)	(1,447)	22.8%
Liabilities arising from contract	(466)	-	(466)	-
Tax debts	(239)	(669)	430	(64.3)%
Other current liabilities	(2,317)	(2,010)	(307)	15.2%
Net working capital(*)	**3,071**	**3,732**	**(661)**	**(17.7)%**
Net invested capital(*)	**30,159**	**27,483**	**2,676**	**9.7%**
Sources				
Shareholders' Equity	90,589	97,921	(7,332)	(7.5)%
Net financial debt(*)	(60,430)	(70,438)	10,008	(14.2)%
Total sources	**30,159**	**27,483**	**2,676**	**9.7%**

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

Philogen Group

CONSOLIDATED CASH FLOW STATEMENT AS OF DECEMBER 31, 2023

Figures in thousands of Euros	Year ended December 31			
	2023	*Of which with related parties*	**2022**	*Of which with related parties*
Cash flow from operating activities				
Result for the period	(6,161)	(3,087)	(5,376)	(3,067)
Adjustments for:				
Depreciation of tangible and intangible assets	3,641	(809)	2,782	(798)
Net financial income/(expense)	(2,659)	(353)	4,599	(344)
Provisions for funds and employee benefits	223		198	
Provisions for group incentive plans.	394		104	
Income taxes	(20)		1,017	
Other non-cash adjustments	425		(1,093)	
Variations of:				
Inventories	(318)		(621)	
Activities arising from contract	950		(2,212)	
Trade receivables	(844)	638	368	(642)
Liabilities arising from contract	466		(2,233)	
Trade payables	1,393	1	486	(3)
Other assets and liabilities(*)	(1,748)	60	(1,900)	123
Use of funds and employee benefits	(39)		(172)	
Interest paid	(513)		(886)	
Income taxes paid	-		-	
Cash flow generated/(absorbed) from operations (A)	**(4,810)**	**(3,550)**	**(4,939)**	**(4,730)**
Cash flow from investing activities				
Interest collected	1,571		209	
Proceeds from the sale of financial assets	17,710		54,431	
Purchase of property, plant and equipment	(5,559)		(3,853)	
Purchase of intangible assets	(319)		(358)	
Purchase of other financial assets	(13,258)		(26,232)	
Cash flow generated/absorbed by investing activities (B)	**145**	**-**	**24,197**	**-**
Cash flows from financing activities				
Proceeds from the issuance of shares	-		-	
Receipts from the assumption of financial liabilities	-		-	
Repayment of financial liabilities	(818)		(1,050)	
Payment of lease liabilities	(976)	(850)	(808)	*(808)*
Purchase of own shares	(2,379)		(1,924)	
Cash flow generated/absorbed by financing activities (C)	**(4,173)**	**(850)**	**(3,782)**	***(808)***
Total cash flow (A + B + C + D)	**(8,838)**	**(4,400)**	**15,476**	***(5,538)***
Opening cash and cash equivalents	**24,436**		**8,880**	
Change in cash and cash equivalents for the period	(8,838)		15,476	
Translation effect on cash and cash equivalents	37		80	
Closing cash and cash equivalents	**15,635**		**24,436**	

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

Philogen S.p.A.

RECLASSIFIED INCOME STATEMENT AS OF DECEMBER 31, 2023

Figures in thousands of euros and in percent	Year ended December 31				Variations	
	2023	**%**	**2022**	**%**	**2023 vs. 2022**	**%**
Revenues from contracts with customers	23,738	100.0%	6,639	100.0%	17,099	257.6%
Other income	1,950	8.2%	3,491	52.6%	(1,542)	(44.2)%
Total Revenues	**25,687**	**108.2%**	**10,130**	**152.6%**	**15,557**	**153.6%**
Operating costs(*)	(26,415)	(111.3)%	(20,264)	(305.2)%	(6,151)	30.4%
EBITDA(**)	**(728)**	**(3.1)%**	**(10,134)**	**(152.6)%**	**9,406**	**(92.8)%**
Depreciation	(3,143)	(13.2)%	(2,345)	(35.3)%	(797)	34.0%
EBIT	**(3,870)**	**(16.3)%**	**(12,479)**	**(188.1)%**	**8,609**	**(69.0)%**
Financial income	4,394	18.5%	1,470	22.1%	2,924	199.0%
Financial charges	(1,370)	(5.8)%	(4,911)	(74.0)%	3,541	(72.1)%
Income from equity investments	(5,325)	(22.4)%	10,187	153.4%	(15,513)	(152.3)%
Earnings before taxes	**(6,172)**	**(26.0)%**	**(5,733)**	**(86.4)%**	**(438)**	**7.6%**
Taxes	11	0.0%	(608)	(9.2)%	618	(101.8)%
Profit (Loss) for the year	**(6,161)**	**(26.0)%**	**(6,341)**	**(95.5)%**	**180**	**(2.8)%**

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

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

Philogen S.p.A.

RECLASSIFIED BALANCE SHEET AS OF DECEMBER 31, 2023

Figures in thousands of euros and in percent	As of December 31		Variations	
	2023	**2022**	**2023 vs. 2022**	**%**
Assets				
Property, plant and equipment	14,478	11,435	3,044	26.6%
Intangible assets	895	944	(48)	(5.1)%
Activities by right of use	6,878	6,750	128	1.9%
Participations	5,738	10,467	(4,728)	(45.2)%
Other non-current assets	2,790	2,987	(197)	(6.6)%
Deferred tax assets	123	98	25	25.6%
Employee benefits	(1,202)	(960)	(242)	25.3%
Other non-current liabilities	(1,507)	(1,962)	455	(23.2)%
Deferred tax liabilities	(192)	(135)	(58)	42.8%
Net fixed assets(*)	**28,001**	**29,624**	**(1,622)**	**(5.5)%**
Inventories	2,128	1,786	342	19.1%
Activities arising from contract	1,350	2,300	(950)	(41.3)%
Trade receivables	1,937	1,361	577	42.4%
Tax credits	8,101	6,715	1,386	20.6%
Other current assets	708	616	91	14.8%
Trade payables	(8,890)	(7,128)	(1,760)	24.7%
Liabilities arising from contract	(466)	-	(466)	-
Tax debts	(239)	(286)	47	(16.5)%
Other current liabilities	(2,001)	(1,767)	(234)	13.2%
Net working capital	**2,629**	**3,595**	**(967)**	**(26.9)%**
Net invested capital(*)	**30,630**	**33,219**	**(2,589)**	**(7.8)%**
Sources			**-**	
Shareholders' Equity	90,589	97,921	(7,330)	(7.5)%
Net financial debt(*)	(59,959)	(64,701)	4,742	(7.3)%
Total sources	**30,630**	**33,219**	**(2,588)**	**(7.8)%**

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

Philogen S.p.A.

CASH FLOW STATEMENT AS OF DECEMBER 31, 2023

Data in Euros	**2023**	*Of which with related parties*	**2022**	*Of which with related parties*
Cash flow from operating activities				
Operating income	(6,161)	*(10,689)*	(6,341)	*5,972*
Adjustments for:				
Depreciation of tangible and intangible assets and assets by right of use	3,143	*595*	2,345	*592*
Net financial income/(expense)	(3,024)	*417*	3,441	*261*
Provisions for funds and employee benefits	223		198	
Provision for *stock* grant plans	394		104	67
Income taxes	(11)	*195*	608	
Impairment/(reinstatement of investments)	5,325	5,325	(10,187)	(10,187)
Other non-cash adjustments	(1,116)		(1,253)	
Variations of:				
Inventories	(342)		(620)	
Activities arising from contract	950		(2,248)	
Trade receivables	(1,103)	*(661)*	(107)	(1,172)
Liabilities arising from contract	466		(2,233)	
Trade payables	1,762	*355*	1,535	736
Other assets and liabilities(*)	(1,549)	*61*	(1,634)	124
Use of funds and employee benefits	(39)		(172)	
Interest paid	(586)		(807)	
Income taxes paid			-	
Cash flow generated/absorbed by operations (A)	**(1,668)**	***(4,402)***	**(17,370)**	**(3,608)**
Cash flow from investing activities				
Interest collected	1,571		217	
Proceeds from the sale of property, plant and equipment	-		-	
Proceeds from the sale of financial assets	17,710		57,300	
Purchase of property, plant and equipment	(5,234)		(3,659)	
Purchase of intangible assets	(183)		(358)	
Purchase of other financial assets	(13,258)		(26,232)	
Cash flow generated/absorbed by investing activities (B)	**605**	**-**	**27,267**	**-**
Cash flows from financing activities				
Proceeds from the issuance of shares	-		-	
Receipts from the assumption of financial liabilities	-		12,000	
Repayment of financial liabilities	(6,218)	*(5,400)*	(3,000)	*(1,950)*
Payment of lease liabilities	698	*(554)*	554	*(529)*
Dividends paid	-		-	
Purchase of own shares	(2,379)		(1,924)	
Cash flow generated/absorbed by financing activities (C)	**(7,899)**	***(5,954)***	**7,630**	***(2,479)***
Total cash flow (A + B + C +D)	**(8,962)**	**(10,355)**	**17,527**	**(6,086)**
Beginning cash and cash equivalents	**23,938**		**6,411**	
Change in cash and cash equivalents for the year	(8,962)		17,527	
Closing cash and cash equivalents	**14,976**		**23,938**	

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