REPORT AS OF 31 MARCH 2020

Madrid, 23 April 2020

1Q20 MILESTONES

Corporate

- Group net revenues amounted to €24.8 million, 35% more than in the first quarter of 2019 (€18.4 million).
- In January 2020, the Company received a $200 million (€181 million) upfront payment under the Lurbinectedin licensing agreement with Jazz Pharmaceutical.
- Licensing revenues amounted to €73.9 million, reflecting mainly the part of the upfront payment collected in January under the licensing agreement with Jazz Pharmaceutical that was recognized as revenue as a function of the performance obligations and commitments acquired by PharmaMar under that agreement (€71.3 million).

Oncology

- PharmaMar's net sales amounted to €22.9 million, which is a growth of 34% compared to the the first quarter of 2019 (€17.1 million).
- In February, the US Food & Drug Administration (FDA) accepted and granted priority review to a new drug application (NDA) for accelerated approval of Lurbinectedin for treating patients with relapsed small-cell lung cancer who had experienced progression after platinum-based therapy.
- Lurbinectedin was designated an orphan drug in Australia for treating small cell lung cancer.
- PharmaMar presented a Phase II clinical trial with Aplidin (plitidepsin) for treating COVID-19 to the Spanish Medicines Agency.

Diagnostics

- Genómica obtained €1.9 million in revenues, 44% more than in the year-ago quarter (€1.3 million) reflecting the launch of COVID-19 diagnostic tests in the second half of March.
- Genómica obtained the CE mark for its COVID-19 coronavirus diagnostics kits, certifying that they fulfil the essential requirements for in vitro diagnostic products.

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FIGURES TO MARCH 2020

	3/31/20	3/31/19	Var.
Oncology sales	22.898	17.111	34%
Comercial sales	*20.541*	*16.962*	21%
API sales	*2.357*	*149*	1482%
Diagnostics sales	1.903	1.323	44%
Sales	**24.801**	**18.434**	**35%**
Royalties	**665**	**926**	**-28%**
Licences	**73.923**	**0**	
Other (Diagnostics)	**64**	**79**	
TOTAL REVENUES	**99.453**	**19.439**	**412%**

(Thousand euro)

Total Group revenues

Revenues in the oncology segment, amounting to €22.9 million (€17.1 million in 1Q19), were almost entirely from Yondelis® sales but also include compassionate-use sales of Lurbinectedin (in some European countries) in the amount of €2.2 million. Sales of Yondelis and Aplidin Active Pharmaceutical Ingredient (API) to partners amounted to €2.4 million in the first quarter (€0.1 million in the year-ago quarter). Sales in this segment increased by 34% year-on-year.

Revenues in the diagnostics segment increased by 44% year-on-year (€+0.6 million), to €1.9 million (from €1.3 million), mainly as a result of sales of the new COVID-19 diagnosis kit, which was released in March.

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 €0.7 million in the first quarter of 2020 (€0.9 million in the year-ago quarter).

Revenues from licensing and other co-development agreements, which also correspond entirely to the Oncology segment, amounted to €73.9 million in the first quarter of 2020, compared with zero in the year-ago quarter.

On 19 December 2019, PharmaMar 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 agreement, which was conditional upon authorization by the US anti-trust authorities, came into force on 21 January 2020. In January 2020, PharmaMar received a $200 million (€181 million) upfront payment from Jazz Pharmaceutical. The licensing agreement has a number of components and sets out obligations and commitments on the part of PharmaMar. Consequently, the revenues under the licensing agreement must be recognized as a function of the degree of progress and/or fulfilment of those obligations and commitments (€73 million). This revenue line also contains the revenues under the licensing agreement signed with Luye Pharma in April 2019, amounting to €1.3 million, and the €0.3 million received from Valeo under the agreement to market Yondelis® in Canada.

As a result, **total revenues** amounted to €98.9 million in the first quarter of 2020, compared with €19.4 million in the same period of 2019.

Gross margin and EBITDA

The Group's gross margin was 91.7% of sales in the first quarter of 2020 (92.9% in the year-ago quarter). (Calculated with respect to sales only, not including royalties or licensing revenues).

	3/31/20	3/31/19
Net Income (Loss)	**70.567**	**(10.436)**
Tax	**338**	**248**
Interest	**(405)**	**1.069**
Amortización	**2.052**	**2.011**
EBITDA	**72.552**	**(7.108)**

(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 expenditure declined in year-on-year terms, from €15.2 million in the first quarter of 2019 to €12.0 million in the first quarter of 2020. The Oncology area spent €11.1 million on R&D, compared with €13.3 million in the year-ago quarter. In the first quarter of 2019, the Company was still recognizing expanses on the CORAIL Phase III trial with Lurbinectedin, and had higher expenses in the Atlantis and Basket clinical trials, both dealing with Lurbinectedin in small cell lung cancer. The reduction in R&D spending in the Diagnostics section (€0.9 million) was due to conclusion of the NEDXA point-of-care diagnostics platform, with priority being given to development of the conventional CLART platform. The reduction in R&D spending in the RNAi segment (€0.2 million) is temporary, since the activities in the first quarter of 2020 were mainly preclinical, whereas expenditure in the year-ago quarter included the HELIX Phase III trial with tivanisiran. The protocol for a new Phase III trial with tivanisiran is currently being prepared.

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

	3/31/20	3/31/19	Difª	
R&D expenses	**12.289**	**15.209**	**-2.920**	**-19,2%**
Oncology	11.477	13.319	-1.842	-13,8%
Diagnostics	141	1.056	-915	-86,6%
RNAi	671	834	-163	-19,5%

(Thousand euro)

Marketing and commercial expenses

The Group spent €6.4 million on marketing and commercial expenses in the first quarter of 2020, in line with the figure in the year-ago quarter (€6.2 million).

Income from discontinued operations

Zelnova Zeltia, a company in the Consumer Chemicals segment, was part of the Group in the first quarter of 2019. That company was divested in full in June 2019. This business, classified under discontinued operations, contributed €0.05 million in the first quarter of 2019.

Income from continuing operations

The result for the period (70.6 million euros at March 31, 2020) reflects the increase in income, mainly income from license agreements (73.9 million euros at March 31, 2020 when there was no income from this concept in the same period of the previous year). There was also an increase in sales of 5.8 million euros in this quarter, while operating expenses remained stable overall at 27.1 million euros at March 2020 compared to 27.5 million euros at March 2019. All of these leads to a profit for the period of 70.6 million euros compared to a loss of 10.5 million euros in the same period last year.

Cash and Debt

As of 31 March 2020, the net cash position (cash + cash equivalents + current financial assets) amounted to €173.6 million (vs. €20.9 million at 2019 year-end). Including non-current financial assets, the total was €174.6 million as of 31 March 2020 (€21.9 million euro as of 2019 year-end).

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:

	3/31/20	3/31/19
Non current debt	**43.554**	**53.063**
Bank debt	7.458	15.291
Obligations and bonds	16.562	16.549
Govt. Agencies: R&D funding	19.534	21.223
Current debt	**17.004**	**29.655**
Credit facilities	3.993	11.583
Effects and certifications	0	2.241
Bank loan	7.434	10.497
Govt. Agencies: R&D funding	4.944	4.883
Interest and others	633	451
Total financial debt	**60.558**	**82.718**
Cash&cash equivalents + non current and current financial investment	**174.633**	**21.924**
TOTAL NET DEBT	**114.075**	**-60.794**

(Thousand euro)

In January 2020, the Company received a $ 200 million (€181 million) upfront payment under the Lurbinectedin licensing agreement with Jazz Pharmaceutical.

Two bank loans amounting to €9.0 million as of 1 January 2020 were repaid early during the quarter.

Impact COVID-19

As of the date of this report, no new expenses are expected to affect the expected cash flow in the year, such as personnel adjustments. The expected revenue from the sale of diagnostic kits by COVID-19, although very significant for the diagnostic segment, will be modest in the context of the Group given the level of revenue generated in oncology.

After performing the appropriate analyses, it was concluded that no adjustments were required to the asset or liability valuations. Additionally, the oncology area has sufficient raw materials and stocks to continue with the regular sale of Yondelis and the launch of Lurbinectedin if approved in the US, as well as the various clinical trials currently under way. All the Group's relevant agreements remain in force under the same conditions.

As of the date of this report, the Group's capacity as a going concern is amply guaranteed.

Potential risks include: 1) A slowdown in clinical trials due to reduced availability at hospitals where these trials are carried out. Potential delays in data collection. Potential delays in regulatory processes by the Administration which are not taking place at present. 2) Government action on prices and/or possible delays in payment by the Administration. With respect to the latter, the Group has mitigating measures in place.

BUSINESS PERFORMANCE.

In December 2019, PharmaMar filed a new drug application (NDA) for accelerated approval with the FDA for Lurbinectedin as a single agent for treating patients with relapsed small-cell lung cancer. In February, the FDA granted Priority Review to the NDA and set an August 16 2016 PDUFA (Pharmaceutical Drug User Fee Act) date.

Below is an overview of research and development activities in the first quarter of 2020.

1.- Oncology segment: PharmaMar

A) YONDELIS®:

In January, PharmaMar signed a licensing agreement with Valeo Pharma, Inc. for the commercialization of Yondelis® in Canada, after the agreement with Janssen Products LP under which PharmaMar recovered the commercialization rights to Yondelis® in over 40 countries that had previously been licensed to Janssen. Under the terms of the agreement with Valeo, PharmaMar collected a €0.3 million upfront payment and may collect additional revenues, including regulatory milestone payments. PharmaMar will retain exclusive rights to produce the product and will sell the product to Valeo for commercial and clinical use.

Soft tissue sarcoma

In the first quarter of 2020, 26 post-authorization trials were under way, 15 of them active (12 enrolling new patients). The other trials were in the process of closing or data analysis or were pending the presentation of results. Three additional trials are scheduled to commence in the coming months.

The LMS 02 investigator initiated trial (Phase II, with trabectedin + doxorubicin as first-line treatment of patients with leiomyosarcoma, including uterine) has been accepted for an oral presentation at ASCO 2020.

Ovarian cancer

There were a total of 14 trials in this indication in the first quarter of 2020: 7 active, 4 closing, 2 closed in the quarter, and 1 in the activation phase.

B) Lurbinectedin

Small-cell lung cancer

The Phase II basket trial with Lurbinectedin as monotherapy addresses selected indications, including small cell lung cancer.
In December 2019, the company filed a new drug application (NDA) with the US Food & Drug Administration (FDA) for accelerated approval of Lurbinectedin as monotherapy for treating 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 Phase II trial results.

On 16 February 2020, the FDA accepted and granted priority review to the NDA accelerated approval of Lurbinectedin for treating patients with relapsed small-cell lung cancer who had experienced progression after platinum-based therapy and set an August 16 2016 PDUFA (Pharmaceutical Drug User Fee Act) date..

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

This trial compares the activity and safety of the combination of Lurbinectedin, a drug of marine origin, plus doxorubicin, against physisican's choice of 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.

The trial is currently monitoring patient survival, which is its primary endpoint. The data from this trial are expected to be available in the second half of 2020.

In connection with Lurbinectedin for treating small cell lung cancer, the following three points are noteworthy:

- Australia's regulator, the Therapeutic Goods Administration (TGA), granted orphan drug status to Lurbinectedin for treating small cell lung cancer.

- PharmaMar has launched an expanded access (compassionate use) program with Lurbinectedin in the United States for patients with relapsed small cell lung cancer who do not qualify for the clinical trials and for whom there is no suitable therapeutic alternative.

- Over 200 patients have been treated under the Lurbinectedin compassionate use program in Spain and France; this figure is higher than expected as a result of the considerable medical need.

Basket trial

Enrolment concluded for the Phase II basket 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, and patient progress is currently being monitored.

Combination trials

As regards Phase I combination trials, recruitment was completed for the combinations with doxorubicin, cisplatin, capecitabine and paclitaxel with or without bevacizumab.

Recruitment continues on schedule for the Phase I trial in combination with irinotecan and with atezolizumab.

The American Society of Clinical Oncology (ASCO) has accepted a poster discussion from PharmaMar on the combination with irinotecan for its annual meeting, to be held online in May 2020.

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.

An abstract on the safety pool for Lurbinectedin at the recommended dose was accepted for poster discussion at the ASCO meeting, to be held online in May 2020.

C) PM184

The Phase I dose escalation trial assessing the combination of PM184 with gemcitabine, conducted at two centers (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 ended 1Q20 with €1.9 million in net revenues (€1.4 million in the year-ago quarter). The increase was almost entirely due to sales of the COVID-19 diagnostic kit: 27,072 tests were sold in the period, for €605 thousand.

On 6 March 2020, Genómica obtained the CE mark for commercialization of its COVID-19 diagnostic kits: "CLART®COVID-19" (based on Genómica's CLART® technology) and "COVID-19" (based on Real-Time technology). The CE marking

accredits that Genómica fulfils the essential requirements of EU Directive 98/79/EC on in vitro diagnostic medical devices.

Diagnostic sales in the domestic market amounted to €1.3 million in the first quarter (€0.8 million in the year-ago quarter). The international market accounted for 27% of sales and expanded by 12%, with sales amounting to €545 thousand in the quarter (€487 thousand in the year-ago quarter).

3.- RNA interference: Sylentis

During the first quarter of 2020, the Company continued to prepare the regulatory documentation and design of the next clinical trial in order to advance with the clinical development of Tivanisiran for treating dry eye syndrome.

Additionally, the first quarter of 2020 saw completion of all the regulatory preclinical trials for candidate SYL1801 for topical treatment of age-related macular degeneration, and work commenced to prepare the regulatory documentation and design a Phase I trial to commence in 2020. The company is also working on other RNAi candidates for topical treatment of retinal diseases. Those candidates' efficacy have been analyzed using preclinical models of a number of retinal pathologies.

BALANCE SHEET *(Thousand euro)*	03/31/2020	12/31/2019
ASSETS		
Non-current assets	**73.028**	**74.730**
Property, plant & equipment	21.965	22.452
Investment properties	845	845
Intangible assets	5.287	6.074
Right-of-use assets	3.020	3.345
Goodwill	0	0
Long-term financial assets	1.029	1.029
Deferred tax assets	40.881	40.984
Current assets	**202.583**	**49.977**
Inventories	8.725	8.902
Customer and other receivables	16.793	11.530
Current financial assets	19.612	3.257
Other current assets	3.461	8.649
Cash & cash equivalents	153.992	17.638
TOTAL ASSETS	**275.611**	**124.706**

BALANCE SHEET *(Thousand euro)*	03/31/2020	12/31/2019
EQUITY		
Shareholders' equity	**81.304**	**11.373**
Share capital	11.132	11.132
Share premium	71.278	71.278
Treasury shares	(3.438)	(1.500)
Revaluation and other reserves	11	15
Retained earnings and other reserves	2.321	(69.552)
Minority interest	**(3.922)**	**(3.918)**
TOTAL EQUITY	**77.382**	**7.455**
LIABILITIES		
Non-current liabilities	**94.471**	**56.810**
Financial debt	43.554	53.063
Lease liabilities	1.518	1.719
Non-current deferred revenues	49.227	1.851
Other non-current liabilities	172	177
Current liabilities	**103.758**	**60.441**
Financial debt	17.004	29.655
Lease liabilities	1.558	1.678
Derivatives	0	0
Provisions for other liabilities & expenses	5.754	5.734
Current deferred revenues	60.137	1.465
Other current liabilities	4.303	2.577
TOTAL LIABILITIES	**198.229**	**117.251**
TOTAL LIABILITIES AND EQUITY	**275.611**	**124.706**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS		
Thousand euro	**03/31/2020**	**03/31/2019**
Revenue:		
Revenue from contracts with customers	24.801	18.434
Revenue from licensing agreements (excluding royalties)	73.923	0
Royalties	665	926
Other	64	79
	99.453	**19.439**
Cost of sales	(2.058)	(1.294)
Marketing expenses	(6.365)	(6.193)
General and administrative expenses	(4.522)	(3.228)
Research and development expenses	(12.289)	(15.209)
Net impairment on financial assets	(34)	(25)
Other operating expenses	(3.918)	(2.880)
Other results	233	271
Net operating result	**70.500**	**(9.119)**
Net financial results	**405**	**(1.069)**
Result of the period before income taxes	**70.905**	**(10.188)**
Income tax benefit / (expense)	(338)	(248)
Result for the period from continuing operations	**70.567**	**(10.436)**
Result for the period from discontinued operations	**0**	**(49)**
Equity holders of the parent company	0	(49)
Result for the period	70.567	(10.485)
Equity holders of the parent company	**70.572**	**(10.481)**
Non-controlling interests	(5)	(4)

CONSOLIDATED CASH FLOW STATEMENT	EUR (Thousand)
	03/31/2020
TOTAL NET OPERATING CASH FLOW	**176.308**
Income before taxes	**70.905**
Profit before tax from continuing operations	*70.905*
Adjustments for:	**2.324**
Amortisation and depreciation	1.512
Other adjustements	812
Changes in working capital:	**103.419**
Other cash flow from operations:	**(341)**
Financial expenses	(395)
Financial revenues	54
TOTAL NET INVESTING CASH FLOW	**(16.593)**
Investments payments:	**(16.648)**
Purchases of property, plant & equipment and intangible assets	(288)
Other financial assets	(16.360)
Disvestment receipts:	**55**
Purchases of property, plant & equipment and intangible assets	55
TOTAL NET FINANCING CASH FLOW	**(23.360)**
Collections and (payments) in connection with equity instruments:	**(694)**
Acquisition	(10.426)
Disposal	9.732
Collections and (payments) in connection with financial liabilities:	**(12.834)**
Refund and amortization	(12.834)
Other financing cash flow:	**(9.832)**
Other financing receipts / (payments)	(9.832)
TOTAL NET CASH FLOW	**136.354**
Beginning balance of cash and cash equivalents	17.638
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**153.992**