Environment, Social & Governance Report

Year ended 31 December 2024

1 May 2025 | Nxera Pharma

Nxera Pharma ESG Report 2024

Who We Are

Our life's work, is life itself

Nxera Pharma is a technology-powered biopharma company in pursuit of new specialty medicines to improve the lives of patients with unmet needs in Japan and globally.

We have built an agile, new-generation commercial business in Japan to develop and commercialize innovative medicines, including several launched products, to address this high value, large and growing market and those in the broader APAC region.

Behind that, and powered by our unique NxWave™ discovery platform, we are advancing an extensive pipeline of over 30 active programs from discovery through to late clinical stage internally and in partnership with leading pharma and biotech companies. This pipeline of potentially first- and best-in-class candidates is focused on addressing major unmet needs in some of the fastest-growing areas of medicine across neurology/neuropsychiatry, metabolic diseases and immunology and inflammation.

Nxera employs approximately 400 talented people at key locations in Tokyo and Osaka (Japan), London and Cambridge (UK), Basel (Switzerland) and Seoul (South Korea) and is listed on the Tokyo Stock Exchange (ticker: 4565)

Our Mission

To accelerate the development of life-changing medicines, by investing in science and technology.

Our Vision

To lead the next era of medicine. From Japan, for Japan, and by extension, to the world.

Our Values

1. Patients, carers, families, and physicians come first
2. Innovation and teamwork inspire success
3. Focus on top priorities where we can make a difference
4. Speed and agility of decision-making
5. Operational excellence

About this Report

This 2024 ESG Report provides details on our approach and progress on Environmental, Social and Governance (ESG) initiatives covering the period between 1 January 2024 to 31 December 2024.

Our Board of Directors, which includes an Independent External Director with extensive ESG expertise and experience, manages, leads and oversees our ESG initiatives and is committed to communicating our ESG initiatives through this Report.

The Company believes that improving our ESG performance is a vital component for our long-term growth and success. With this overarching objective, our Board of Directors will strive to instill our ESG initiatives across our organization so that environmental, social, and governance goals become the foundations of our culture, value and business operations.

Our ESG initiatives are priority topics for our Board of Directors and Executive Officers, and with the leadership of our Board of Directors, our ESG initiatives are championed and implemented across our organization by our Charity Committee, Social Committee, Environmental and Sustainability Group and Working Group.

COMMITTEES AND GROUPS	OBJECTIVES
Charity Committee	Organize events throughout the year to raise funds for charities selected through a vote by our employees.
Social Committee	Support increasing employee engagement and boost the success and well-being of our teams by hosting internal social events.
Environmental and Sustainability Group	Implement sustainability practices at our offices and R&D facilities by building awareness and working actively to find and support sustainability initiatives.
Working Group	Improve employee engagement by promoting initiatives, such as a company-wide poster session and social initiatives.

Our ESG Approach and Priorities

In October 2022, Nxera Pharma worked to build our ESG roadmap and identify potential key priority issues (Materiality) and corresponding key performance indicators (KPIs).

The Materiality and KPIs identified were approved by our Board of Directors in March 2023. As Nxera's ESG long journey roadmap, the Materiality and KPIs set out below are our ESG priority issues and goals that our organization will strive to achieve in the coming years.

The objective of our Board of Directors is to implement these ESG goals across our organization and to collaborate with both internal and external stakeholders to ensure these priorities become the foundation of our culture, value and business operations. We recognize that our Materiality and KPIs are long-term objectives that we hope will shape our organization's values and we look forward to reporting progress through annual ESG reports.

	Materiality	Initiatives	KPIs
Environment	1 Promoting environmental management	Focus on environmental management systems and energy reduction timelines at our UK R&D Facility to ensure our emissions and waste levels are appropriately managed	Obtain Green Lab Certification at our UK R&D Facility by 2027
Social	2 Diversity, Equity and Inclusion (DEI)	Focus on reducing Gender Gap	Maintain Female Senior Management Roles (Global) at >30% over the medium term
	2 Creating innovative pharmaceuticals for patients	Focus on creating R&D effciencies that will enable the development of life-changing medicines for patients	Promote R&D efficiencies – one preclinical compound and one clinical compound per year for the next three years on average from our in-house pipeline
Governance	4 Equity and transparency to all stakeholders	Enhance and increase dialogue with our shareholders	Provide a forum where all shareholders can join and discuss with company management in an open and frank manner

Summary of our 2024 ESG Materiality and KPIs

1

Promoting environmental management

The achievement of our My Green Lab Certification in 2023 successfully met our Environment KPI, reflecting our commitment to ensure the efficient management of our emissions and waste. During 2024, we've continued to optimize our lab practices to reduce energy and ensure we uphold this high standard.

2

Diversity, Equity and Inclusion (DEI)

Reducing the Gender Gap at a global level has been a key focus for us. The global percentage of female employees in senior management roles in 2024 has slightly decreased to 30% compared to 32% in 2023. However, we have achieved our KPI of maintaining female senior management roles at over 30% globally this year and we will continue to focus on improving against this KPI in 2025.

3

Creating innovative pharmaceuticals for patients

During 2024, we have progressed our EP4 agonist, NXE0033744, into a Phase 1 clinical trial for the treatment of patients with Inflammatory Bowel Disease (IBD). Although we didn't progress any new assets into preclinical development during the year, our discovery pipeline continues to grow and we are constantly evaluating exciting targets where we believe we can develop life-changing medicines for patients.

4

Equity and transparency to all stakeholders

At our 2023 Annual General Meeting of Shareholders, we introduced a 'meet and greet' session with our Management Team to promote an open dialogue and communication flow with our shareholders. We believe the implementation of this forum has allowed us to successfully achieve our KPI goal of providing a setting where our shareholders can join and discuss with our company management openly. This increased shareholder interaction allows for further engagement with all our stakeholders, and we look forward to continuing this on an annual basis.

Message from our CEO

Dear Stakeholders

At Nxera Pharma, our commitment to a sustainable and responsible future continues to guide how we operate, innovate, and grow. We believe that advancing science and delivering breakthrough medicines for patients in need must go hand in hand with meaningful progress across environmental, social, and governance (ESG) priorities.

Since we identified the Materiality and KPIs in 2022, we've made strong progress in embedding ESG principles into our operations, decision-making, and culture. I am pleased to share with you our 2024 ESG Report, which details the steps we've taken over the past year to strengthen our impact and contribute positively to society and the planet.

This year, we continued to advance across our ESG KPIs, while scaling our organization and deepening our efforts to operate responsibly and sustainably. From our R&D efforts and development pipeline to our emerging commercial operations, we are building a company designed to deliver value for patients and partners in a way that supports long-term health – both human and environmental.

While I am proud of the progress we have made, we know there is more to do. ESG is a journey, and we remain committed to continuous improvement as we grow and evolve as a company.

Thank you for your continued trust and support.

Yours sincerely
Chris Cargill
President & CEO

Environment

Reduction of Emissions and Waste

Nxera Pharma is committed to reducing our environmental impact through our sustainability initiatives and our environmental management systems.

In 2023, Nxera Pharma laboratories secured My Green Lab certification, endorsed by the United Nations' Race to Zero campaign, recognizing outstanding laboratory sustainability. Over 70 UK R&D researchers participated, achieving Green certifications across both our biology and chemistry laboratories, the highest level of certification. These awards reflect Nxera Pharma's dedication to continuously assess, review, and enhance laboratory practices in order to minimize environmental impact. Prioritizing sustainability, we actively contribute to global efforts to reduce carbon emissions and advance a greener future. Our focus includes clear waste reduction through established recycling protocols and the reduction of single-use plastics. We embrace a paperless approach in labs and offices whenever possible, promoting digital documentation and communication. Through ongoing monitoring and improvement, we are committed to maintaining and enhancing our labs environmental performance.

In addition, with efficient energy use a core priority at our offices and R&D facility, our Environmental and Sustainability Group members are all My Green Lab Ambassadors, focused on encouraging our laboratories to be more sustainable.

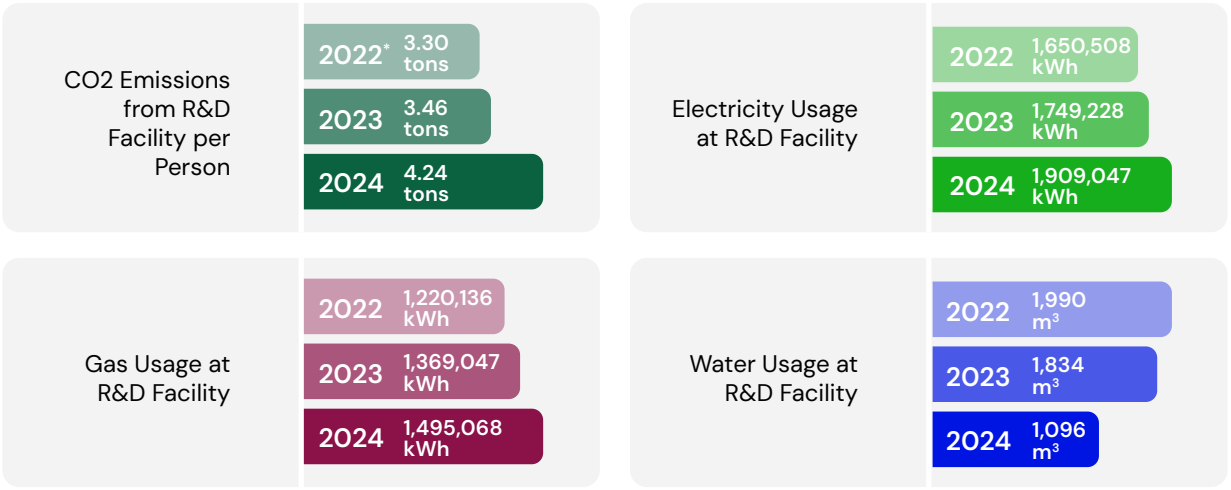
my green lab certification.

Some further notable initiatives are:

- **Renewable energy promotion** – we continue to consider environmental awareness when selecting energy suppliers.
- **Ecologi® partnership** - since 2022, we have partnered with Ecologi Action Ltd on carbon reduction projects and tree planting initiatives. So far, we have contributed to 796.02 tons CO_2 avoidance and have removed 10 tons of CO_2 from the atmosphere. In 2024 this work prevented 100 tons of CO_2 being emitted through the Nature Based Carbon Avoidance project of Peatland restoration and conservation in Indonesia and 180 tons of CO_2 from being emitted through the Landfill Gas Capture Carbon Avoidance project – Avoiding methane emissions from landfill in Brazil. We have funded the removal of 10 tons of CO_2 through afforestation in Sao Paulo, Brazil and the Delta Blue Carbon project in Pakistan. We are proud to have contributed to the planting of 11,450 trees across global tree planting projects, and have contributed to the conservation of wildflower, wetlands and wildlife sites across England and Scotland.
- **Car sharing service** – our UK staff at our Cambridge facilities participate in a car-sharing service.
- **Cycle to work** – our UK staff can participate in the UK Government's Cycle to Work initiative which provides staff with discounts on new bike purchases.
- **Energy efficient buildings** – our Tokyo headquarter is located in an energy efficient building with double-glazed windows and individual air-conditioning systems. We have also installed LED lighting in our Tokyo office to reduce power consumption compared to fluorescent lighting. The nitrogen generation system in the Steinmetz Building has been improved to reduce energy use.
- **Reduce, Reuse, Recycle** - Where items have been removed during the work to create new laboratory areas at our UK R&D facility, these have been reused in other parts of the building where possible or sold for reuse to ensure our waste levels are as low as possible.
- Following an audit of items and equipment in storage, in 2024 we sold items for reuse and this initiative continues into 2025
- In 2024 we began a purchase and reuse scheme for printer cartridges, by which cartridges are refilled and returned to the manufacturer once used.

In the UK, we hold an Environment Agency License for the use and disposal of radioactive materials and a Trade Effluent License, issued by Anglian Water Services Limited, for the discharge of liquid waste into the public sewage system. Both licenses stipulate strict conditions on how we should manage and dispose of such materials, and these have been incorporated into our environmental management systems. Furthermore, although Nxera Pharma does not hold a HAZWOPER certification as such certification is not applicable for the operation of our business, we ensure that our waste disposal contractors hold the British Standard ISO 9001:2015, 14001:2015 and ISO 45001:2018 (Environmental Management) and BS ISO 50001:2018 (Energy Management). To ensure compliance of our waste disposal contractors' certifications, we take part in our waste disposal contractors' annual waste audit process.

Through our focus on environmental management systems and our energy reduction initiatives, we will continue to work on ways to reduce our operational emissions levels.



* Data impacted by site occupancy restrictions due to COVID-19 measures starting March 2020 which introduced working from home measures for staff and lab operations at 50% capacity. Site occupancy restrictions were not lifted until April 2022, when maximum site occupancy increased to 130 people from 80 people during periods when highest levels of restrictions were being imposed.

Strategy Regarding Climate Change

The Group conducted a climate change scenario analysis based on Task Force on Climate-related Financial Disclosures (TCFD) recommendations to identify climate change risks and opportunities, assess financial impact, and consider measures to address such an impact. Our scenario analysis referred to RCP2.6 (below 2°C scenario) and RCP8.5 (4°C scenario)[1,2], adopted by the UN Intergovernmental Panel on Climate Change (IPCC) as well as the scenarios used by the International Energy Agency (IEA) and assessed the overall impact to our major global bases in Japan, UK, and South Korea. The results of the scenario analysis indicate that the impact of climate change on the Group's business appears to be limited at present, however, the Board of Directors will monitor the progress of the measures against risks of the entire Group, which have been assessed and identified by the analysis. The risks and opportunities related to climate change for the Group, their impact on the business, and the Group's response are described below.

Physical Scenario (4°C)

Risk

Accute Event

Increase in frequency and severity of extreme weather events such as typhoons, torrential rains, and floods

Impact

There appears to be no areas of high direct physical risk to the Group's locations. However, the risk of acute flooding or other damage could be significant and affect the operations of some of our drug discovery, research and development, clinical trial, and marketing operations.

Measures

Formulate business continuity plans for the head office and each site to minimize the damage of a disaster on operations.

Chronic Event

Increase in average annual temperature

Impact

There is a risk of increased electricity costs due to increased power usage.

Measures

Thoroughly implement energy conservation measures at each site.

Chronic Event

Water scarcity

Impact

There is a risk that mid- to long-term water scarcity may result in interruption of operations due to water use restrictions.

Measures

Conduct water resource acquisition risk studies using the AQUEDUCT Water Risk Atlas provided by the World Resources Institute to determine the impact on the Group's operations.

Opportunity

Products and services

Growing demand for medicines and drug discovery

Impact

Revenue may increase due to increased demand for existing drugs or the development and commercialization of new drugs because of changes in disease trends caused by global warming.

Measures

Continue to strengthen our development pipeline and seek opportunities for research and development of drugs in disease areas where our pipeline can make new contributions in relation to global warming.

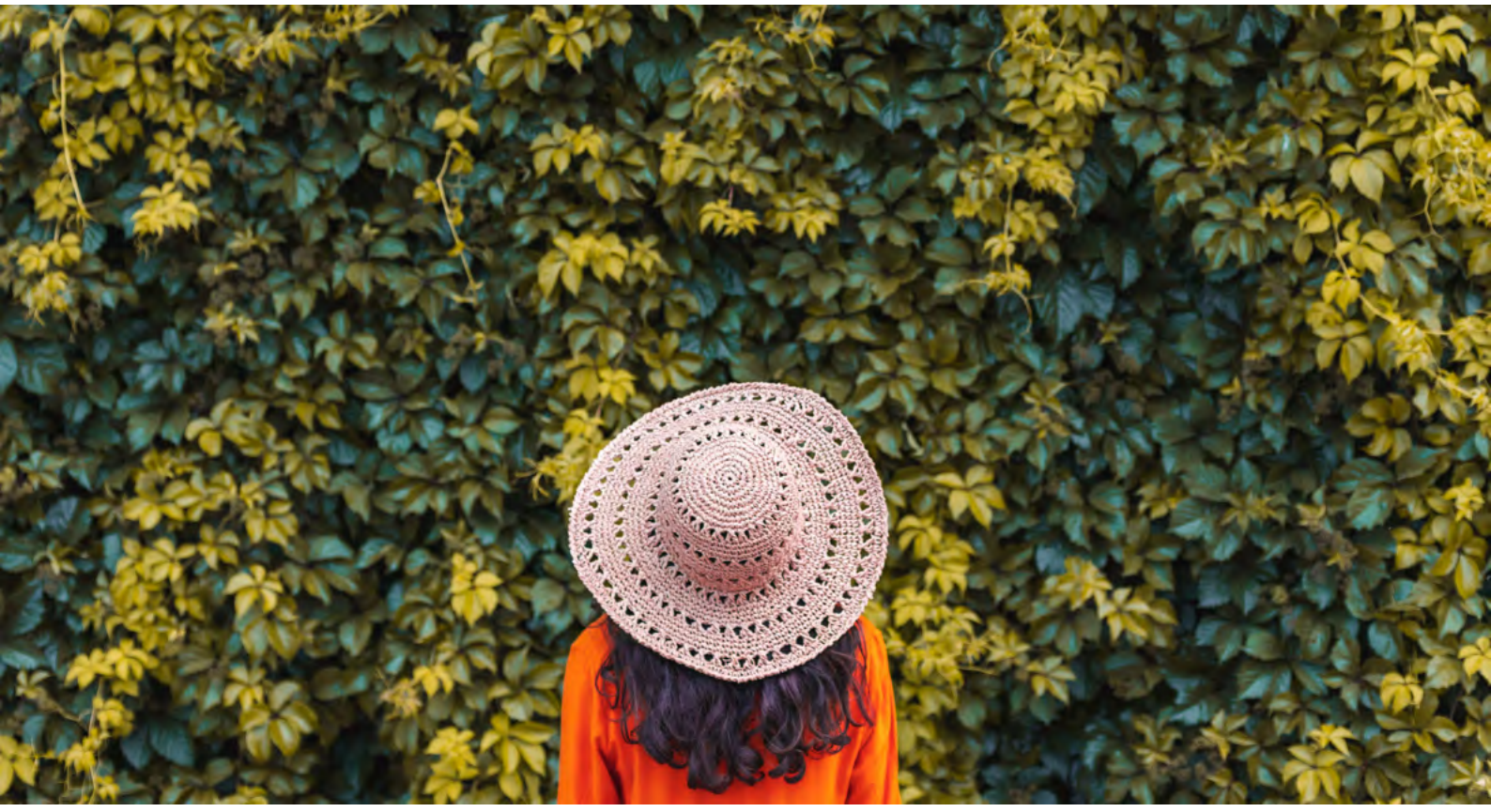
[1] RCP: Representative Concentration Pathways

[2] The RCPs include a stringent mitigation scenario (RCP2.6), two intermediate scenarios (RCP4.5 and RCP6.0) and one scenario with very high GHG emissions (RCP8.5). Scenarios without additional efforts to constrain emissions ('baseline scenarios') lead to pathways ranging between RCP6.0 and RCP8.5. RCP2.6 is representative of a scenario that aims to keep global warming likely below 2°C above pre-industrial temperatures.

Transition Scenario (1.5°C)

Risk	Opportunity
Policies and Regulations Carbon taxes and CO_2 emission regulations **Impact** The introduction of the carbon price mechanism in Japan, UK, South Korea, Ireland, US, Switzerland, and other countries where we have our operational bases may result in increased regulatory frameworks on energy use and increased expected energy costs. However, we expect the impact on our company-wide operating costs to remain limited. **Measures** Calculated GHG emissions for our head office and each of our sites and analyzed the financial impact of the carbon price mechanism if it were introduced in each of our markets. Started to examine initiatives to reduce GHG emissions.	**Resilience** More efficient energy use **Impact** The promotion of a decarbonized society will lead to the development of new products and services that improve energy efficiencies. **Measures** Reside in an office building with enhanced eco-friendly features to increase energy efficiency and reduce energy consumption and greenhouse gas ("GHG") emissions.

The Group's Scope 1 and Scope 2 GHG emissions were 1,001.64 t-CO_2[3] in FY2024. The Group's GHG emission reduction targets will be discussed in the future.



[3] The 2023 GHG emissions have been revised from 800.66 t-CO_2 to 946.79 t-CO_2, as the GHG emissions of Nxera Pharma Japan Co., Ltd. and Nxera Pharma Korea Co., Ltd. prior to July 20, 2023, have become available.

Social

Safety and Quality Assurance

Laboratory Animal Care and Alternatives to Animal-Based Biomedical Research

Nxera Pharma is committed to the humane and responsible use of animals in biomedical research. No animal research is conducted in our laboratories or premises. Instead, we work with experienced and reputable Contract Research Organizations (CROs) to conduct any necessary research. Our CROs are selected following careful assessment, and we work only with organizations that conform to the highest standard of animal care, legal and regulatory compliance processes, obtained through independent accreditation procedures and in agreement with our internal ethical review processes.

All studies in which animals are used are carefully designed and reviewed by our In Vivo Review Forum (IVRF), which comprises a team of scientists and statisticians before any research starts, in addition to CRO review by their internal ethical committees. We abide by the 3R principles of Replacement, Reduction and Refinement of the use of animals in research and only commission studies involving the use of animals where there are no scientifically appropriate alternatives. Through our internal review processes, we work to ensure that all experiments are designed to use the minimum number of animals possible to deliver the required data and minimize or avoid unnecessary pain, distress, or discomfort to the animals.

Nxera Pharma is committed to the development and use of scientifically validated alternative testing methods that are acceptable to regulatory authorities which do not compromise patient safety or the effectiveness of our medicines. Accordingly, we have invested heavily in methods to test effects of candidate drugs on in vitro systems (e.g. isolated human cells and tissue, organoids), and in the use of state-of-the-art computational modelling to predict the effective concentration of the drug in the body and biological effects in humans.

Core Development-Stage Activities

Nxera Pharma is passionate about improving the quality of life and health of people around the world through the discovery and development of effective and safe medicines. With this core principle in mind, we have developed comprehensive internal policies and procedures that assure the quality and compliance of our core development stage activities. These procedures are revised every two years or more frequently as required.

Nxera Pharma undertakes clinical trial activities regulated by Good Clinical Practice (GCP) and is governed by related regulations and guidance concerned with manufacturing (Good Manufacturing Practice (GMP), laboratory and non-clinical testing (Good Laboratory Practice (GLP) and pharmacovigilance.

Development-stage teams are made up of scientists, medical and other trained professional staff, supported by consultants. The team provides scientific, clinical and operational expertise to oversee the drug development process including Active Pharmaceutical Ingredient (API) and drug product manufacture, nonclinical study sponsorship, clinical program management, medical oversight, drug metabolism, pharmacokinetics, regulatory affairs and clinical operations. Therefore, all development stage staff are trained in procedures needed to assure quality compliance of every aspect of clinical trial conduct. Team members receive training in legislation and regulation relevant to their role when they join, and periodic updates thereafter. GMP and GCP training is delivered annually. Additionally, employees and relevant consultants are required to be trained in the organization's policies and procedures relevant to their roles.

Supply Chain Transparency and Quality Assurance

We have adopted a fabless model that possesses no manufacturing plant and we contract the manufacturing of pharmaceuticals to contract development and manufacturing organizations (CDMOs). We select our partners based on quality standards established in accordance with our philosophy and policies to ensure a stable supply of our products. We select our partners based on comprehensive evaluation criteria that include Quality & Regulatory, Development, Manufacturing, Environment, Health & Safety (EHS), ability to promote projects in partnership, Legal & IP and Finance. We have developed a process to ensure quality through robust collaboration with our business partners, including procedures to assure quality by reviewing data and documents provided by these business partners. These steps include review and approval of externally generated protocols and reports, review of completed manufacturing records for produced batches, review of analytical method development and validation reports, review and approval of certificates of analysis, review and monitoring of clinical trial data while studies are ongoing, and review of Tables Figures and Listings (TFLs).

Furthermore, all suppliers are assessed to ensure sufficient quality management systems are in place which meet our internal quality assurance procedures and all relevant regulatory standards. Relevant suppliers are provided with training by us on procedures to meet our quality management systems. Regulated development stage suppliers are expected to comply with GLP, GMP and GCP as applicable to the activity being undertaken and to maintain certification from the relevant national authorities. Certificates are collected during the assessment and selection of such suppliers and the suppliers are contractually and legally obliged to maintain all necessary certifications.

Suppliers undertaking animal experiments are required to maintain their Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) accreditation. The AAALAC International accreditation program evaluates organizations that use animals in research, teaching or testing. Those that meet or exceed AAALAC standards are awarded accreditation. Nxera Pharma will at all times ensure that all relevant information is provided to CROs to comply with their internal ethical review processes.

Finally, our UK Modern Slavery Statement outlines our approach to managing modern slavery risks in our supply chain. Our 2024 UK Modern Slavery Statement can be found here.

Marketing Authorization in Asia-Pacific

Nxera Pharma Japan Co. Ltd. (NPJ; a wholly owned subsidiary based in Japan) and Nxera Pharma Korea Co. Ltd. (NPK; a wholly owned subsidiary based in South Korea), mainly engage in clinical development and product commercialization in Japan and South Korea, respectively, with potential to expand into other Asia-Pacific (APAC) regions.

In Japan, NPJ successfully launched PIVLAZ™ in April 2022 for cerebral vasospasm and QUVIVIQ™ in December 2024 for insomnia. In South Korea, NPK received marketing approval of PIVLAZ™ from the Ministry of Food and Drug Safety (MFDS) in December 2023.

NPJ holds our marketing authorization licenses in Japan from the Ministry of Health, Labor and Welfare (MHLW).

In accordance with the Ministerial Ordinance on Standards for Manufacturing Management and Quality Control of Pharmaceuticals and Quasi-Drugs (GMP), NPJ ensures relevant suppliers are provided with manufacturing and quality control training. In addition, since August 2021, NPJ has worked to establish pharmaceutical quality systems (PQS) based on the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use's ICH Q10 Pharmaceutical Quality Systems. Furthermore, NPJ provides educational training on pharmaceutical quality control to those who engage in quality control operations based annual plans, and introductory educational training on quality control to all employees at the time they join the company.

NPJ conducts post-marketing safety control operations in accordance with the "Ministerial Ordinance Concerning Standards for Post-Marketing Safety Control for Pharmaceuticals, Quasi-pharmaceutical Products, Cosmetics, Medical Devices and Regenerative Medicine Products" (GVP Ministerial Ordinance). Under the GVP Ministerial Ordinance, NPJ provides educational training on pharmaceutical safety control operations to those who engage in safety control operations and to the marketing team members based on annual plans, and introductory educational training on safety control to all employees at the time they join the company.

NPJ formulated the Code of Practice for its information provision activities and conducts information provision activities in compliance with laws and regulations based on the Information Provision Procedure Manual. In addition, NPJ provides all employees who engage in information provision to healthcare professionals with the necessary educational training on information provision activities based on annual plans. In addition, NPJ monitors its marketing activities by reviewing monthly reports on what the marketing team has done.

Social

Human Capital Development

Promoting Diversity and Pay Equity

The promotion of diversity and inclusion and the creation of a collaborative working environment are core pillars of Nxera Pharma's vision, as pioneers from Japan, to lead the new era of biopharma and medicine, innovating for both Japanese patients and the world. As a global company, Nxera Pharma's Board of Directors comprises 33% non-Japanese nationals (including our CEO) and 53% of our global workforce are non-Japanese nationals (Japanese – 47%, British – 32%, Rest of the World 21%). We are also proud to have a diverse workforce comprising 46% female colleagues, including 45% new female hires in 2024.

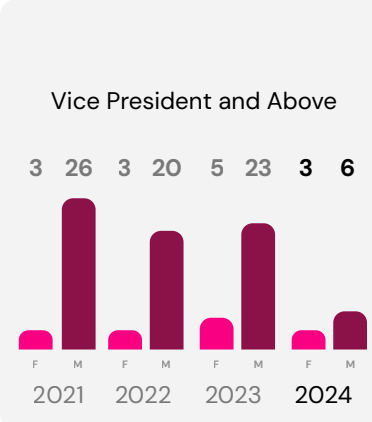
We are committed to pay equality for all colleagues with our intention to continue to build a diverse and inclusive workforce. We annually review staff salaries against market benchmarks based on each employee's role and experience. Our annual Pay Philosophy is agreed in December and is consistently applied across the organization based on calibrated performance rating and position against benchmark relative to performance.

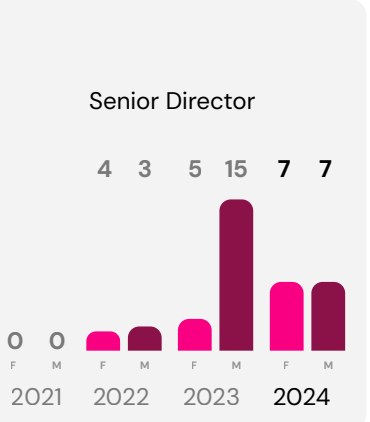
In December 2021, Nxera Pharma introduced a new performance calibration process as part of our workforce's performance management framework. The new process is a business-led forum conducted annually to ensure a consistent and fair approach across the organization for promotions and annual rewards. In 2024, 22 promotions were made in Japan and in the UK, including 12 female promotions, however our global female employees in senior management roles was 30%, down slightly from to 32% in 2024. As part of our drive to create an inclusive and informed culture within our organization, we established a diversity, equity and inclusion council (DEI Council) in 2023. The DEI Council was rebranded in 2024, to reflect a broader remit of championing a range of causes that embrace our diversity. The Inclusive Culture Group (ICG) is made up of representatives from across the organization, at all levels.

Nxera Pharma actively forecasts its hiring needs by determining the required number of full-time equivalent (FTE) employees needed on each program. This practice ensures that our programs are well resourced with people who have the requisite skill sets. As an organization, we are proud to support skilled worker visa applications for non-British nationals to work at our R&D facility in Cambridge, UK. In 2024, we supported five skilled worker visa applications.

Nxera Pharma believes meaningful progress has been made to promote diversity and pay equity in 2024 and will continue to make year-on-year progress across the organization.

Gender Representation





Employee Stock Ownership

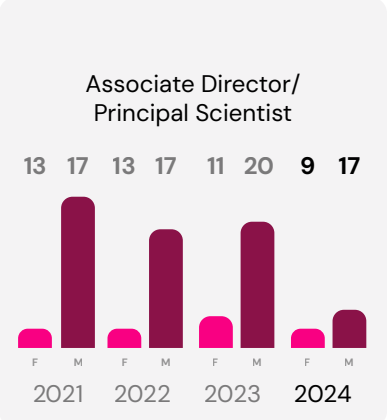
Nxera Pharma actively appoints talented people with the aim of encouraging them to remain with the business for the long term. We truly believe that employees should have a stake in the ownership of the organization, so they can benefit from their direct contribution to the company's success. Accordingly, since April 2022, all permanent employees are eligible to be considered for grants of Restricted Stock Units (RSUs) under Nxera Pharma's Long-Term Incentive Plan (LTIP) every year. The participation in and the actual grants of awards and/or payments to our employees are made in accordance with the rules of the relevant LTIP scheme. As of December 2024, 93% of permanent staff hold RSUs of Nxera Pharma. It is Nxera Pharma's intention to continue to award employees further grants on an annual basis as an additional process of recognizing their performance and contributions to the organization.

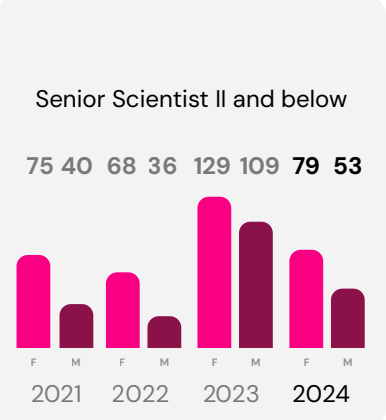
Benefits and Work-Life Balance

In the UK, Nxera Pharma runs an active benefits package which includes salary sacrifice benefits such as Cycle to Work, Nursery, Grocery and pensions. The company also offers private health insurance, dental, optical, complementary therapies to all employees and subsidized gym memberships for all staff including placement students. In Japan, Nxera Pharma provides a comprehensive set of benefits that includes defined pension contributions, disability and life insurance, housing support plans and cafeteria plan.

Nxera Pharma believes in supporting employees who have young families. The company's UK family friendly policies (including maternity, paternity and adoption leave) were revised in 2022 to provide enhanced packages to employees compared to the UK statutory requirements. In 2024, 100% of staff returned to work after child-care leave, compared to 83% in 2023 and 50% in 2022. We support employees who have a young family or elderly relatives through a three-pronged approach of the continuation of existing childcare vouchers, a salary sacrifice nursery scheme, and a support program providing up to 10 days a year subsidized childcare and elderly care. In 2024 a total of 93 sessions were booked by our employees to support working parents during periods of school closures, child illness or school holidays. In Japan, a new program was started in 2023 that allows employees with young families to access childcare support free of charge.

Nxera Pharma is committed to supporting employees with flexibility in their work schedules while allowing us to maintain a progressive and productive work environment. The company has provided a formal policy to ensure consistency of approach with how roles can operate flexibly in our working environment. It balances the need for roles that physically need to be in the office with those that can have greater flexibility but still ensuring we maintain presence at our sites to promote collaboration and connectivity across the company.





Development Training

We are committed to supporting our colleagues reaching their full potential by providing opportunities for growth and development, and through rewarding performance and leadership. In the UK, Nxera Pharma ensures that each employee has the requisite and up-to-date skills training for their role, facilitated through regular personal development discussions and tailored training programs based on our training matrix. The company also supports individuals attaining further qualifications or certifications within their field of expertise. We are committed to scientific talent development through internal secondments and regular conference attendance. In Japan, in addition to compulsory compliance and harassment prevention trainings, employees can access a myriad of trainings via e-learning platforms.

In the UK, we began a new leadership strategy in 2022 where we introduced formal management training for all line managers in addition to the tailored training programs. There are three programs targeted at different levels and experience of line managers. New managers or soon-to-become managers are enrolled in the Management Foundation Program and managers who have had a few years' experience are enrolled in the Management Development Program. Managers who are at Director-level or above are enrolled in the Inspiring Leadership Program. These three programs are rolled out on an annual basis and new participants are enrolled as they become promoted, are newly hired into the business, or are flagged as potential managers in the near term.

In addition to fostering an environment to encourage our employees to develop as leaders, Nxera Pharma has a formal performance management framework which includes objective setting for every employee in the company and bi-annual performance appraisals. Performance calibration meetings at the end of the year are conducted with senior leaders of each team to discuss the performance of every employee. These meetings also include discussions on promotions and the near-term development pathway as part of the development plans for each individual.

Finally, Nxera Pharma utilizes a specialized third-party online platform to deliver an employment engagement survey annually to measure the connection employees have towards their work, team and company, and examine the factors that influence it. We aim to use the survey results to guide us with further developing ways to increase employee satisfaction and development strategies. We will be launching a new platform through our new global HR system in 2025.

Social

Contribution to Society

Meeting Unmet Medical Needs

Our proprietary GPCR-targeted structure-based drug discovery NxWave™ platform has enabled us to develop small molecules, peptides and antigens for antibody discovery. To date, we have leveraged our technologies and expertise to create a pipeline of drug candidates targeting GPCRs that we believe have potential to become first-in-class or best-in-class medicines in therapeutic areas such as neurology/neuropsychiatry, metabolic diseases and immunology and inflammation.

Alongside our in-house programs, we are collaborating with world-leading partners, including major biopharmaceutical companies, emerging technology companies and innovative venture capital funds to address diseases with high unmet medical needs, and for which there are no suitable treatments currently available.

Our lead product PIVLAZ® (clazosentan) is commercially available in Japan for the prevention of cerebral vasospasm, vasospasm-related cerebral infarction, and cerebral ischemic symptoms after aneurysmal subarachnoid hemorrhage (aSAH) following a successful launch in April 2022. PIVLAZ® is also approved in South Korea for the same indication and is being commercialized with our partner Handok. QUVIVIQ™ (daridorexant) 25 and 50 mg was launched in Japan in December 2024 and is being commercialized as a new treatment for adults with insomnia with our partner Shionogi. QUVIVIQ™ is an oral Dual Orexin Receptor Antagonist (DORA) for the treatment of insomnia that selectively binds to receptors of the wake-promoting neuropeptide orexin (OX1R and OX2R), inhibiting excessive wakefulness and facilitating the transition to sleep.

The NPJ and NPK team joining Nxera Pharma brought significant experience in drug development and commercialization with a strong footprint in Japan and South Korea. The enlarged Japan team also provides a platform to expand commercial operations beyond Japan to other APAC markets and extend the regional product range over time through in-licensing and in-house development, which should lead to delivering more drugs to patients in the region.

We are dedicated to developing life-changing medicines for the many millions of patients with these diseases around the world.

Neurology				Immunology / GI		Metabolic	
INDICATION				INDICATION		INDICATION	
Dementia	Schizophrenia	Substance use disorders	Narcolepsy	Cancer	IBD	Type 2 Diabetes / Obesity	Anorexia
NUMBER OF PATIENTS*				NUMBER OF PATIENTS*		NUMBER OF PATIENTS*	
~55 million	~20 million	~10.4 million	~3 million	~42 million	~10 million	~420 million	~10 million
OUR CANDIDATES				OUR CANDIDATES		OUR CANDIDATES	
M1 agonist M1/M4 agonist	M4 agonist M1/M4 agonist GPR52 agonist	mGlu5 NAM	OX2 agonist	EP4 antagonist	CCR6 antagonist EP4 agonist	GLP1 agonist	MC4 antagonist

* Source of Number of Patients: World Health Organization, Evaluate Pharma, The European Federation of Crohn's & Ulcerative Colitis Associations (EFCCA), Narcolepsy Network, Inc., The Lupus Foundation of America, GBD 2015 Disease and Injury Incidence and Prevalence Collaborators (October 2016). "Global, regional, and national incidence, prevalence, and years lived with disability for 310 diseases and injuries, 1990–2015: a systematic analysis for the Global Burden of Disease Study 2015". Lancet. 388 (10053): 1545–1602

Right to Health

Nxera Pharma takes its responsibility to work towards providing access to medicines and healthcare to all people around the world seriously. The company provides access to some of its scientific discoveries in order that others may use them for their own research to improve the understanding of diseases and accelerate the development of new medicines. For example, our scientists have solved over 430 GPCR structures from more than 50 different GCPR targets using our innovative NxWave™ platform, with many of these released into the scientific community.

In April 2024, Nxera Pharma joined the World Orphan Drug Alliance (WODA), a global alliance of commercial distributors dedicated to providing access to treatments for rare diseases and specialty medicines in complex markets around the world. The Alliance consists of 13 member companies and provides access to approximately 200 million rare disease patients across 154 countries. Nxera Pharma will represent WODA in Japan and South Korea. Through the Alliance and its global networks, Nxera Pharma will gain access to a pipeline of novel medicines targeting rare or orphan diseases as potential licensing opportunities (with no obligation) for its late clinical stage and commercialization operations in Japan and South Korea. Economic terms would be determined on an individual basis should Nxera Pharma decide to inlicense any product opportunities from the WODA.

Charity Initiatives

Nxera Pharma actively seeks to contribute to the development and enhancement of our communities as well as to the broader society.

In 2024, our Charity Committee raised £4485.95 for East Anglia Children's Hospice (EACH), a UK charity that provides support for families and care for children and young people with life-threatening conditions across Cambridgeshire, Essex, Norfolk and Suffolk, UK.

The Company raised money through various initiatives such as running a step challenge, quiz evening, bake-offs, Olympic games and a Christmas raffle. Nxera Pharma agreed to match the fundraised amount raised by the Charity Committee which brought the total amount donated to EACH to £8971.90. Nxera Pharma UK also donated £500 to Crohn's & Colitis UK, a UK charity dedicated to Crohn's disease, ulcerative colitis, and other forms of inflammatory bowel disease.

In 2025, the Charity Committee will be raising money for Arthur Rank Hospice, which supports people in Cambridgeshire living with an advanced serious illness or other life-limiting condition and those who need end of life care.

2024 Donations

£4,485.95
East Anglia Children's Hospice (EACH)

£500
Crohn's & Colitis UK

Governance

Corporate Governance Structure

With our vision as pioneers from Japan to lead the new era of biopharma and medicine, innovating for both Japanese patients and the world, we recognize that building an effective system of corporate governance is an important management priority to enhance corporate value over the medium to long term.

We continue to strengthen our governance structure and management system through the appointment of independent external directors of cooperation among the Audit Committee, the external auditor and the Internal Audit Department to support the strategic management and oversight functions of our Board of Directors. At the same time, we strive to increase the integrity and transparency of our management governance structure by maintaining accountability to and communication with all stakeholders, including shareholders, employees, business partners, customers, creditors, consumers and local communities.

We employ a governance structure comprising the Nomination Committee, Audit Committee and Compensation Committee as stipulated by the Companies Act of Japan to strengthen our Board of Directors' oversight, increase transparency and speed up the decision-making of management, among other reasons. Under this structure, we separate the oversight function and business execution function of management and have largely delegated business decision-making authorities to our Executive Officers and Executive Vice Presidents ("EVPs") to increase management oversight and efficiencies. Our key principles are set out in our Corporate Governance Guidelines.

Mr. Chris Cargill
President and Chief Executive Officer

Dr. David Roblin
External Independent Director

Mrs. Eiko Tomita
External Independent Director

Mr. Rolf Soderstrom
External Independent Director

Mr. Noriaki Nagai
External Independent Director

Ms. Miwa Seki
External Independent Director

Ms. Naoko Shimura
External Director

Ms. Nicola Rabson
External Independent Director

LEADERSHIP GROUPS AND COMMITTEES	DESCRIPTION AS OF 31 DECEMBER 2024
Board of Directors and Executive Offices	Our Articles of Incorporation stipulate that there may be no more than ten directors. Our Board of Directors comprises eight (8) directors (one internal director and seven (7) independent external directors). Our Board of Directors sets basic management policies, supervises the execution of duties by our Executive Officers, and deliberates on management strategies to realize sustainable growth and add corporate value. One of the directors serves concurrently as our representative executive officer (CEO). We currently have six (6) Executive Officers, including our CEO, who have been mandated by the Board of Directors with business execution authorities.
Independent External Directors	We have six (6) independent external directors except Ms. Shimura.. There are no personal, capital, or transactional relationships or other special interests that may affect their impartiality and objective decision-making between the independent external directors and Nxera Pharma. Ms. Shimura is an external director and meets all criteria of "independence" set by Tokyo Stock Exchange ("TSE") and Nxera Pharma. However, we don't register her as an "independent director" with TSE in accordance with the policy of the law firm to which she belongs. In electing our independent external directors, we recognize the importance of ensuring the effectiveness of corporate governance as well as adequate impartiality from the management team. We have the Independence Standards for External Directors, and based on his/her career history and relationship to Nxera Pharma, we believe that each independent external director can ensure adequate impartiality to execute his/her duties as an independent external director.

Nomination Committee	Our Nomination Committee comprises our Chairman of the Board and four (4) independent external directors. The Committee assesses whether candidates have sufficient expertise and experience to support our global strategy and puts nominations forward to our shareholders for such candidates to be elected as directors. Furthermore, the Nomination Committee makes candidate recommendations to the Board of Directors for the appointment of Executive Officers and EVPs.
Compensation Committee	Our Compensation Committee comprises five (5) independent external directors, one of whom is the Chair of the Committee, our CEO and our Chairman of the Board. The Committee sets the remuneration policy for directors, Executive Officers and EVPs, and based on that policy determines their individual remuneration in view of performance and other contributions to Nxera Pharma.
Audit Committee	Our Audit Committee comprises four (4) independent external directors. The Audit Committee works closely with the Internal Audit Department and is responsible for auditing finance and internal control processes, overseeing the execution of duties of directors and Executive Officers, as well as the appointment and dismissal of external auditors.
Investment Committee	Our Investment Committee comprises our CEO, Chairman of the Board, three independent external directors and five Executive Officers. The Investment Committee evaluates prospective investment and divestment projects and makes investment recommendations to the Board of Directors.
Scientific Advisory Board	Our Scientific Advisory Board ("SAB") consists of a total of eleven (11) world-leading experts, including one independent external director. The SAB provides valuable insight and perspective relevant to drug discovery, development and strategic areas of focus for Nxera Pharma.

Operation of Governance Systems

We are committed to conducting our business with integrity and our governance systems ensure that appropriate operational structures are in place. A summary of our governance systems is as follows:

GOVERNANCE SYSTEMS	DESCRIPTION
Business Ethics and Compliance	Under the supervision of the Board of Directors, Nxera Pharma is committed to ensuring ethical business practices across our business and acting as a responsible member of society in all our business endeavors. Our principles of corporate behavior are instilled throughout the organization through our Code of Conduct. Mandatory training covering relevant laws, regulations and policies, as well as compliance awareness including corruption (e.g., bribery and anti-corruption) are provided to our staff and we monitor whether training requirements are fulfilled on an ongoing basis. **Anti-Corruption Measures** We strive to undertake our business fairly with honesty and transparency and therefore are committed to maintaining the highest possible standards of business practice. Consequently, in accordance with our Anti-Bribery and Corruption Policy, Nxera Pharma observes and upholds a zero-tolerance approach to acts of bribery and corruption. We do not tolerate fraud, corruption or abuse of position for personal gain by any member of staff or any other person associated with us. Accordingly, through our Anti-Fraud and Anti-Facilitation of Tax Evasion Policies, we have mechanisms to minimize the risk of fraud and criminal facilitation of tax evasion. **Supply Chain Due Diligence** Along with our Supply Chain Transparency and Quality Assurance measures, we undertake due diligence when considering taking on new suppliers and continuously review our existing suppliers. All our suppliers undergo a supplier approval process that includes risk assessments based on qualitative and economic factors to identify any indicators of supply chain risks. Such risk assessment in an applicable jurisdiction includes checks against association with "anti-social forces" and organized crime groups. In addition, to make or receive payments from counterparties who have passed prescribed screening processes, we require such payments to be made through wire-transfers or remittances via bank accounts which are verified by our Finance Department. In addition, since the war in Ukraine began in February 2022, we have taken measures to ensure that we do not trade directly with any Russian suppliers and do not breach any internal sanctions. We require all our contracting partners, suppliers and other third parties to operate in line with internationally recognized legal, regulatory and human rights frameworks. We are committed to ensuring that we identify and fully eliminate all potential modern slavery risks related to our business. We do not tolerate forced labor either within our business itself or within our supply chain. For further details of our actions to prevent modern slavery in our business dealings, please refer to our Modern Slavery Statement. As at the date of this 2024 ESG Report, we currently are not aware of any areas that would be considered high risk and we are not aware of any third-party company and/or supplier activity that may contravene our ethical business practices. *Continues overleaf*

	Whistleblowing Policy Our Whistleblowing Policy encourages staff and external stakeholders to raise any concerns that they may have about our conduct or the way in which our business operates. All our staff have a duty to report any concerns they may have about potential breaches of our Code of Conduct, the laws and regulations of the countries we operate in, or our policies, procedures and guidelines. Our policy outlines our internal mechanism for reporting, investigating, and remedying any wrongdoing in the workplace and encourage individuals to raise their concerns and any grievances internally in the first instance. Along with our internal whistleblowing mechanism, we have external whistleblowing hotline services that can be used by both internal and external stakeholders. The external independent whistleblowing service and confidential reporting service, which allow staff and external stakeholders to raise any issues or concerns in complete confidence and if they wish, on an anonymous basis. Our policy ensures the safety of whistleblowers from any damage and retaliation because of making the reporting.
Document Management	Document management rules and policies ensure strict controls for the management and storing of documents.
Risk Management	Decision-making by our Board of Directors is made based on discussions and deliberations considering, where relevant, the opinions of external experts. Responsible Executive Officers, EVPs and senior staff analyze and make the status of risks and mitigation measures taken on a quarterly basis to the Audit Committee and Board of Directors. Furthermore, based on internal audit findings, our Internal Audit Department also provides guidance and recommendations on risk management systems to our Board of Directors.
Job Execution	Authority of officers and employees are defined and managed in accordance with our governance policies. To ensure operations are conducted efficiently and appropriately, subsidiaries have been delegated authorities with structured governance reporting responsibilities to Nxera Pharma and our Board of Directors.
Internal Controls	Our Internal Audit Department continuously evaluates the design and operation of internal controls to comply with relevant laws and regulations. Our Internal Audit Department conducts internal audits across all the Group companies on a three-year rotation with the aim of maintaining and strengthening our internal controls whilst ensuring appropriate and effective business operations. The scope of our internal audit includes areas such as policies and procedures, organizational structure, procurement, IT security and compliance awareness. Specifically, the activities of the Internal Audit Department include: 1. Assurance and Recommendations • Decide audit themes on a risk-based approach, execute internal audits, and report the results to the CEO and the Audit Committee. • Issue audit recommendations for remediation and support the audited units to develop action plans. • Continue to work together with the audited units and follow up on the remediation actions.

	2. Internal Controls • Evaluate the design and operation of internal controls over financial reporting every year to ensure effectiveness according to the guidelines of the Financial Services Agency (J-SOX). • Prepare an annual Internal Control Report pursuant to the Financial Instruments and Exchange Act. 3. Independence and Objectivity • The Internal Audit Department reports administratively to the CEO functionally to the Audit Committee, directly to the Board of Directors, thus maintaining independence and objectivity. In this way, the Board of Directors oversees the compliance with relevant laws and regulations in the afore mentioned areas. • The Internal Audit Department has meetings with both the CEO and the Audit Committee on a frequent basis to share information and provide updates on risks and controls.
Data Protection & Privacy	We consider the protection of personal data and privacy a vital part of our governance structure. We maintain a comprehensive global data protection framework along with General Data Protection Regulation (GDPR) policies to comply with both the EU and UK GDPR in addition to personal information management regulations in Japan. Our Privacy Team, which is comprised of members from key departments including Legal, Information Technology and HR manages the handling and monitoring of EU and UK personal data. Our Chief Accounting Officer is appointed as the Privacy Lead and Hamish Corner, Privacy Partner at Shoosmiths LLP, as the external Data Protection Officer.

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