



CNMV  
Markets Directorate General  
C/ Edison 4  
28006 Madrid

Madrid, June 18, 2020

In accordance with article 227 of the recast Spanish Securities Market Act (*texto refundido de la Ley del Mercado de Valores*), is hereby reported the following:

### **OTHER RELEVANT INFORMATION**

It is announced that today the Board of Directors of Pharma Mar, S.A. (the "**Company**") has agreed to execute the resolutions approved at the General Shareholders' Meeting held on 18 June 2020 under agenda item four, relating to (i) the consolidation (*reverse split*) and cancellation of the shares into which the Company's current share capital is divided in order to exchange them for newly issued shares, in the proportion of one new share for every 12 pre-existing shares of the Company increasing the unit par value of the shares from 0.05 euros to 0.60 euros, and, (ii) for the purposes of balancing the aforementioned exchange ratio, the prior reduction of capital by the amount of 0.15 euros through the redemption of 3 treasury shares, each with a nominal value of 0.05 euros.

#### **1. Consolidation of shares**

Share exchange: Holders of shares in the Company will receive one new share, with a unit par value of 0.60 euros, for every 12 pre-existing shares with a unit par value of 0.05 euros. The share consolidation shall not entail any variation in the amount of share capital.

The new shares shall be represented by book entries, with the accounting record kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A.U. ("**Iberclear**") and its participating entities, will be of the same series and class and will have the same economic and political rights as the current shares, in proportion to their par value.

Effective date of the consolidation: The share exchange of shares will take effect on the date determined by the Company (the "**Effective Date**") once the consolidation of shares' agreement and the consequent amendment to the corporate bylaws have been registered in the Company's register sheet open at the Mercantile Registry. In any event, the Effective Date will take place after the payment of the ordinary dividend against 2019 earnings that the General Shareholders' Meeting of the Company held on 18 June 2020, under agenda item one, has agreed to be paid on 30 June 2020.

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The Effective Date will be made public through the publication of the corresponding communication of privileged information or other relevant information.

Procedure for the shares exchange and treatment of fractions: Those who appear as legitimate shareholders of the Company at the close of market on the business day following the Effective Date according to the accounting records of Iberclear and its participating entities shall be entitled to receive one new share for every 12 pre-existing shares, and the exchange shall be carried out automatically. The new shares will be delivered to shareholders on the second business day following the Effective Date. The exchange of shares will be carried out in accordance with the procedures established for securities represented by book entries, through the corresponding participating entities, in accordance with the instructions issued for this purpose by Iberclear and by the agent Banco Santander, S.A. (the "**Agent Entity**").

Shareholders holding a number of shares that is not a multiple of 12 may acquire or transfer the shares necessary to complete a number of shares that is a multiple of that established in the exchange ratio.

The Agent Entity shall acquire the excess shares on behalf of the Company if at the close of the market on the stock exchange business day following the Effective Date there are still shareholders who hold a number of shares that is not a multiple of 12. The acquisition price shall be the market closing price on the business day prior to the Effective Date.

The amount corresponding to the purchase of the excess shares shall be paid by the Agent Entity to the Iberclear participating entities for their credit to the accounts of the shareholders where their shares in the Company are deposited. Said payment shall be coordinated by the Agent Entity and shall foreseeably take place on the second business day following the Effective Date.

## **2. Capital reduction**

The total number of pre-existing shares to be consolidated (222,649,287) is not a multiple of the number established in the exchange agreed for the consolidation of the shares (12). Therefore, in order to facilitate the execution of the consolidation and to be able to apply the established exchange, the Company's share capital will be reduced immediately prior to the execution of the consolidation by the amount of 0.15 euros through the redemption of 3 treasury shares, each with a nominal value of 0.05 euros.

The capital reduction will be charged to unrestricted reserves, through the allocation of a reserve for redeemed capital in an amount equal to the par value of the redeemed shares, which will only be available subject to the same requirements as those required for the reduction of share capital, in application of the provisions of Article 335.c) of the Spanish Capital Corporations Law. Consequently, in accordance with said provision, the Company's creditors will not have the right of opposition referred to in Article 334 of the Spanish Capital Corporations Law in relation to the capital reduction.



Consequently, following the capital reduction and immediately before carrying out the share consolidation in accordance with the provisions of Section 1 above, the share capital is established at an amount of 11,132,464.20 euros, divided into 222,649,284 ordinary shares, each with a par value of 0.05 euros.

After the capital reduction and as a consequence of the consolidation agreement referred to in section 1 above, the share capital will be established at the amount of 11,132,464.20 euros, divided into 18,554,107 shares with a par value of 0.60 euros each.

### **3. Amendment of the Corporate Bylaws**

As a result of this operation and in accordance with the authorization granted by the General Shareholders' Meeting held on 18 June 2020, once the reduction and consolidation operation has been carried out, Article 6 of the Bylaws will be amended in order to adapt its content to the new nominal value and number of shares issued.