**REPORT AS OF 31 DECEMBER 2019**

*Madrid, 26 February 2020*

**2019 MILESTONES**

**Corporate**

- Net sales of Yondelis amounted to €73 million in 2019.

- The income statement as of 31 December 2018 was restated to reflect the sale of Pharma Mar subsidiary Zelnova Zeltia, S.A. in June 2019.

**Oncology**

- In December, Pharma Mar filed a new drug application (NDA) for accelerated approval with the FDA for lurbinectedin as monotherapy for treating patients with relapsed small-cell lung cancer. The FDA granted Priority Review to the NDA.

- On 19 December 2019, Pharma Mar and Jazz Pharmaceuticals signed an exclusive licensing agreement for marketing anti-tumor compound Lurbinectedin in the US for treating relapsed small-cell lung cancer. The effectiveness of the agreement was conditional upon approval by the US anti-trust authorities. That authorization was granted on 21 January 2020, with the result that Pharma Mar collected a non-refundable upfront payment of USD 200 million (€181 million).

**Diagnostics**

- Genómica concluded production of the first six machines for automatic analysis of human papillomavirus in China using the GENOMICA CLART® HPV kit. The machines were adapted to the specifications of Huasin, Genómica's partner in China, with a specific corporate image and user software in Chinese. This fulfils the first milestone in the contract between Genómica and Huasin for the distribution of CLART® HPV in China, once it is approved by China's National Medical Products Agency (NMPA).


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## FIGURES TO DECEMBER 2019

| REVENUES | 31/12/2019 | 31/12/2018 | |
|---|---|---|---|
| **Net Sales** | **78.529** | **79.772** | **-1,6%** |
| Oncology segment | 73.022 | 74.179 | -1,6% |
| Diagnostics segment | 5.507 | 5.593 | -1,5% |
| **Royalties** | | | |
| Oncology segment | **3.102** | **3.916** | **-20,8%** |
| **License and co-development agreements** | | | |
| Oncology segment | **3.950** | **24.659** | **-84,0%** |
| **Other revenues** | **238** | **424** | |
| Oncology segment | 0 | 126 | |
| Diagnostics segment | 238 | 298 | |
| **TOTAL REVENUES** | **85.819** | **108.771** | **-21,1%** |

*(Thousand euro)*

**Total Group revenues**

Revenues in the oncology segment, amounting to €73.0 million (€74.2 million in 2018), were almost entirely from Yondelis®, and include sales in 2019 of Yondelis and Aplidin raw materials to our partners and compassionate-use sales of lurbinectedin for a total of €1.1. million. Revenues in this segment declined by 1.6% year-on-year.

| | 2019 | 2018 | Var. |
|---|---|---|---|
| Yondelis comercial sales | 71.880 | 73.835 | -3% |
| Yondelis raw material sales | 1.142 | 344 | 232% |
| **Total Yondelis sales** | **73.022** | **74.179** | **-1,6%** |

The Diagnostics segment (Genómica) attained €5.5 million in sales, plus €0.2 million in other revenues in 2019 (€5.6 million plus €0.3 million, respectively, in 2018).

Royalty revenues correspond to the Oncology segment. Royalties received from Janssen Products and Taiho Pharmaceutical Co for sales of Yondelis® in the United States, Japan and the rest of the world except the European Union amounted to €3.1 million in 2019 (€3.9 million in 2018).

Revenues from out-licensing and other co-development agreements, which also correspond entirely to the Oncology segment, amounted to €4.0 million in 2019, compared with €24.7 million in 2018.

The agreements in 2019 from which those revenues arose were as follows:
An out-licensing agreement with Luye Pharma Group for the development and marketing of Lurbinectedin for treating small cell lung cancer in the territories of China, Hong Kong and Macao. Under this agreement, Pharma Mar collected an upfront payment of €4.5 million, of which €3.2 million were recognized as revenues in 2019.

A milestone payment amounting to €0.3 million was collected under the licensing agreement for Lurbinectedin in South Korea.

After Pharma Mar signed a new out-licensing agreement for Yondelis with Janssen that allows Pharma Mar to distribute Yondelis in over 40 countries where it is already approved (outside the US, which is retained by Janssen), Pharma Mar signed two out-licensing contracts for Yondelis in 2019, covering Australia and Israel, for which it collected a total of €0.5 million in upfront payments from the licensees.

The breakdown of these revenues in 2018 is as follows: recognition of €15.1 million as deferred revenue for part of the up-front payment under the licensing contract Lurbinectedin signed with Chugai Pharmaceutical Co, Ltd. in 2016, which was terminated early in 2018; €4.1 million under the out-licensing agreement with Seattle Genetics Inc. under which the latter receives exclusive worldwide rights over certain molecules and conjugated antibodies (ADCs) owned by Pharma Mar, S.A. for the development, production and commercialization of conjugated antibodies; €2 million under a contract with Impilo Pharma for the distribution of Yondelis® in Scandinavia; and €0.5 million under other contracts related to Aplidin®.

Consequently, total revenues amounted to €85.8 million in 2019, compared with €108.8 million in 2018.

**Gross margin and EBITDA**

The Group's gross margin on revenues was 93.3% in 2019 (93.8% in 2018). (Calculated with respect to sales only, not including royalties or licensing revenues).

The change in EBITDA reflects the decline in licensing revenues, partly offset by a reduction in operating expenses.

| | 31/12/2019 | 31/12/2018 |
|---|---|---|
| Net result of continuing operations | (9.180) | (17.103) |
| Income tax | (12.474) | (2.883) |
| Net financial income | 4.168 | 4.035 |
| Depreciation and amortization | 8.035 | 6.374 |
| Assets impairment and other provisions | (81) | 0 |
| Impairment of receivables | 19 | 110 |
| Severances | 0 | 2.486 |
| **EBITDA** | **(9.513)** | **(6.981)** |
| | | |
| **EBITDA** | **(9.513)** | **(6.981)** |

*(Thousand euro)*

(EBITDA includes all revenues and expenses from business activities except for depreciation and amortization, provisions, net interest income and tax expenses).

**R&D expenditure**

R&D spending declined year-on-year to €50.6 million in 2019 (€73.8 million in 2018). Spending in Oncology amounted to €48.7 million, of which €3.0 million were related to the cost of the NDA for Lurbinectedin filed with the FDA, resulting in net R&D spending of €45.7 million in 2019 (€63.7 million in 2018). Pharma Mar concentrated R&D spending on Lurbinectedin in clinical trials on small cell lung cancer (SCLC), while deferring other clinical trials and earlier stage development activities. The reduction in R&D spending in the Diagnostics section was due to completion of the NEDXA point-of-care diagnostics platform, with priority being given to development of the conventional CLART platform. In 2019, the RNAi section worked on designing a new Phase III clinical trial in dry-eye syndrome after completing the Helix Phase III trial in that indication.

The breakdown of R&D expenditure is shown in the next table:

| R&D | 31/12/2019 | 31/12/2018 | Var. | % |
|---|---|---|---|---|
| Oncology segment | 48.727 | 63.742 | (15.015) | -24% |
| Diagnostics segment | 2.060 | 4.941 | (2.881) | -58% |
| RNAi segment | 2.909 | 5.105 | (2.196) | -43% |
| **TOTAL R&D** | 53.696 | 73.788 | (20.092) | **-27%** |
| Capitalised oncology | (3.054) | 0 | | |
| **TOTAL R&D NET** | **50.642** | **73.788** | **(20.092)** | **-31%** |

(Thousand euro)

**Marketing and commercial expenses**

The Group spent €23.9 million on marketing and commercial expenses in 2019, a 9% decline year-on-year (€26.4 million in 2018). This was due mainly to the closure of the Pharma Mar subsidiary in the United Kingdom, which enabled marketing expenses to be reduced by close to €1 million.

**Income from discontinued operations**

On 28 June 2019, Pharma Mar completed the sale of its subsidiary, Zelnova, S.A., which manufactures, supplies and distributes insecticide products for domestic use, air fresheners and other home care products; the buyers, Allentia Invest, S.L. and Safoles, S.A, acquired 100% of the company for €33.4 million. As a result, the consolidated figures present that subsidiary under discontinued operations in both 2019 and 2018.

On 20 September 2018, Pharma Mar sold subsidiary Xylazel, S.A., which manufactures, supplies and distributes products for wood and metal treatment, protection and decoration, special paints and similar products. The buyer, Akzo Nobel Coatings, S.L. (a Spanish subsidiary of the Akzo Nobel Group), acquired 100% of the shares of Xylazel for a cash price of €21.8 million. As a result, these consolidated figures present that subsidiary, which was sold in September 2018, under discontinued operations in 2018.

Income from discontinued operations in 2019 and 2018 include both the income booked by the divested subsidiaries up to the date of their sale and any capital gain or loss on the transactions. Income from discontinued operations amounted to €-2.2 million in 2019, compared with €11.5 million in 2018.

**Income from continuing operations**

The decline in revenues in 2019 (mainly licensing agreements: €-20.7 million year-on-year) was offset by a reduction in operating expenses. As a result, income before taxes fell by just €-1.6 million year-on-year, from €-20.0 million in 2018 to €-21.6 million in 2019.

Nevertheless, recognition of income tax, which was positive (€2.9 million) in 2018 and also in 2019 (€12.5 million), meant that result from continuing operation improve year-on-year, from €-17.1 million in 2018 to €-9.2 million in 2019.

**Cash and Debt**

The net cash position (cash + cash equivalents + current financial assets) amounted to €20.9 million euro at 31 December 2019 (€26.9 million euro at 31 December 2018). Including non-current financial assets, the total was €21.9 million as of 31 December 2019 (€27.8 million euro in 2018).

For the purpose of comparing balance sheet figures, the Group's total net interest-bearing debt at amortized cost in the last two years is detailed below:

| | 31/12/2019 | 31/12/2018 |
|---|---|---|
| **Non current debt** | **53.063** | **64.922** |
| Bank debt | 15.291 | 24.279 |
| Obligations and bonds | 16.549 | 16.501 |
| Govt. Agencies: R&D funding | 21.223 | 24.142 |
| **Current debt** | **29.655** | **28.483** |
| Credit facilities | 11.583 | 12.911 |
| Effects and certifications | 2.241 | 2.064 |
| Bank loan | 10.497 | 10.244 |
| Govt. Agencies: R&D funding | 4.883 | 2.248 |
| Interest and others | 451 | 1.016 |
| **Total financial debt** | **82.718** | **93.405** |
| **Cash&cash equivalents + non current and current financial investment** | **21.924** | **27.760** |
| **TOTAL NET DEBT** | **-60.794** | **-65.645** |

(Thousand euro)

Net debt declined to €-60.8 million in 2019 (from €-65.6 million in 2018) as a result of a €10.7 reduction in total interest-bearing debt that was partly offset by a €-5.8 million decline in cash and cash equivalents.

New loans were arranged in 2019 for an amount of €4.7 million, while €14.4 million of long-term loans were repaid on maturity.

As of 31 December 2019, the Company had €2.1 million available in credit lines. It arranged new credit lines for €4 million in the early months of 2020.

## BUSINESS PERFORMANCE.

The main events in 2019 are described below:

In April 2019, the Group signed an out-licensing agreement with Luye Pharma Group for the development and marketing of Lurbinectedin for treating small cell lung cancer and potentially other indications in the territories of China, Hong Kong and Macao. Under the agreement, Pharma Mar collected an upfront payment of USD 5 million (€4.452 million), of which €3.2 million were recognized as revenues in 2019 on the basis of progress with the Atlantis Phase III trial. The agreement provides for other payments for attaining regulatory or sales milestones, as well as royalties. Luye undertakes to develop Lurbinectedin for treating small-celll lung cancer in China, while Pharma Mar retains exclusive production rights.

On 26 May 2019, the Board of Directors agreed to sell 100% of Zelnova Zeltia, a company in the consumer chemicals division, to Allentia Invest, S.L. y Safoles, S.A. (together, the "Buyer"), which are owned directly and indirectly by, among others, Mr. Pedro Fernández Puentes, a director of Pharma Mar, and persons related to him. The Board resolved to refer the transaction to the Shareholders' Meeting for approval. By doing so, it complied with the provisions of article 230 of the Capital Companies Act with regard to shareholders waiving the prohibition on the company transacting with its directors, and also with article 160.f) of the Capital Companies Act, regarding shareholder approval for the sale of assets considered to be essential to the Company. Completion of the transaction and, consequently, the Company's commitment to sell and transfer the shares of Zelnova to the Buyer was conditional upon that authorization by the Shareholders' Meeting. Once the shareholders had authorized the transaction, the sale was completed on 28 June 2019. The consideration received from the Buyer was €33.417 million, paid in cash upon completion.

In August 2019, Pharma Mar and Janssen signed a framework transfer agreement under which Janssen transferred to Pharma Mar all rights to Yondelis in the other territories licensed to Janssen, i.e. all the countries in the world except the United States, Europe and Japan (the latter licensed to Taiho Pharmaceuticals Co. Ltd). This transfer agreement will be phased in gradually, depending on the regulatory requirements in each country. Janssen will continue to sell the product until the commercialization authorizations have been transferred. Pharma Mar plans to market Yondelis® in the transferred territories via local partners.

In December, Pharma Mar filed a new drug application (NDA) for accelerated approval with the FDA for lurbinectedin as monotherapy for treating patients with relapsed small-cell lung cancer. The FDA granted Priority Review to the NDA.

On 19 December 2019, Pharma Mar and Jazz Pharmaceuticals signed an exclusive licensing agreement for marketing anti-tumor compound Lurbinectedin in the US for treating relapsed small-cell lung cancer. The effectiveness of the agreement was conditional upon approval by the US anti-trust authorities under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. That authorization was obtained on 21 January 2020; consequently, the transaction became effective in 2020 and had no accounting impact in 2019. The contract terms include a non-refundable upfront payment of USD 200 million (€181 million) which Pharma Mar collected in January 2020, plus additional payments of up to USD 250 million for achieving regulatory milestones, if the FDA grants conditional and/or full approval for Yondelis by specific deadlines. Pharma Mar may also collect USD 550 million for sales targets and will collect royalties on net sales of Lurbinectedin.

In 2019, Pharma Mar received a positive response from the European Medicines Agency (EMA) and Swissmedic, the Swiss Agency for Therapeutic Products, with regard to the designation of Lurbinectedin as an orphan drug for small cell lung cancer.

Below is an overview of research and development activities in 2019.

### 1.- Oncology segment: Pharma Mar

**1.1. The current status of compounds in the clinical development pipeline is described below.**

**a) YONDELIS®**:

Post-authorization trials with Yondelis® performed satisfactorily in 2019. Research into the efficacy and safety of Yondelis® resulted in a total of 15 abstracts at conferences and 8 papers in international journals in 2019.

**Soft-tissue sarcoma**

At 2019 year-end, 26 post-authorization trials were under way, 13 of them active (10 enrolling). The other trials were in the process of closing and data analysis or were pending the presentation of results. Five additional trials are scheduled to commence in the coming months.

The trials with trabectedin in soft tissue sarcoma include notably the NiTraSarc and TRAMUNE investigator mediated trials in combination with immunotherapy drugs (nivolumab and durvalumab), in which enrolment is continuing satisfactorily, and the TRASTS trial combining trabectedin with radiotherapy, sponsored by the Spanish sarcoma group GEIS, whose initial results have been presented at international conferences.

**Ovarian cancer**

There are 14 trials ongoing in this indication, nine of them active and five enrolling.

Regarding the combination of trabectedin with liposomal doxorubicin in cancer-sensitive ovarian cancer, the INNOVATYON Phase III trial comparing the Yondelis® + PLD combination with the carboplatin + PLD combination, led by Gruppo MaNGO (Mario Negri Gynecologic Oncology), continued in 2019 and the initial data were scheduled for presentation in 2020.

**Other indications**

The MITO 23 Phase III trial comparing Yondelis® as monotherapy vs. investigator-choice chemotherapy in patients with a BRCA mutation or a BRCAness phenotype, which is being conducted in cooperation with the Italian MITO group, was closed with very satisfactory results and is awaiting data analysis.

**b) Lurbinectedin**

**Small-cell lung cancer**

Basket trial in small-cell lung cancer and advanced solid tumours

In November 2018, enrolment concluded for the Phase II trial with Lurbinectedin as monotherapy in selected indications such as small cell lung cancer, neuroendocrine tumors, carcinoma of the head and neck, germ cell cancer, endometrial cancer, bile duct cancer, cancer of unknown primary, Ewing sarcoma and breast cancer with BRCA 1/2 mutation. A total of 335 patients were treated, 105 of them in the small-cell lung cancer cohort. That cohort attained the trial's primary endpoint: overall response rate. For that reason, in December, Pharma Mar filed a new drug application (NDA) for accelerated approval with the FDA for lurbinectedin as monotherapy for treating patients with relapsed small-cell lung cancer. Under the FDA's accelerated approval process, an application for approval for drugs for serious conditions that fill an unmet medical need can be presented on the basis of the results of Phase II trials. The FDA granted Priority Review to the NDA.

Efficacy data on the cohort of patients with small cell lung cancer were presented at the annual meeting of the American Society of Clinical Oncology (ASCO) and were selected for the "Best of ASCO" meetings in three US cities and 30 other cities on the five continents. “Best of ASCO” is an initiative that condenses

the most outstanding content of the ASCO Annual Meeting in a two-day program. The goal of this initiative is to provide worldwide access to cutting-edge science.

Additionally, Pharma Mar has an ongoing pivotal Phase III trial in small-cell lung cancer: the ATLANTIS trial.

Recruitment in that pivotal trial, which compares the activity and safety of the combination of Lurbinectidin, a drug of marine origin, plus doxorubicin, against topotecan or CAV (cyclophosphamide, adriamycin and vincristine) for treating patients with small cell lung cancer who have relapsed after a first round of platinum treatment, concluded in August 2018. A total of 613 patients were enrolled at hospitals in Europe, the United States, Latin America and the Middle East. The trial is currently monitoring survival, which is its primary endpoint. The next update of ATLANTIS data will be given when they are available, which is expected to occur in the second half of 2020.

In 2019, Pharma Mar received a positive response from the European Medicines Agency (EMA) and Swissmedic, the Swiss Agency for Therapeutic Products, with regard to the designation of Lurbinectedin as an orphan drug for small cell lung cancer.

Previously, in August 2018, Lurbinectedin was designated as an orphan drug for the treatment of small cell lung cancer by the FDA's Office of Orphan Product Development. Orphan drug status in the US offers a number of benefits, including a 7-year period of exclusivity in the market if the drug is finally approved, tax credits for clinical trials and exemption from fees on applications to the FDA for marketing approval.

**Combination trials**

The analysis of combination trials with lurbinectedin+paclitaxel and lurbinectedin+irinotecan in the cohort of patients with small cell lung cancer was presented as a poster at the IASLC World Conference on Lung Cancer in Barcelona in September.

The results of the Phase I trial in combination with irinotecan were presented as a poster at the European Society for Medical Oncology (ESMO) meeting in Barcelona in September 2019. Enrolment for this trial continues on schedule.

The first patient for the trial in combination with atezolizumab in small-cell lung cancer was enrolled in December 2019. The trial is being undertaken at three centres in Spain.

**Phase I trial in Japan**

This trial, designed to ascertain the dosage for Lurbinectedin in Japanese patients, attained its primary endpoint by determining the recommended dose for that population. Enrolment concluded and the treated patients are in the process of being evaluated.

**c) PM184**

The Phase I dose escalation trial assessing the combination of PM184 with gemcitabine, conducted at two centres (one in Spain and one in the United States), concluded enrolment and is now in the patient tracking phase.

**d) PM14**

Recruitment continues for the clinical development program with this new molecule. The main endpoint of this trial is to identify the optimal dose for administration of PM14 in patients with advanced solid tumors, and to define the compound's safety profile and assess its pharmacokinetics and pharmacogenetics in treated patients. This trial is actively recruiting.

**2.- Diagnostics Genómica**

Genómica obtained €5.84 million in revenues in 2019, i.e. 4% less than in 2018 (€6.06 million). Exports, which accounted for 36% of revenues, totalled €2.08 million (€2.29 million in 2018). Clinical Diagnostics accounted for 89% of total revenues.

The main events in 2019 were as follows:

In the first quarter of 2019, our partner in China, Beijing Clear Medi-tech Co., Ltd, commenced the process for registering the Genómica products CLART®Enterobac and CLART®Septibac with the Chinese regulator (National Medical Products Administracion — NMPA).

An exclusive distribution agreement for Genómica products in Japan was signed with Marusan Pharma Biotech Corporation in July. Work to register CLART®HPV and autoclart® plus with the Japanese regulator (PMDA) commenced in the fourth quarter of 2019.

In the fourth quarter of 2019, Genómica signed an exclusive distribution agreement for the Brazilian market with D-MED MATERIAL MEDICO, LTDA, a company specialized in diagnostics, the goal being to maintain Genómica sales in Brazil via a distributor.

Genómica concluded production of the first six machines for automatic analysis of human papillomavirus in China using the GENOMICA CLART® HPV kit. The machines were adapted to the specifications of Huasin, Genómica's partner in China, with a specific corporate image and user software in Chinese. This fulfils the first milestone in the contract between Genómica and Huasin for the distribution of CLART® HPV in China, once it is approved by China's National Medical Products Agency (NMPA).

With regard to R&D activities in 2019, in addition to performing technical trials required by the Chinese regulator (NMPA) for registration of the Genómica kits in that market, the microbiology area began developing a new FAST-CLART technology applied to the CLART® PneumoVir kit for rapid detection and identification of pathogens associated with respiratory infections.

**3.- RNA interference: Sylentis**

The centers involved in the Helix Phase III trial with tivanisiran (SYL1001), an RNAi for treating dry-eye syndrome, were closed and the final report on the trial was drafted. The next clinical trial is currently being designed in order to advance with the product's clinical development, focused particularly on patients in whom the disease is most severe, such as patients with Sjögren syndrome, as the Helix trial evidenced a particular improvement in signs and symptoms.

The company is also working on other RNAi candidates for treating eye allergies and retinal diseases. Those candidates' efficacy was analyzed using pre-clinical models of those pathologies. Candidate SYL1801 for topical treatment of age-related macular degeneration completed regulatory pre-clinical toxicology trials in two animal models which evidenced that the product has a good safety profile, with no toxicological effects of SYL1801 being observed following continuous ocular administration. Design of the phase I trial for SYL1801 was completed in 2019, with commencement scheduled for 2020.

**4.- Consumer chemicals:**

As of 31 December 2019, the consumer chemicals business was presented under discontinued operations in the Group's income statement.

The sale of subsidiary Zelnova Zeltia, S.A. (Zelnova), comprising also its Italian subsidiary, Copyr, S.p.A, to companies Allentia Invest, S.L. y Safoles, S.A., which are owned directly and indirectly by, among others, Mr. Pedro Fernández Puentes, a director of Pharma Mar, and persons related to him, who acquired 100% of the shares of Zelnova, was completed in June.

The consideration for 100% of the shares of Zelnova was €33.4 million. The sale resulted in a loss of €2.2 million in the consolidated income statement under discontinued operations.

| *CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Thousand euro)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 22.452 | 26.637 |
| Investment property | 845 | 6.071 |
| Intangible assets | 6.074 | 16.658 |
| Right-of-use assets | 3.345 | 0 |
| Goodwill | 0 | 2.548 |
| Non-current financial assets | 1.029 | 884 |
| Deferred tax assets | 40.984 | 29.768 |
| | **74.729** | **82.566** |
| **Current assets** | | |
| Inventories | 8.902 | 20.616 |
| Trade and other receivables | 11.530 | 23.549 |
| Financial assets at amortised cost | 3.257 | 4.131 |
| Other assets | 8.649 | 4.069 |
| Cash and cash equivalents | 17.638 | 22.745 |
| | **49.976** | **75.110** |
| **TOTAL ASSETS** | **124.705** | **157.676** |

| *CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Thousand euro)* | December 31, 2019 | December 31, 2018 |
|---|---|---|
| **EQUITY** | | |
| Share capital | 11.132 | 11.132 |
| Share premium | 71.278 | 71.278 |
| Treasury shares | (1.499) | (2.243) |
| Revaluation reserves | 15 | 12 |
| Retained earnings and other reserves | (69.552) | (58.806) |
| **Total capital and reserves attributable to equity holders of the parent company** | **11.374** | **21.373** |
| **Non-controlling interests** | **(3.918)** | **(3.900)** |
| **TOTAL EQUITY** | **7.456** | **17.473** |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Borrowings | 53.063 | 64.922 |
| Lease liabilities | 1.719 | 0 |
| Non-current deferred income | 1.851 | 2.120 |
| Other non-current liabilities | 177 | 779 |
| | **56.810** | **67.821** |
| **Current liabilities** | | |
| Trade and other payables | 19.332 | 34.511 |
| Borrowings | 29.655 | 28.483 |
| Lease liabilities | 1.678 | 0 |
| Provisions for other liabilities and charges | 5.734 | 6.266 |
| Current deferred income | 1.465 | 168 |
| Other current liabilities | 2.575 | 2.954 |
| | **60.439** | **72.382** |
| **TOTAL LIABILITIES** | **117.249** | **140.203** |
| **TOTAL EQUITY AND LIABILITIES** | **124.705** | **157.676** |

| *CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS* | | |
|---|---|---|
| *(Thousand euro)* | **December 31, 2019** | ***Restated December 31, 2018** |
| Revenue: | | |
| Revenue from contracts with customers | 78.529 | 79.772 |
| Revenue from licensing and development agreements (excluding royalties) | 3.950 | 24.659 |
| Royalties | 3.102 | 3.916 |
| Other | 238 | 424 |
| | **85.819** | **108.771** |
| Cost of sales | (5.228) | (4.925) |
| **Gross profit** | **80.591** | **103.846** |
| Marketing expenses | (23.936) | (26.363) |
| General and administrative expenses | (13.881) | (12.492) |
| Research and development expenses | (50.642) | (73.788) |
| Net impairment on financial assets | (11) | 77 |
| Other operating expenses | (10.573) | (8.875) |
| Other results | 966 | 1.644 |
| **Operating loss** | **(17.486)** | **(15.951)** |
| Finance costs | (4.371) | (4.454) |
| Finance income | 203 | 419 |
| **Finance costs - net** | **(4.168)** | **(4.035)** |
| **Result of the period before income taxes** | **(21.654)** | **(19.986)** |
| Income tax benefit / (expense) | 12.474 | 2.883 |
| **Result for the period from continuing operations** | **(9.180)** | **(17.103)** |
| **Result for the period from discontinued operations** | | |
| **Result is attributable to:** | **(2.217)** | **11.550** |
| Equity holders of the parent company | (2.217) | 11.550 |
| Result for the period | (11.397) | (5.553) |
| Result is attributable to: | | |
| Equity holders of the parent company | (11.379) | (5.535) |
| Non-controlling interests | (18) | (18) |

(*) Restated to show Zelnova Zeltial as discontinued operations

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

| (Thousand euro) | December 31, 2019 | December 31, 2018 |
|---|---|---|
| **Result before taxes:** | **(23.322)** | **(7.689)** |
| **Adjustments for:** | **13.188** | **431** |
| Depreciation and amortization | 6.055 | 6.375 |
| Provision/(reversal) for impairment of accounts receivable | 28 | (578) |
| Impairment loss/(gain) of property, plant and equipment | (81) | 0 |
| Finance income | (35) | (764) |
| Finance costs | 3.888 | 4.136 |
| Results on disposals of intangible assets | 4 | 0 |
| Share based payments | 265 | 795 |
| Deferred income - grants | (285) | 7 |
| Loss/(gain) on subsidary sale | 3.269 | (9.591) |
| Provisions | 0 | 60 |
| Other adjustments to profit or loss | 80 | (9) |
| **Changes in working capital:** | **(13.582)** | **(13.373)** |
| Inventories | (2.418) | (2.029) |
| Trade and other receivables | (16.521) | 3.300 |
| Other assets and liabilities | (2.147) | (21) |
| Trade and other accounts payable | 5.499 | 551 |
| Deferred or accrual items | 2.005 | (15.174) |
| **Other cash flows from operations:** | **(2.421)** | **3.805** |
| Interest paid | (2.456) | (4.136) |
| Interest received | 35 | 22 |
| Income tax received | 0 | 7.919 |
| **Net cash outflow from operating activities** | **(26.137)** | **(16.826)** |
| **Acquisitions:** | **(3.981)** | **(1.908)** |
| Group companies, associates and business units | 0 | (16) |
| Property, plant and equipment, intangible assets and investment property | (3.911) | (1.888) |
| Other financial assets | (70) | (4) |
| **Proceeds from:** | **36.049** | **24.648** |
| Group companies, associates and business units | 33.386 | 21273 |
| Property, plant and equipment, intangible assets and investment property | 26 | 43 |
| Other financial assets | 2.637 | 3.332 |
| **Net cash inflow from investing activities** | **32.068** | **22.740** |
| **Receipts and (payments) in connection with equity instruments:** | **1.083** | **(660)** |
| Proceeds from issuance of ordinary shares | (14) | 0 |
| Purchase of treasury shares | (7.467) | (3.446) |
| Proceeds from shares issued | 8.564 | 2.786 |
| **Receipts and (payments) in connection with financial liabilities:** | **(12.121)** | **(6.597)** |
| Proceeds from borrowings | 4.792 | 10.231 |
| Repayment of borrowings | (16.913) | (16.828) |
| **Net cash inflow (outflow) from financing activities** | **(11.038)** | **(7.257)** |
| | | |
| **Net increase (decrease) in cash and cash equivalents** | **(5.107)** | **(1.343)** |
| Cash and cash equivalents at beginning of the period | 22.745 | 24.088 |
| **Cash and cash equivalents at end of the period** | **17.638** | **22.745** |