REPORT AS OF SEPTEMBER 30, 2023

26 October 2023

MILESTONES

Corporate

- Group revenue in the first nine months of 2023 totaled €117.6 million (€145.5 in the same period of 2022), reflecting mainly the impact of the release of generic trabectedin.
- Royalties from sales of Yondelis and Zepzelca by our partners in their respective territories amounted to €38.3 million (€35.4 million in the same period of 2022).
- As of September 30, 2023, the Group had €185.5 million in cash and €39.7 million in interest-bearing debt (€231.8 million and €39.0 million, respectively, as of December 31, 2022).

Oncology

- PharmaMar signed a new licensing agreement with Key Oncologics to market and distribute Zepzelca in South Africa, Namibia, Zimbabwe, Mozambique, Swaziland, Lesotho and Botswana.
- In July, accelerated approval was obtained from the Taiwan Food and Drug Administration (TFDA) to commercialize Zepzelca® (lurbinectedin) in that territory for treating adults with metastatic small cell lung cancer. The application had been submitted by our partner in that territory, Lotus Pharmaceutical Co. Ltd.
- In July, PharmaMar partner Immedica Pharma AB received full approval from the Oman Ministry of Health to market Zepzelca® (lurbinectedin) in that territory for treating adult patients with metastatic small-cell lung cancer.

Sylentis

- Investment in a new plant for producing oligonucleotides has begun.

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FIGURES TO SEPTEMBER 2023

	09/30/2023	09/30/2022	Var.
RECURRING REVENUE	**98,342**	**123,262**	**-20%**
Oncology sales	59,113	83,838	-29%
Diagnostics sales	978	3,983	-75%
Royalties	38,251	35,441	8%
NON RECURRING REVENUE	**19,301**	**22,268**	**-13%**
License Agreements	18,935	22,115	-14%
Other	366	153	139%
TOTAL REVENUES	**117,643**	**145,530**	**-19%**

(Thousand euro)

Group revenue:

Group revenue totaled €117.6 million in M9 '23, compared with €145.5 million in the same period of 2022. The breakdown of that figure is as follows:

Recurring revenue, i.e. net sales plus royalties from sales by partners, went from €123.3 million in the first nine months of 2022 to €98,3 million in the same period of 2023. This 20% variation with respect to the previous year is due mainly to the decrease in Yondelis sales.

Net revenue in the oncology segment amounted to €59.1 million in the first nine months of 2023, down 29% on the same period of 2022 (€83.8 million). The breakdown of net sales is as follows:

i) Net sales of Yondelis in the European market. Yondelis sales in Europe amounted to €20.5 million in the first nine months of 2023 (€52.2 million in the same period of 2022). This variation is attributable to the release of generic trabectedin on the market in the fourth quarter of 2022, resulting also in significant pressure on prices. Yondelis received its first marketing authorization in 2007, so it has been on the market for more than fifteen years.

ii) Lurbinectedin revenue in Europe, mainly in France under early access programs. In the first nine months of 2023, the company recognized €26.1 million in revenue from the sale of lurbinectedin in France, Austria and Spain under the "Early Access" program (€13.8 million in the same period of 2022). This increase is due to the adjustment made by the French authorities in relation to the previous year's discounts. No further adjustments are expected this year. The number of units demanded under this program increased slightly compared to the same period of the previous year.

iii) Sales of raw materials, both Yondelis and Zepzelca, to our partners. This item amounted to €12.5 million in the first nine months of 2023, compared with €17.8 million in the same period of 2022.

Royalties revenue amounted to €38.3 million in the first nine months of 2023, an 8% increase on the €35.4 million recognized in the same period of 2022. That figure includes royalties from Zepzelca sales by our US partner, Jazz Pharmaceuticals, amounting to €35.5 million in the first nine months (€32.9 million in the same period of 2022). The amount of royalties in the third quarter is an estimate since Jazz's sales figures in that period were not available at the date of publishing this report; deviations are corrected in the subsequent quarter.

In addition, royalties were also received for sales of Yondelis by our partners in the United States and Japan in the amount of €2.8 million in the reporting period (€2.5 million in the same period of 2022).

Non-recurring revenue, mainly from **out-licensing agreements**, amounted to €18.9 million in the first nine months of 2023, compared with €22.1 million in the same period of 2022.

Almost all the revenue under this heading in the first nine months of both 2022 and 2023 was from the agreement with Jazz Pharmaceuticals for Zepzelca. In the first nine months of 2023, €18.1 million in revenue was recognized out of the USD 300 million received in 2020 under the Zepzelca license agreement with Jazz Pharmaceuticals, which is being recognized in revenue on the basis of the performance obligations; €0.8 million were recognized for attaining milestones under various agreements with other partners.

R&D

R&D spending increased by 19% year-on-year to €70.3 million in the first nine months of 2023, from €58.9 million in the same period of 2022.

The total €53.2 million spent on R&D on oncology in the first nine months of 2023 (€35.4 million in the same period of 2022) is related mainly to the LAGOON Phase III confirmatory trial with lurbinectedin in small cell lung cancer, which continues to enroll patients. Part of this expenditure was also allocated to starting up another Phase IIb/III trial with lurbinectedin for the first-line treatment of leiomyosarcoma, which will commence shortly. The company is also investing in early-stage clinical development of other molecules. A Phase II trial is under way with ecubectedin in solid tumors, as well as Phase I trials with ecubectedin, PM534 and PM54 for treating solid tumors. Progress continues to be made in preparing new candidates for clinical development and in preclinical trials to bring new molecules to the clinical pipeline.

During the period, €6.6 million (€13.0 million in the same period of 2022) were spent on the clinical development of plitidepsin as an antiviral; this expenditure is recognized in the oncology segment.

The main R&D spending in the RNA interference segment relates to Phase III clinical trials with tivanisiran in dry eye associated with Sjögren's syndrome. A Phase II trial with SYL1801 for treating and/or preventing choroid neovascularization, a common cause of retinal diseases such as age-related macular degeneration (AMD) and diabetic retinopathy, has commenced.

	09/30/2023	09/30/2022	Difª	
R&D expenses	**70,318**	**58,856**	**11,462**	**19%**
Oncology	59,832	48,428	11,404	24%
Diagnostics	0	1,786	-1,786	-100%
RNAi	10,486	8,642	1,844	21%

(Thousand euro)

Other operating expenses

Operating expenses: marketing and commercial, general and administrative expenses and other Group operating expenses amounted to €40.3 million in the first nine months of 2023, compared with €43.6 million in the same period of 2022.

General and Administrative expenses at 30 September 2022 include amounts corresponding to the Genómica liquidation process. Other operating expenses mainly include expenses relating to corporate functions.

	09/30/2023	09/30/2022	Var.	
R&D expenses	**70.318**	**58.856**	**11.462**	**19%**
Oncology	59.832	48.428	11.404	24%
Diagnostics	0	1.786	-1.786	-100%
RNAi	10.486	8.642	1.844	21%

(Thousand euro)

EBITDA

Group EBITDA amounted to €5.5 million in M9' 23 (€41.1 million in M9' 22), calculated as follows:

	09/30/2023	09/30/2022
Net result	**7,956**	**43,370**
Income tax	(5,106)	(2,090)
Net financial income	(1,559)	(5,754)
Depreciation and amortization	4,178	5,556
EBITDA	**5,469**	**41,082**

(Thousand euro)
(EBITDA: earnings before interest, taxes, depreciation and amortization).

The variation in EBITDA is due mainly to the €11.4 million increase in R&D expenditure between the two periods and the €27.9 million reduction in revenue between periods, attributable mainly to the impact of the release of generic trabectedin on the market.

Cash and Debt

As of September 30, 2023, total interest-bearing debt increased by €0.6 million with respect to December 31, 2022, to around €39-40 million. €4.5 million in subsidized loans were obtained from government agencies in the period (€0.8 million in the same period of 2022). €4.3 million in loans from banks and government agencies were repaid (€6.5 million in the same period of 2022).

As of September 30, 2023, the Group had a positive net cash position of €145.9 million (€192.8 at 2022 year-end). This level of net cash will enable the Group to undertake the planned development and R&D work without cash stresses.

For the purpose of comparing balance sheet figures, the Group's cash and total interest-bearing debt at amortized cost is detailed below:

	09/30/2023	12/31/2022	Var.
Non current debt	**26,873**	**25,883**	**990**
Bank debt	59	231	-172
Obligations and bonds	16,753	16,709	44
Govt. Agencies: R&D funding	10,061	8,943	1,118
Current debt	**12,777**	**13,125**	**-348**
Credit facilities	4,483	3,506	977
Bank loan	3,531	4,430	-899
Govt. Agencies: R&D funding	3,038	3,791	-753
Interest and others	1,725	1,398	327
Total financial debt	**39,650**	**39,008**	**642**
Cash&cash equivalents + non current and current financial investment	**185,535**	**231,818**	**-46,283**
TOTAL NET CASH / (DEBT)	**145,885**	**192,810**	**-46,925**

(Thousand euro)

RESEARCH AND DEVELOPMENT

Below is an overview of research and development activities.

1.- Oncology segment: Pharma Mar. Compounds:

A) Lurbinectedin (ZEPZELCA)

Small-cell lung cancer

The LAGOON pivotal Phase III trial as second-line treatment for small cell lung cancer that has been agreed upon with the FDA continues enrolling patients. This is a three-arm trial comparing lurbinectedin as monotherapy or in combination with irinotecan against investigator's choice of irinotecan or topotecan.

If the outcome is positive, this could serve as a confirmatory trial in the United States and as a registration trial in other territories outside the United States, including the EMA's jurisdictions.

Recruitment continues satisfactorily for the Phase III trial that our partner Jazz Pharmaceuticals and Hoffmann-La Roche are conducting with Zepzelca® in combination with atezolizumab, a PD-L1 inhibitor, for first-line maintenance treatment of small cell lung cancer. This trial, which is sponsored by Hoffmann-La Roche and co-financed by Jazz, will measure progression-free survival and general survival with Zepzelca® in combination with atezolizumab as compared with atezolizumab as sole agent. This research will provide information on a potential new first-line treatment option for small cell lung cancer.

A retrospective data collection study in France that included patients who had received lurbinectedin as part of the "ATU nominative" (named-patient authorization) program is awaiting publication. The study, which was presented in a poster session at the ASCO Meeting, was headed by Intergroupe Francophone de Cancérologie Thoracique and Groupe Français de Pneumo-Cancérologie, and the principal investigator is Professor Nicolas

Girard of the Institut Curie (Paris). It described the clinical and demographic characteristics of these patients and assessed overall survival, real-world progression-free survival, etc.

Combination trials with Zepzelca (lurbinectedin)

Recruitment continues on schedule for the Phase I/II trials in combination with irinotecan and atezolizumab. The combination trial with irinotecan completed enrolment of the cohort of patients with small cell lung cancer, while enrolment of the cohorts with synovial sarcoma and neuroendocrine tumors is continuing as planned.

Patient enrolment for the combination trial with pembrolizumab has concluded and final results were presented at ESMO 2023.

The 2023 World Conference on Lung Cancer, organized by the International Association for the Study of Lung Cancer (IASLC), was held in Singapore on September 9-12.
A number of communications on using Zepzelca® (lurbinectedin) to treat patients with small cell lung cancer were presented at the meeting:

- *"Efficacy of Platinum after Lurbinectedin + DOX or Topotecan/CAV in Sensitive Relapsed SCLC Patients in the ATLANTIS Trial".* Navarro et al.
- *"Efficacy of Platinum Given after Lurbinectedin in Sensitive Relapsed SCLC Patients".* Trigo et al.
- *"Effectiveness and Safety Profile of Lurbinectedin in Second-Line Small Cell Lung Cancer: A Real-world Study"*. Ganti et al.
- *"Real-world Safety and Dosing of Lurbinectedin-Treated Patients with Small Cell Lung Cancer: Jazz EMERGE 402 Preliminary Analysis".* Halmos et al.

PharmaMar presented new data on lurbinectedin in treating small cell lung cancer (SCLC) at the **European Society for Medical Oncology (ESMO) 2023 Meeting in Madrid on October 20-24:**

- Notably, Dr. Antonio Calles gave an oral presentation in which he released the final data of the LUPER trial with lurbinectedin in combination with immunotherapy as second-line treatment of SCLC. The paper was entitled "*Lurbinectedin (LUR) in combination with pembrolizumab (PBL) in relapsed small cell lung cancer (SCLC): the phase 1/2 LUPER study*"

Additionally, an abstract was presented with the title *"A randomised, multicenter phase-III study comparing doxorubicin (dox) alone versus dox with trabectedin (trab) followed by trab in non-progressive patients (pts) as first-line therapy, in pts with metastatic or unresectable leiomyosarcoma (LMS): Final results of the LMS-04 study*". These results further support testing lurbinectedin in sarcoma.

<u>B) Ecubectedin (PM14)</u>

The first Phase I/II trial with ecubectedin attained the recommended dose in patients with advanced solid tumors. An expansion Phase II basket trial with a number of tumor types is currently enrolling patients.

Combination trials

The first Phase I/II trial of this compound in combination with irinotecan identified the recommended dose in patients with advanced solid tumors. An expansion Phase II basket trial with a number of tumor types is currently enrolling patients.
The Phase Ib trial in combination with atezolizumab is also enrolling satisfactorily.

C) PM54

Enrolment continues on schedule in the Phase I clinical trial for the treatment of patients with different types of solid tumors. The trial is being conducted in Spain, Europe and the United States with the goal of determining the recommended dose.

D) PM534

Enrolment continues on schedule in the Phase I clinical trial for the treatment of patients with different types of solid tumors. The endpoints of this first trial are to find the recommended dose and assess the safety and efficacy profile. The trial will be conducted in Spain in patients with advanced solid tumors.

E) Virology: Plitidepsin

COVID-19: Phase II

The **Nereida** Phase II trial to determine the efficacy and safety of plitidepsin in immunocompromised adult patients with symptomatic COVID-19 requiring hospitalization has been approved at 42 centers in 11 countries.

Pharma Mar attended the Society of Hematologic Oncology 2023 meeting in Houston on September 6-9, 2023, where Dr. Alicia Ortiz (MD Anderson Hospital Madrid) presented a poster on plitidepsin entitled *"Compassionate use of Plitidepsin in patients with Non-Hodgkin lymphoma and Sars-Cov2 infection*".

In addition, during the third quarter several abstracts with data on plitidepsin were sent to the following meetings: three abstracts to the Congreso Nacional de Medicina Interna SEMI, to be held in Valencia on November 15-17, 2023 (all accepted as posters) and one abstract to the Congreso Nacional de Hematología SEHH to be held in Seville on October 26-28, 2023 (accepted as an oral communication, to be presented on October 28).

2.- RNA interference: Sylentis

The Phase III trial with tivanisiran for treating dry eye disease associated with Sjögren's syndrome, which is being conducted in the United States and Spain, completed patient enrolment in September 2023. The trial, involving 30 hospitals in the USA and 8 in Spain, recruited a total of 200 patients. Treatment of the last patient will continue for three months, and therefore we expect to release data in the first quarter of 2024.

The second Phase III trial (FYDES) with tivanisiran, whose main objective is to evaluate the safety of ocular and non-ocular adverse events, completed patient recruitment in October 2022 and treatment will continue until the end of 360 days for the last patient. This is a multicenter (26 centers in the USA), randomized, double-blind trial in which 300 patients with mild to severe dry eye receive tivanisiran or the ophthalmic vehicle solution for 360 consecutive days.

Additionally, a randomized, double-masked Phase II trial with SYL1801 has commenced in four European countries on 90 patients with untreated neovascular age-related macular degeneration (AMD), to test the treatment and/or prevention of choroid neovascularization, a common cause of retina pathologies such as AMD and diabetic retinopathy. This is a multicenter trial to compare the safety, tolerability and efficacy of different doses of SYL1801. The first patient was enrolled in December 2022.

The company continues using Sylentis's proprietary SirFINDER 2.0 software to find new RNAi-based candidates for topical treatment of rare retinal diseases. Those new candidates' efficacy continues to be assessed using preclinical models of a number of retinal pathologies.

Sylentis is building a new oligonucleotide plant in Getafe, Madrid. The goal of this investment is to have a larger infrastructure to increase oligonucleotide production capacity. The new plant, which will supply oligonucleotides to both Sylentis and third parties, is being built in phases in line with the needs of Sylentis and demand from third parties. The first phase is expected to be completed in 2024.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(Thousand euro)*	September 30, 2023	December,31 2022
ASSETS		
Non-current assets		
Property, plant and equipment	39,145	31,163
Investment property	845	845
Intangible assets	2,010	2,589
Right-of-use assets	3,861	3,552
Non-current financial assets	11,182	49,398
Deferred tax assets	31,396	30,529
	88,439	**118,076**
Current assets		
Inventories	34,892	27,746
Trade and other receivables	30,182	29,328
Financial assets at amortised cost	104,378	32,607
Other assets	21,546	35,689
Cash and cash equivalents	69,975	149,813
	260,973	**275,183**
TOTAL ASSETS	**349,412**	**393,259**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(Thousand euro)*	September 30, 2023	December,31 2022
EQUITY		
Share capital	11,013	11,013
Share premium	71,278	71,278
Treasury shares	(25,083)	(15,865)
Revaluation reserves	17	19
Retained earnings and other reserves	148,970	156,512
Total capital and reserves attributable to equity holders of the parent company	**206,195**	**222,957**
TOTAL EQUITY	**206,195**	**222,957**
LIABILITIES		
Non-current liabilities		
Borrowings	26,873	25,883
Lease liabilities	1,952	2,014
Non-current deferred income	27,576	44,899
Other non-current liabilities	191	186
	56,592	**72,982**
Current liabilities		
Trade and other payables	21,284	29,959
Borrowings	12,777	13,125
Lease liabilities	1,976	1,608
Outstanding remunerations	8,426	8,603
Current deferred income	24,811	24,666
Other current liabilities	17,351	19,359
	86,625	**97,320**
TOTAL LIABILITIES	**143,217**	**170,302**
TOTAL EQUITY AND LIABILITIES	**349,412**	**393,259**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS		
(Thousand euro)	**Sep 30, 2023**	**Sep 30, 2022**
Revenue:		
Revenue from contracts with customers	60,091	87,821
Revenue from licensing and development agreements	18,935	22,115
Royalties	38,251	35,441
Other	366	153
	117,643	**145,530**
Cost of sales	(7,163)	(10,143)
Gross Result	**110,480**	**135,387**
Marketing expenses	(17,133)	(17,492)
General and administrative expenses	(13,260)	(16,511)
Research and development expenses	(70,318)	(58,856)
Net impairment on financial assets	320	(549)
Other operating expenses	(9,943)	(9,586)
Other results	1,145	3,133
Operating Result	**1,291**	**35,526**
Finance costs - net	**1,559**	**5,754**
Result of the period before income taxes	**2,850**	**41,280**
Income tax benefit / (expense)	5,106	2,090
Result for the period	**7,956**	**43,370**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (Thousand euro)	Sep 30,2023
Result before taxes:	**2,851**
Adjustments for:	**3,713**
Depreciation and amortization	4,259
Variation of provisions	(72)
Impairment losses of property, plant and equipment	(65)
Finance income	(2,908)
Finance costs	1,842
Results on disposals of intangible assets	170
Share based payments	216
Deferred income - grants	809
Exchange differences on translation of foreign operations	(507)
Other adjustments to profit or loss	(31)
Changes in working capital:	**(34,979)**
Inventories	(7,148)
Trade and other receivables	(838)
Other assets and liabilities	(211)
Trade and other accounts payable	(8,796)
Deferred or accrual items	(17,986)
Other cash flows from operations:	**17,656**
Interest paid	(1,842)
Interest received	2,908
Income taxes paid	16,590
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	**(10,759)**
Acquisitions:	**(335,231)**
Property, plant and equipment, intangible assets and investment property	(10,253)
Other financial assets	(324,978)
Proceeds from:	**290,519**
Other financial assets	290,519
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	**(44,712)**
Receipts and (payments) in connection with equity instruments:	**(13,286)**
Purchase of treasury shares	(31,892)
Proceeds from shares issued	18,606
Receipts and (payments) in connection with financial liabilities:	**(844)**
Proceeds from borrowings	4,951
Repayment of borrowings	(5,795)
Dividends paid	**(11,689)**
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	**(25,819)**
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,452**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(79,838)**
Cash and cash equivalents at beginning of the period	149,813
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**69,975**

ANNEX I: Alternative performance metrics

In preparing the financial information, Pharma Mar's Board of Directors adopted a series of Alternative Performance Metrics ("APM") in order to gain a better understanding of business performance.

The APM are important indicators for users of the information, and for the Company's operational and strategic decision-making. Their purpose is to measure the Company's financial performance, cash flows and/or financial position in comparison with previous periods.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

EBITDA means earnings before interest, taxes, depreciation and amortization. It is calculated from the balances of each of those items in the income statement.

The components and the basis of calculation of this APM are the following items in the income statement: Profit or loss - Income tax - Net financial income + Depreciation and amortization.

This APM reflects the Company's operating profitability, as it measures operating profit before interest, taxes, impairment and depreciation.

Net cash/(debt) position

Net cash is the amount of cash, both current and non-current, that would be available to the Company after deducting total current and non-current interest-bearing debt.

The components and calculation basis of this APM are the following balance sheet items: Cash and cash equivalents + Financial assets at amortized cost (current) + Financial assets (non-current) - Interest-bearing debt (non-current) - Interest-bearing debt (current); the calculation is based on the balances of each of those items in the balance sheet.

This APM helps to determine:

(i) Net cash position: indicates the Company's liquidity after deducting financial obligations. It reflects the portion of cash available for use in the Company's activities, i.e., the liquidity buffer;

(ii) Net debt position: indicates the Company's level of indebtedness after deducting available cash and cash equivalents; therefore, it reflects the part of the Company's activity that is financed with external funds.

ANNEX II: Glossary

In order to improve reporting quality and ensure better and proper understanding on the part of the user of such information, below we define a number of terms used by the Company.

Revenue

Refers to consolidated net revenue. It is calculated as the sum of:

(i) recurring revenue (net sales by the oncology segment, plus oncology royalties),
(ii) non-recurring revenue (oncology out-licensing agreements, etc.).

Recurring revenue

This item includes:

(i) net sales by the oncology segment, after deducting returns, discounts and sales rebates
(ii) royalties collected on sales by our partners in their respective territories.

Non-recurring revenue

This item includes revenue from licensing agreements, mainly in oncology, which is received or recognized as revenue in the income statement on an irregular basis over time, such as upfront payments and payments for attaining a milestone (clinical, regulatory or commercial), as set out in the agreement.

Sales by the oncology segment

Recurring revenue, which includes:

(i) Net sales of finished products by PharmaMar (both commercial sales and compassionate use/early access sales).
(ii) net sales of raw materials.

Royalties

Recurring revenue includes royalties on the sale of:

(i) Yondelis by our partners outside the territories in which Pharma Mar has its own sales network
(ii) Zepzelca by our partners outside the territories in which Pharma Mar has its own sales network