REPORT AT 30 SEPTEMBER 2020

November, 3rd 2020

9Months 2020 HIGHLIGHTS

Corporate

- Group revenues amounted to €222.2 million in the first nine months of 2020 (€62.5 million in the same period of 2019).
    - Licensing revenues totaled €130.4 million in the third quarter, mainly from the licensing agreement with Jazz Pharmaceuticals.
    - Group net sales amounted to €83.9 million, 45% more than in the first nine months of 2019 (€57.9 million).
    - Royalties from sales of Yondelis and Lurbinectedin by our partners in their respective territories increased by 205% to €7.4 million, from €2.4 million in the same period of last year, as a result of partner Jazz Pharmaceuticals beginning the sale of Zepzelca in the United States.
- PharmaMar has established a Virology unit to research, develop and supply drugs to combat viral diseases for which there is no effective treatment.
- In October, PharmaMar reported that its APLICOV-PC clinical trial with plitidepsin for treating adult patients with COVID-19 requiring hospital admission had attained its primary endpoint (safety) and secondary endpoint (efficacy).
- The share buyback program concluded in September, and 1.1% of capital stock will be canceled.

Oncology

- In September, PharmaMar presented data at the European Society for Medical Oncology (ESMO) meeting on lurbinectedin as second-line treatment for platinum-sensitive small cell lung cancer patients who had previously been treated with platinum.
- PharmaMar expanded its Zepzelca licensing agreement with Jazz Pharmaceuticals for the US by granting Jazz exclusive rights to market Zepzelca (lurbinectedin) in Canada.

Diagnostics

- Genómica obtained €10.5 million in revenues, 165% more than in the first nine months of 2019 (€4.0 million).
- Genómica obtained the CE mark for its COVID-19 coronavirus diagnostics kits, certifying that they fulfil the essential requirements for in vitro diagnostic products, and it began marketing them in March.
- Genómica was awarded a contract by the Castilla & León Regional Government for cervical cancer screening using the CLART® HPV4S papilloma virus kit.

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FIGURES TO SEPTEMBER 2020

	09/30/2020	09/30/2019	Var.
Oncology Sales	73.456	53.970	36%
Commercial Sales	*67.691*	*53.377*	*27%*
API sales	*5.765*	*593*	*872%*
Diagnostics Sales	10.488	3.965	165%
Sales	**83.944**	**57.935**	**45%**
Royalties	**7.434**	**2.435**	**205%**
Licences	**130.443**	**1.914**	
Other	**334**	**188**	
TOTAL REVENUES	**222.155**	**62.472**	**256%**

(Thousand euro)

Total Group revenues

Revenues in the Oncology segment in the first nine months of 2020 amounted to €73.5 million, a 36% increase with respect to the same period of 2019 (€54.0 million). That figure was due to sales of Yondelis® (€54.2 million in the first nine months of 2020, vs. €53.4 million in the same period of 2019) and also compassionate-use sales of Zepzelca™ (lurbinectedin) in some European countries amounting to €13.5 million, plus sales of Zepzelca™ vials and of the Yondelis raw material to our respective partners amounting to €5.8 million (€0.6 million in the same period of 2019).

Revenues in the diagnostics segment increased by 157% year-on-year to €10.7 million (vs. €4.2 million in the first nine months of 2019), mainly as a result of sales of the new COVID-19 diagnosis kit, which was released in March, and the distribution of the IgM/IgG antibody test for COVID-19.

Royalty revenues correspond to the Oncology segment. Royalties from Jazz Pharmaceuticals for sales of Zepzelca™ in the US to treat small cell lung cancer, which commenced in July, amounted to €5.2 million. Royalties received from Janssen Products, Taiho Pharmaceutical Co. and other licensees for sales of Yondelis® in the United States, Japan and the rest of the world except the European Union amounted to €2.2 million in the first nine months of 2020 (€2.4 million in the same period of 2019).

Revenues from licensing and other co-development agreements, which also correspond entirely to the Oncology segment, amounted to €130.4 million in the first nine months of 2020, mostly under the licensing agreement with Jazz Pharmaceuticals for Zepzelca™ (lurbinectedin) in the United States.

The licensing agreement for Zepzelca™ (lurbinectedin) signed with Jazz Pharmaceuticals in December 2019 came into force in January. PharmaMar collected an upfront payment of USD 200 million (€181 million) in January. In June, Zepzelca™ (lurbinectedin) was approved for commercialization in the US by the FDA under the accelerated approval procedure. As a result, PharmaMar collected USD 100 million (€88.5 million) from Jazz Pharmaceuticals. By application of the accounting standard on revenue recognition (IFRS 15), revenues from the licensing agreement are recognized on the basis of the degree of progress and/or compliance with the commitments assumed by PharmaMar under the agreement; consequently, a total of €127.8 million in revenues has been recognized as of 30 September 2020. Another €2.6 million were recognized as revenues under other licensing agreements.

Consequently, **total Group revenues** amounted to €222.2 million in the first nine months of 2020, compared with €62.5 million in the same period of 2019.

Gross margin and EBITDA

The Group's gross margin was 88.9% of total revenues in the first nine months of 2020 (93.2% in 9M19). (Calculated with respect to sales only, not including royalties or licensing revenues).

EBITDA in the period is calculated as follows:

	9/30/20	9/30/19
Net result of continuing operations	**131.093**	**(24.769)**
Income tax	1.088	3.544
Net financial income	5.057	2.875
Depreciation and amortization	6.153	5.937
EBITDA	**143.391**	**(12.413)**

(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 year-on-year from €41.3 million in the first nine months of 2019 to €39.1 million in the same period of 2020. The Oncology area spent €36.9 million on R&D, compared with €37.2 million in the same period of the previous year. That decline was due mainly to the fact that the first nine months of 2019 included expenditure on the Atlantis and Basket trials with Zepzelca™ (lurbinectedin) in small cell lung cancer, enrolment for which had concluded in the first half of 2020. The decline was also attributable, although to a lesser extent, to delays caused by the COVID-19 pandemic, which made it impossible to make visits for the purposes of monitoring and concluding processes. The reduction in R&D spending in the Diagnostics segment (€1.4 million) was due to cancellation 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 (€0.4 million) is temporary, since the activities in the first half of 2020 were mainly preclinical, whereas expenditure in the same period of 2019 included the HELIX Phase III trial with tivanisiran. The protocol for a new Phase III trial with tivanisiran is currently being developed.

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

	9/30/20	9/30/19	Difª	
R&D expenses	**39.121**	**41.325**	**-2.204**	**-5,3%**
Oncology	36.886	37.207	-321	-0,9%
Diagnostics	450	1.892	-1.442	-76,2%
RNAi	1.785	2.226	-441	-19,8%

(Thousand euro)

Marketing and commercial expenses

Group marketing and commercial expenses amounted to €16.7 million in the first nine months of 2020, 8.4% less than in the same period of 2019 (€18.2 million), mainly as a result of curtailed commercial action and fewer trips to specialized conferences due to COVID-19.

Income from continuing operations

Profit in the first nine months of 2020 (€131.1 million) reflects higher revenues, mainly from licensing agreements (€130.4 million in the first nine months of 2020, compared with €1.9 million in the same period of 2019). Additionally, sales increased by €26.0 million in the first nine months of 2020, driven by both Oncology (+€19.5 million) and

Diagnostics (+€6.5 million). Meanwhile, total operating expenses declined by €3.6 million year-on-year. Overall, this resulted in a profit of €131.1 million in the first nine months of 2020, compared with a loss of -€27.0 million in the same period of 2019.

Cash and Debt

As of 30 September 2020, the net cash position (cash + cash equivalents + current financial assets) amounted to €197.2 million (vs. €20.9 million at 2019 year-end). Including non-current financial assets, the total was €218.2 million as of 30 September 2020 (€21.9 million as of 2019 year-end).

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

	9/30/2020	12/31/2019
Non current debt	**39.865**	**53.063**
Bank debt	4.838	15.291
Obligations and bonds	16.587	16.549
Govt. Agencies: R&D funding	18.440	21.223
Current debt	**17.051**	**29.655**
Credit facilities	4.971	11.583
Effects and certifications	812	2.241
Bank loan	6.168	10.497
Govt. Agencies: R&D funding	4.892	4.883
Interest and others	208	451
Total financial debt	**56.916**	**82.718**
Cash&cash equivalents + non current and current financial investment	**218.236**	**21.924**
TOTAL NET CASH / (DEBT)	**161.320**	**(60.794)**

(Thousand euro)

There were two receipts in the first nine months of 2020 under the Zepzelca™ (lurbinectedin) licensing agreement with Jazz Pharmaceuticals: a €181 million upfront payment in Q1, and an €88.5 million milestone payment in Q2 triggered by FDA approval.

Two bank loans amounting to €9.0 million as of 1 January 2020 were repaid early during the period, and repayments of other loans from banks and official bodies amounted to €9.7 million.

As of 30 September 2020, the Group had €10.5 million available in credit lines (€2.1 million as of 31 December 2019).

At the end of September, the share buyback program had reached its ceiling in monetary terms: €30 million. A total of 349,200 shares had been repurchased, representing 1.88% of capital stock. The Company will cancel 199,200 treasury shares, representing 1.07% of capital stock, by means of a capital reduction; 150,000 treasury shares, representing 0.81% of capital stock, will be allocated to fulfilling obligations under the Group's share ownership plan for executives and employees.

Effects of COVID-19

The COVID-19 pandemic had the following effects on the Group's activities: in March, the Diagnostics segment developed its own diagnostic kits for a fast diagnostic test of IgM and IgG antibodies to COVID-19 and signed a distribution agreement. As a result, this segment booked €10.5 million in revenues in the period, a 165% increase year-on-year. The Oncology segment commenced the APLICOV-PC clinical trial with Aplidin® (plitidepsin) for treating COVID-19 patients, whose goal is to assess the efficacy and safety of plitidepsin in COVID-19 patients requiring hospital

admission. At the date of this report, that trial has concluded successfully, having attained its primary and secondary endpoints; consequently, a Phase III clinical trial is currently being designed.

The Group did not need to avail itself of furlough or layoff measures.

Commercial activity was unaffected by the situation; in fact, Oncology sales increased by 36% in the first half.

Following analysis, it was concluded that it was not necessary to adjust asset or liability valuations. Moreover, production capacity was not affected, and both the Oncology and Diagnostics segments have sufficient raw materials and inventories to maintain regular sales of Yondelis, and to support the launch Zepzelca™ (lurbinectedin) in USA and continue with the clinical trials that are under way, and to continue selling diagnostic kits, respectively. All the Group's material agreements remain in force in the same terms.

No bad debts are expected in the area of trade accounts receivable. A significant percentage of the Group's sales are to government institutions; accordingly, default risk is low.

As of 30 September 2020, the Group had a net cash position of €161.3 million (net of current and non-current debt), and €10.5 million available in credit lines. Debt maturities in the next twelve months amount to approximately €11.7 million. None of the existing loans is subject to covenants.

At the date of this report, the Group's ability to continue as a going concern is well assured.

The directors and managers of the Group constantly monitor the situation in order to anticipate any financial or non-financial impacts that might arise.

BUSINESS PERFORMANCE.

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

1.- Oncology segment: PharmaMar

A) YONDELIS®:

In July, PharmaMar signed a marketing agreement for Yondelis with ADIUM PHARMA covering 21 countries in Latin America.

It also signed an agreement with ONKO ILAK SAN ve TIC A.S. for marketing Yondelis® in Turkey.

These marketing agreements for Yondelis were in addition to others signed in previous months covering the territories of the Republic of South Africa, Namibia & Botswana, Taiwan, Hong Kong & Macao, and Canada.

Soft tissue sarcoma

As of 30 September 2020, 24 post-authorization trials were under way, 15 of them active (9 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 final results of the TRAMUNE Phase I trial with trabectedin plus durvalumab in patients with soft tissue sarcoma were presented as an oral communication at ESMO 2020.

Ovarian cancer

There were a total of 12 trials in this indication in the first nine months of 2020: 7 were active, 2 were in the process of closing, 2 had closed in the early months of 2020, and 1 was in the activation phase.

B) Zepzelca™ (lurbinectedin)

Small-cell lung cancer

On 15 June 2020 the US Food and Drug Administration (FDA) approved Zepzelca™ (lurbinectedin) for treating patients with small-cell lung cancer who had experienced progression after platinum-based chemotherapy. Lurbinectedin benefited from accelerated approval based on the Overall Response Rate (ORR) and Duration of Response (DoR).

As a result of this approval, Jazz Pharmaceuticals was able to commence marketing Zepzelca™ (lurbinectedin) for treating small cell lung cancer in the United States early in July this year.

ATLANTIS trial

The ATLANTIS pivotal Phase III trial compares the activity and safety of the combination of lurbinectedin, an anti-tumor drug of marine origin, plus doxorubicin, against physician'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 currentlyin data collection and preparation mode. The data from this trial are expected to be available in the fourth quarter of 2020.

At the European Society for Medical Oncology (ESMO) Virtual Congress 2020, held in September, a poster was presented with data on using lurbinectedin as second-line treatment in patients with small cell lung cancer who had relapsed 90 or 180 days after treatment with platinum.

Combination trials

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

Enrolment commenced in September for the combination trial with pembrolizumab.

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 which is 3.2 mg/m^2. Enrolment concluded and the results were presented as a poster at the ESMO Virtual Congress 2020 in September.

C) Aplidin® (plitidepsin)

The APLICOV-PC Phase I/II trial with Aplidin® (plitidepsin) for treating COVID-19 patients commenced in April; the goal was to assess the efficacy and safety of plitidepsin in COVID-19 patients requiring hospital admission.

Enrolment concluded and the trial attained both of its endpoints: primary (safety) and secondary (efficacy). The patients' viral load was measured at a central accredited laboratory before initiation of treatment and on days 4, 7, 15 and 30. The trial evidenced a notable reduction in the viral load in patients between days 4 and 7, with the reduction averaging 50% on day 7 and 70% on day 15. Additionally, a strong parallel was observed between the reduction in the viral load, clinical improvement and resolution of the pneumonia, as well as a reduction in inflammation metrics. Based on the data from this first group of patients, the Spanish Agency for Medicines and Healthcare Products (AEMPS) authorized the Company to expand the cohort. This will also make it possible to obtain more data about treating this indication.

Full details of the trial will be released at forthcoming medical conference and/or in a peer reviewed medical journal.

PharmaMar will commence discussions with regulators to define the forthcoming Phase III registration trial with plitidepsin in patients with COVID-19 requiring hospitalization.

D) PM184

The data obtained in the Phase I and Phase II trials continue to be analyzed in order to determine the next steps in the development of this compound.

E) PM14

The expansion phase in selected tumors is currently enrolling patients. The main endpoint of this Phase I 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.

2.- Diagnostics Genómica

Genómica obtained €10.7 million in revenues in the first nine months of 2020, up from €4.2 million in the same period of last year. This growth was due essentially to the sale of COVID-19 molecular diagnostic kits (PCR), which amounted to €4.2 million in the first nine months, and the distribution of the fast test for detecting IgM/IgG antibodies to COVID-19, whose sales amounted to €2.3 million in the period.

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 "qCOVID-19" (based on Real-Time technology). The company subsequently signed an agreement with the Spanish Ministry of Health (via INGESA) for the sale and distribution in Spain of the two diagnostics products developed by Genómica for the SARS-CoV-2 virus. Genómica's "qCOVID-19" kit was chosen for performing diagnostic tests via PCR in public retirement homes in the Madrid Autonomous Region.

In September, Genómica was awarded a contract by the Castilla & León Regional Government for cervical cancer screening using the Genómica CLART® HPV4S papilloma virus kit.

3.- RNA interference: Sylentis

Clinical development of tivanisiran for treating dry eye syndrome continued in the third quarter of 2020. The scientific advice report from the FDA on the clinical development of tivanisiran that had been applied for in May was received in July. On that basis, a Contract Research Organization (CRO) was engaged to commence the clinical trial in the US. The trial protocol was developed during the quarter and selection of participating centers commenced. At the same time, a Contract Manufacturing Organization (CMO) was engaged to produce the ophthalmic formulation and single dose vials of tivanisiran for patients participating in this new trial.

With regard to compound SYL1801, design of the Phase I trial was completed and the regulatory documentation was produced and delivered to the Spanish Agency for Medicines and Healthcare Products (AEMPS). The company is also working on other RNAi candidates for topical treatment of retinal diseases. Those new candidates' efficacy continues to be assessed using preclinical models of a number of retinal pathologies.

Additionally, design of the siRNAs against therapeutic targets for treating COVID-19 commenced in the quarter using the Sylentis proprietary SirFINDER 2.0 software.

BALANCE SHEET *(Thousand euro)*	09/30/2020	12/31/2019
ASSETS		
Non-current assets	**91.872**	**74.730**
Property, plant & equipment	21.696	22.452
Investment properties	845	845
Intangible assets	4.100	6.074
Right-of-use assets	3.294	3.345
Long-term financial assets	20.991	1.029
Deferred tax assets	40.945	40.984
Current assets	**237.860**	**49.977**
Inventories	8.574	8.902
Customer and other receivables	27.452	11.530
Current financial assets	104.023	3.257
Other current assets	4.588	8.649
Cash & cash equivalents	93.222	17.638
TOTAL ASSETS	**329.731**	**124.706**

BALANCE SHEET *(Thousand euro)*	09/30/2020	12/31/2019
EQUITY		
Shareholders' equity	**98.150**	**11.373**
Share capital	11.132	11.132
Share premium	71.278	71.278
Treasury shares	(34.387)	(1.500)
Revaluation and other reserves	14	15
Retained earnings and other reserves	50.113	(69.552)
Minority interest	**0**	**(3.918)**
TOTAL EQUITY	**98.150**	**7.455**
LIABILITIES		
Non-current liabilities	**125.858**	**56.810**
Financial debt	39.865	53.063
Lease liabilities	1.784	1.719
Non-current deferred revenues	84.034	1.851
Other non-current liabilities	175	177
Current liabilities	**105.723**	**60.441**
Supplier and other accounts payables	15.987	19.332
Financial debt	17.051	29.655
Lease liabilities	1.573	1.678
Provisions for other liabilities & expenses	6.590	5.734
Current deferred revenues	61.439	1.465
Other current liabilities	3.083	2.577
TOTAL LIABILITIES	**231.581**	**117.251**
TOTAL LIABILITIES AND EQUITY	**329.731**	**124.706**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS		
Thousand euro	**09/30/2020**	**09/30/2019**
Revenue:		
Revenue from contracts with customers	83.943	57.935
Revenue from licensing and development agreements (excluding royalties)	130.443	1.914
Royalties	7.434	2.435
Other	335	188
	222.155	**62.472**
Cost of sales	(9.250)	(3.954)
Marketing expenses	(16.684)	(18.222)
General and administrative expenses	(10.535)	(10.072)
Research and development expenses	(39.121)	(41.325)
Net impairment on financial assets	(187)	(1)
Other operating expenses	(9.403)	(7.965)
Other results	263	717
Net operating result	**137.238**	**(18.350)**
Net financial results	**(5.057)**	**(2.875)**
Result of the period before income taxes	**132.181**	**(21.225)**
Income tax benefit / (expense)	(1.088)	(3.544)
Result for the period from continuing operations	**131.093**	**(24.769)**
Result for the period from discontinued operations	**0**	**(2.217)**
Equity holders of the parent company	0	(2.217)
Result for the period	131.093	(26.986)
Equity holders of the parent company	**131.093**	**(26.972)**
Non-controlling interests	0	(14)

CONSOLIDATED CASH FLOW STATEMENT	EUR (Thousand)
	09/30/2020
TOTAL NET OPERATING CASH FLOW	**268.885**
Income before taxes	**132.182**
Profit before tax from continuing operations	*132.182*
Adjustments for:	**11.101**
Depreciation and amortization	5.692
Provision for impairment of accounts receivable	101
Impairment losses of property, plant and equipment	368
Finance income	(204)
Finance costs	2.404
Share based payments	199
Deferred income - grants	(317)
Effects of exchange rate changes	2.856
Changes in working capital:	**127.803**
Inventories	327
Trade and other receivables	(16.023)
Other assets and liabilities	3.514
Trade and other accounts payable	(2.489)
Deferred or accrual items	142.474
Other cash flow from operations:	**(2.201)**
Financial expenses	(2.404)
Financial revenues	204
TOTAL NET INVESTING CASH FLOW	**(122.642)**
Investment payments:	**(122.642)**
Purchases of property, plant & equipment and intangible assets	(1.914)
Other financial assets	(120.727)
TOTAL NET FINANCING CASH FLOW	**(67.781)**
Collections and (payments) in connection with equity instruments:	**(31.763)**
Acquisition	(42.741)
Disposal	10.978
Collections and (payments) in connection with financial liabilities:	**(19.598)**
Loans received	483
Refund and amortization	(20.081)
Dividends paid to company's shareholders	**(8.817)**
Other financing cash flow:	**(7.603)**
interest payment	(809)
Other financing receipts / (payments)	(6.794)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(2.878)**
TOTAL NET CASH FLOW	**75.584**
Beginning balance of cash and cash equivalents	17.638
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**93.222**