REPORT AS OF JUNE 30, 2024

July 30, 2024

MILESTONES

Corporate

- Group revenue totaled €80.8 million in the first half of 2024, 1% more than in the same period of the previous year.

- Royalties from sales of Yondelis and Zepzelca by our partners in their respective territories increased by 16% to €26.5 million (€22.8 in the first half of 2023).

- As of June 30, 2024, the Group had €139.6 million in cash and cash equivalents and €36.3 million in interest-bearing debt outstanding(€168.6 million and €39.9 million, respectively, as of December 31, 2023). Debt has been reduced by 9% since December 2023.

Oncology

- Results from the trial using PharmaMar's lurbinectedin in combination with irinotecan were presented at the ASCO Meeting, showing that 52.7% of patients with relapsed small cell lung cancer and a chemotherapy-free interval greater than 30 days achieved an objective response to treatment (tumor shrinkage ≥30%).

- Aplidin® will be re-evaluated by the EMA on the grounds of a conflict of interest, as the European Commission revoked the decision that initially denied PharmaMar's authorization to market for multiple myeloma.

Mª Luisa de Francia
CFO
Pharma Mar, S.A.
Plaza Descubridor Diego de Ordás, 3
Madrid
Telephone 914444500

José Luis Moreno
Head of Capital Markets and Investor Relations
Pharma Mar, S.A.
Plaza Descubridor Diego de Ordás, 3
Madrid
Telephone 914444500

FIGURES TO JUNE 2024

	6/30/24	6/30/23	Var.
RECURRING REVENUE	**68,507**	**67,326**	**2%**
Oncology sales	42,020	43,389	-3%
Other sales	0	1,144	-100%
Royalties	26,487	22,793	16%
NON RECURRING REVENUE	**12,331**	**12,863**	**-4%**
License Agreements	11,963	12,679	-6%
Other	368	184	100%
TOTAL REVENUES	**80,838**	**80,189**	**1%**

(Thousand euro)

Group revenue:

Group revenue totaled €80.8 million in H1' 24, 1% more than in the same period of 2023 (€80.2 million). The breakdown of that figure is as follows:

Recurring revenue, i.e. net sales plus royalties from sales by partners, increased to €68.5 million in the first half of 2024, from €67.3 million in the same period of 2023, i.e. an increase of 2%, as detailed below.

Net revenue in the oncology segment amounted to €42.0 million in the first half of 2024, 3% less than in the same period of 2023 (€43.4 million). The breakdown is as follows:

i) Net sales of Yondelis in the European market. Yondelis sales in Europe amounted to €9.8 million in the first half of 2024 (€14.2 million in the same period of 2023).

ii) Lurbinectedin revenue in Europe in the first half of 2024:

   a. This item amounted to €12.3 million (€21.0 million in the same period of 2023), mostly from the French compassionate use program. The difference between periods is due to reversal, in the first half of 2023, of overprovisions for deductions applicable under that program. Adjusting for that effect, this item increased by 16%.
   b. Additionally, commercial sales of Zepzelca amounted to €4.8 million.

iii) Sales of raw materials, both Yondelis and Zepzelca, to our partners. This item amounted to €15.2 million in the first half of 2024, compared with €8.2 million in the same period of 2023. The increase reflects our partners' preparations for commercial sales.

Royalties revenue amounted to €26.5 million in the first half of 2024, a 16% increase on the €22.8 million recognized in the same period of 2023. That figure includes royalties from Zepzelca sales by our US partner, Jazz Pharmaceuticals, which increased by 15% year-on-year to €24.2 million in the first half (€21.0 million in the same period of 2023). Royalties in the quarter are 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 in the amount of €2.3 million were received in H1 '24 for sales of Yondelis by our partners in the United States and Japan (€1.8 million in the same period of 2023).

Non-recurring revenue, mainly from out-licensing agreements, amounted to €12.3 million in H1 '24, of which €11.5 million relate to deferred revenue under the 2019 licensing agreement with Jazz Pharmaceuticals in connection with Zepzelca.(€12.9 million and €12.1 million, respectively, in the same period of the previous year).

R&D

R&D expenditure increased by 10%, from €46.6 million in the first half of 2023 to €51.3 million in the first half of 2024.

This increase is directly related to the significant increase in activity in ongoing clinical trials, mainly the LAGOON (Phase III clinical development in small cell lung cancer) and SaLuDo (Phase IIb/III clinical development in leiomyosarcoma) trials, both with Zepzelca. The company is also investing in early-stage clinical development of other molecules. There are two Phase II trials under way with ecubectedin in solid tumors, as well as Phase I trials with PM534 and PM54 in 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.

The main R&D expenditure item in the RNA interference segment relates to the Phase II clinical trial of compound SYL1801 for the treatment and/or prevention of choroidal neovascularization, a common cause of retinal diseases such as age-related macular degeneration (AMD) and diabetic retinopathy, as well as the completion of the Phase III clinical trial with tivanisiran in dry eye associated with Sjögren's syndrome, which did not reach its end-points.

	June 2024	June 2023	Var.
R&D expenses	**51,270**	**46,647**	**10%**
Oncology	46,682	38,959	20%
RNAi	4,588	7,688	-40%

(Thousand euro)

Other operating expenses

The Group's other operating expenses (i.e. marketing and commercial expenses, administrative and general expenses and other operating expenses) amounted to €30.4 million in the first half of 2024, compared with €28.4 million in the same period of the previous year. The increase stems mainly from the cost of commissioning Sylentis' oligonucleotide production plant.

EBITDA

In the first half of 2024, the Group recognized -€0.8 million in EBITDA, compared with €4.2 million in the same period of 2023, calculated as follows:

	06/30/2024	06/30/2023
Net result	**3,537**	**6,435**
Income tax	(4,983)	(5,155)
Net financial income	(2,460)	195
Depreciation and amortization	3,103	2,685
EBITDA	**(803)**	**4,160**

(Thousand euro)

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

Since revenue remained stable with respect to the same period of 2023, the variation in EBITDA is the result of the increase in R&D expenses, as well as other costs related to the oligonucleotide plant.

Net profit for the period

Net profit amounted to €3.5 million (€6.4 million in the same period of 2023) as a result of a positive financial result of €2.5 million (H1 '23: -€0.2 million), and a positive income tax effect of €5.0 million (H1 '23: €5.2 million) following the receipt of part of the R&D investment tax credit for 2022 that had been monetized.

Cash and Debt

As of June 30, 2024, total interest-bearing debt had been reduced by €3.5 million with respect to December 31, 2023.

As of June 30, 2024, the Group had a positive net cash position of €103.3 million (€128.8 as of 2023 year-end). This level of net cash will enable the Group to undertake the planned development and R&D expenditure without cash stresses.

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

	06/30/2024	12/31/2023	Var.
Non current debt	**26,028**	**27,036**	**-1,008**
Obligations and bonds	16,799	16,769	30
Govt. Agencies: R&D funding	9,229	10,267	-1,038
Current debt	**10,321**	**12,825**	**-2,504**
Credit facilities	4,850	6,458	-1,608
Bank loan	2,490	3,226	-736
Govt. Agencies: R&D funding	1,929	2,435	-506
Interest and others	1,052	706	346
Total financial debt	**36,349**	**39,861**	**-3,512**
Cash&cash equivalents + non current and current financial investment	**139,641**	**168,625**	**-28,984**
TOTAL NET CASH / (DEBT)	**103,292**	**128,764**	**-25,472**

(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. We expect recruitment to end by the end of 2024.

If the outcome is positive, this could serve as a confirmatory trial in the United States and as a registration trial in other territories, including the jurisdictions under the European Medicines Agency (EMA).

Recruitment concluded for the Phase III trial that our partner Jazz Pharmaceuticals is conducting with Hoffmann-La Roche using 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 overall 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.

Leiomyosarcoma

The SaLuDo (Sarcoma patients treated with Lurbinectedin and Doxorubicin) Phase IIb/III clinical trial with lurbinectedin in combination with doxorubicin for first-line treatment of patients with metastatic leiomyosarcoma commenced in October 2023. The endpoint is to evaluate the combination as first-line treatment in patients with metastatic leiomyosarcoma.

The trial currently involves centers in the United States and several European countries.

Patient enrolment is advancing as planned.

Combination trials with Zepzelca (lurbinectedin)

The combination trial with irinotecan completed enrolment of the small cell lung cancer, synovial sarcoma and neuroendocrine tumor cohorts of patients. The patients are currently under observation.

Enrolment for the trial in combination with atezolizumab in small cell lung cancer has concluded and the patients are currently being tracked.

ASCO 2024 (American Society of Clinical Oncology)

At the ASCO Meeting 2024, held in Chicago from May 30 to June 3, PharmaMar presented posters on the following trials:

- Phase I/II with lurbinectedin in combination with irinotecan:
    - Expansion phase of the small cell lung cancer cohort in second line treatment. Administration of PharmaMar's lurbinectedin in combination with irinotecan resulted in 52.7% of patients with relapsed small cell lung cancer and a chemotherapy-free interval greater than 30 days achieving an objective response to treatment (tumor shrinkage ≥30%). Median overall survival of this subgroup was 12.7 months. This subgroup of patients is the same type of population as is being enrolled in one of the arms of the LAGOON trial.
    - Expansion phase with advanced synovial sarcoma
- Design of the SaLuDo (Sarcoma patients treated with Lurbinectedin and Doxorubicin) in patients with metastatic leiomyosarcoma at a "trials in progress" session.

B) Ecubectedin (PM14)

The first Phase I/II trial with ecubectedin attained the optimal 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 with ecubectedin

The first Phase I/II trial of this compound in combination with irinotecan identified the recommended dose in patients with advanced solid tumors. The Phase II expansion trial is currently enrolling.

The Phase Ib trial of ecubectedin in combination with atezolizumab identified the recommended dose in patients with advanced solid tumors. The Phase II expansion trial is currently enrolling. Patient enrolment continues at a satisfactory pace.

C) PM54

Enrolment continues on schedule in the Phase I clinical trial for the treatment of patients with various types of solid tumors. The trial is being conducted in 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 is being conducted in Spain in patients with advanced solid tumors.

2.- RNA interference: Sylentis

During the second quarter of 2024, enrolment continued for the clinical trial with the compound SYL1801 for the treatment and/or prevention of choroid neovascularization, a common cause of retinal pathologies such as age-related macular degeneration (AMD) and

diabetic retinopathy. This Phase II trial is being conducted in four European countries with 90 AMD patients. This is a multicenter, randomized, double-masked trial to measure the safety and tolerability and the effect of different doses of SYL1801 in previously untreated patients with AMD.

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 under the Oligofastx consortium.

In connection with the construction of an oligonucleotide production plant that began in 2023 and will be developed in phases in line with demand, work continued throughout the second quarter and the first phase is expected to be completed in 2024, so that could be operational this year. This plant will enable the company to cover its potential production needs and to produce for third parties, expanding production capacity as demand evolves.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(Thousand euro)*	June 30, 2024	December 31, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	51,785	43,874
Investment property	845	845
Intangible assets	1,427	1,935
Right-of-use assets	2,953	3,733
Non-current financial assets	4,494	6,062
Deferred tax assets	31,485	31,469
	92,989	**87,918**
Current assets		
Inventories	47,247	39,289
Trade and other receivables	30,159	27,554
Financial assets at amortised cost	115,828	102,538
Other assets	11,560	23,197
Cash and cash equivalents	19,319	60,024
	224,113	**252,602**
TOTAL ASSETS	**317,102**	**340,520**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(Thousand euro)*	June 30, 2024	December 31, 2023
EQUITY		
Share capital	11,013	11,013
Share premium	59,858	71,278
Treasury shares	(33,938)	(31,091)
Revaluation reserves	15	15
Retained earnings and other reserves	144,433	142,223
Total capital and reserves attributable to equity holders of the parent company	**181,381**	**193,438**
TOTAL EQUITY	**181,381**	**193,438**
LIABILITIES		
Non-current liabilities		
Borrowings	26,028	27,036
Lease liabilities	1,378	1,828
Non-current deferred income	20,245	22,137
Other non-current liabilities	196	193
	47,847	**51,194**
Current liabilities		
Trade and other payables	34,197	31,308
Borrowings	10,321	12,825
Lease liabilities	1,656	1,980
Outstanding remunerations	6,391	8,989
Current deferred income	14,961	24,946
Other current liabilities	20,348	15,840
	87,874	**95,888**
TOTAL LIABILITIES	**135,721**	**147,082**
TOTAL EQUITY AND LIABILITIES	**317,102**	**340,520**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS		
(Thousand euro)	**June 30, 2024**	**June 30, 2023**
Revenue:		
Revenue from contracts with customers	42,020	44,533
Revenue from licensing and development agreements	11,963	12,679
Royalties	26,487	22,793
Other	368	184
	80,838	**80,189**
Cost of sales	(4,861)	(4,018)
Gross Result	**75,977**	**76,171**
Marketing expenses	(11,385)	(12,108)
General and administrative expenses	(11,876)	(9,393)
Research and development expenses	(51,270)	(46,647)
Net impairment on financial assets	172	(193)
Other operating expenses	(7,112)	(6,852)
Other results	1,588	497
Operating Result	**(3,906)**	**1,475**
Finance costs - net	**2,460**	**(195)**
Result of the period before income taxes	**(1,446)**	**1,280**
Income tax benefit / (expense)	4,983	5,155
Result for the period	**3,537**	**6,435**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (Thousand euro)	June 30, 2024
Result before taxes:	**(1,446)**
Result before taxes from continuing operations	*(1,446)*
Adjustments for:	**960**
Depreciation and amortization	3,099
Variation of provisions	(14)
Impairment losses of property, plant and equipment	495
Finance income	(2,878)
Finance costs	1,191
Results on disposals of intangible assets	(477)
Share based payments	158
Deferred income - grants	87
Exchange differences on translation of foreign operations	(699)
Other adjustments to profit or loss	(2)
Changes in working capital:	**(16,110)**
Inventories	(7,961)
Trade and other receivables	(2,591)
Other assets and liabilities	6,115
Trade and other accounts payable	291
Deferred or accrual items	(11,964)
Other cash flows from operations:	**16,688**
Interest paid	(1,191)
Interest received	2,878
Income taxes paid	15,001
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	**92**
Acquisitions:	**(203,898)**
Property, plant and equipment, intangible assets and investment property	(9,916)
Other financial assets	(193,982)
Proceeds from:	**183,606**
Property, plant and equipment, intangible assets and investment property	477
Other financial assets	183,129
Other investing cash flow:	**-**
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	**(20,292)**
Receipts and (payments) in connection with equity instruments:	**(4,330)**
Purchase of treasury shares	(6,976)
Proceeds from shares issued	2,646
Receipts and (payments) in connection with financial liabilities:	**(4,586)**
Proceeds from borrowings	414
Repayment of borrowings	(5,000)
Dividends paid	**(11,420)**
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	**(20,336)**
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(169)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(40,705)**
Cash and cash equivalents at beginning of the period	60,024
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**19,319**

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

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS OF PHARMA MAR, S.A. FOR THE FIRST HALF OF 2024.

1. General information

Pharma Mar, S.A. is the company that resulted from the merger of Zeltia, S.A. (absorbed company) into Pharma Mar, S.A. (acquiring company). Pharma Mar, S.A., the Group's parent company (hereinafter, "PharmaMar" or "the Company"), was incorporated as a limited company in Spain for an indefinite period on 30 April 1986. Its registered offices are located in Colmenar Viejo (Madrid) at Avenida de los Reyes, 1 (Pol. Industrial La Mina – norte).

PharmaMar's main activity is research, development, production and commercialization of bio-active principles of marine origin for application in oncology, as well as management, support and development of its investee in the RNA interference area, and investees whose object is the commercialization of oncology products in Europe.

The interim financial statements for the first half of 2024 have not been audited.

Significant events in the first half of 2024

In the first quarter of the year, enrolment concluded for the IMforte study of Zepzelca in combination with atezolizumab for first-line maintenance in small cell lung cancer. The patients are currently under observation.

In February, it was announced that the Phase III trial with tivanisiran for treating dry eye disease associated with Sjögren's syndrome had not attained its primary endpoint.

Following the annual assessment, rating agency EthiFinance maintains the group's BB+ rating, with stable outlook.

Results of the combination trial with PharmaMar's lurbinectedin and irinotecan were presented at the American Society of Clinical Oncology (ASCO) international meeting. The result was that 52.7% of patients with relapsed small cell lung cancer and a chemotherapy-free interval greater than 30 days achieved an objective response to treatment (tumor shrinkage ≥30%).

Liquidity

Regarding liquidity, as of June 30, 2024, the Group had a net cash position of €103.3 million (cash plus current and non-current financial assets, net of current and non-current debt), and €11.6 million available in credit lines.

None of the existing loans is subject to covenants.

The directors and managers of the Group constantly monitor the situation in order to anticipate any financial or non-financial impacts that might arise. With the cash flow at the reporting date plus the expected revenues, the Company estimates that it has sufficient funding to complete the current projects and developments.

Consolidation scope

Since the last audited financial statements as of December 31, 2023, the process of liquidating wholly-owned subsidiary Genómica, SAU, that was decided by the Board of Directors of Pharma Mar on September 27, 2022, continues. Genómica SAU's Swedish-domiciled subsidiary, Genómica AB, was liquidated in the first half of 2024.

2. Basis of presentation, accounting standards, judgments, and material accounting estimates.

A.- The interim separate financial statements for the first half of 2024 were prepared in accordance with Spain's New General Accounting Plan (NPGC), which came into force on January 1, 2008, and the same accounting principles and standards were applied as in the financial statements for the year ended December 31, 2023.

B.- The interim consolidated financial statements for the first half of 2024 were prepared in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS).

The accounting standards were applied on a uniform basis with respect to the year ended December 31, 2023.

These interim financial statements were approved by the Directors of PharmaMar on July 30, 2024.

C.- Accounting estimates and judgements

The accounting estimates and judgments made by application of PharmaMar's accounting policies for 2023 are detailed in Note 2.2 to the separate financial statements of PharmaMar and Note 4 to the consolidated financial statements.

In the separate financial statements, those estimates and judgments refer to the following matters:

a) Deferred tax assets
b) Assessment of the recoverability of investments in Group and associated companies: Sylentis SAU
c) Recognition of revenue under licensing agreements

In the consolidated financial statements, those estimates and judgments refer to the following matters:

a) Recognition of revenue under licensing agreements
b) Deferred tax assets

No estimates or judgements on additional matters were made in the first half of 2024.

D.- Presentation currency

The interim consolidated financial statements are expressed in thousand euro.

3. Seasonal or cyclical nature of the PharmaMar Group's transactions

In addition to recurring sales of its products, whether directly or through its partners (on which it collects royalties), the Oncology segment also collects revenues from out-licensing agreements for its products. These licensing agreements involve payments on a schedule that is not uniform and they normally depend on milestones that are defined in the agreement itself and can vary considerably in terms of type and amount, and may produce sizeable variations in earnings between periods whose materialization is occasionally difficult to predict in advance.

4. Segment reporting

The Board of Directors is the highest decision-making body in operating matters. Management has determined the operating segments based on the information submitted to the Board of Directors for the purpose of assigning resources and assessing performance.

The Board of Directors evaluates the performance of the operating segments by monitoring revenue, gross margin, cost of sales, R&D expenses, marketing and distribution expenses, and EBITDA. These magnitudes are also used as indicators for determining which operating segments have similar economic characteristics.

As a result, two business segments were identified as of June 30, 2024: Oncology and RNA interference.

1. Oncology segment. This segment encompasses the Group undertakings whose object is to research, develop and market anti-tumor drugs (Pharma Mar, S.A., Pharma Mar USA, PharmaMar AG, Pharma Mar SARL, Pharma Mar GmbH, Pharma Mar, S.r.L., Pharma Mar, Sprl, and Pharma Mar Ges.m.b.H).

2. RNAi. This segment encompasses the development of drugs with therapeutic activity based on reducing or silencing gene expression (Sylentis, S.A.U.).

As of June 30, 2023, there was a third segment, Diagnostics, whose liquidation had been agreed by PharmaMar's Board of Directors in September 2022. That segment was still active in the first half of 2023 as some activity was carried out in order to fulfil commercial commitments. The figures were not material for the Group. The liquidation process is almost complete.

Transactions between operating segments were not material in the first half of 2024.

The disclosures by business segment are as follows:

06/30/2024	Oncology	RNAi	Unallocated	Group
Revenue	80,633	205	0	80,838
Cost of sales	(4,861)	0	0	(4,861)
R&D expenses	(46,682)	(4,588)	0	(51,270)
Operating expenses	(18,527)	(2,950)	(7,136)	(28,613)
Operating result	**10,563**	**(7,333)**	**(7,136)**	**-3,906**
EBITDA	**13,329**	**(6,996)**	**(7,136)**	**-803**
Result before income taxes	**13,233**	**(7,487)**	**(7,192)**	**-1,446**

Thousand euro

The expenses in the "Unallocated" column consist basically of expenses associated with corporate central services and are recognized as unallocated in order not to distort the operating segments of the business.

For more information, see item 11 in Chapter IV of the selected financial information and the interim directors' report contained in Chapter V of this document.

5. Fixed and other non-current assets: Property, plant and equipment, etc.

The net increase in property, plant and equipment in the first half of 2024 (€8.7 thousand) is mainly the result of investments in progress in the new oligonucleotide production plant on which construction commenced in 2023 and is expected to be completed in the coming months.

No material items of property, plant and equipment were disposed of.

No impairment was recognized in connection with property, plant and equipment, intangible assets or other non-current assets in the period.

There were no material changes in investment property or intangible assets in the first half of 2024.

6. Inventories

No impairment was recognized in the first half of 2024 as a result of writing down the carrying amount of inventories to net realizable value, nor was any such impairment reversed.

PharmaMar has increased stocks of work-in-process and semi-finished products to guarantee supply to its partners, due to the approvals received recently and expected in several regions.

	6/30/2024	12/31/2023
Raw materials and other supplies	1,631	1,783
Semi-finished products and products in process	44,617	36,658
Finished products	999	845
Total inventories	**47,247**	**39,286**

Thousand euro

PharmaMar has arranged insurance policies to cover the risks to which the inventories are exposed. The coverage is deemed to be sufficient.

7. Customer and other accounts receivable

The detail of this account is as follows:

	6/30/2024	12/31/2023
Customer receivables for sales and services	29,801	27,204
Other receivables	213	217
Supplier advances	145	133
Total Trade and other receivables	**30,159**	**27,554**

Thousand euro

Of the total amount of customer and other accounts receivable, €13,793 thousand are in USD (€12,269 in June 2023).

No provisions for bad debts have been recognized.

8. Non-current and current financial assets and Cash and cash equivalents

Non-current financial assets in June 2024 consist mainly of time deposits for over one year at a number of financial institutions.

Current financial assets refer to a number of time deposits for periods of more than three months.

Cash and cash equivalents refer mainly to deposits and other investments maturing at no more than three months from the acquisition date.

	6/30/2024	12/31/2023
Non current financial assets	4,494	6,062
Current financial assets	115,828	102,538
Cash & cash equivalents	19,319	60,024
Total	**139,641**	**168,624**

Thousand Euro

9. Shareholders' equity

As of June 30, 2024, PharmaMar's capital stock amounted to €11,013 thousand (€11,013 thousand as of December 31, 2023), represented by 18,354,907 shares with a par value of 60 cent each. All the shares have been fully subscribed and paid.

As of June 30, the Group held 816k own shares, representing 4.442% of PharmaMar's capital stock (715k shares as of December 31, 2023), worth €33.9 million (€31.1 million as of December 31, 2023).

2024 Dividend/Refund of share premium

Following the decision by the 2024 Shareholders' Meeting, a dividend was paid on June 14, 2024, consisting of the refund of the share premium in the amount of €0.65 per share, equivalent to a total of €11.4 million.

10.- **Trade and other payables**

The breakdown of this account is as follows:

	6/30/2024	12/31/2023
Trade payables for purchases	1,675	3,265
Trade payables for services received	31,140	25,911
Advances received for orders	673	1,002
Other accounts payable	709	1,131
Total	**34,197**	**31,309**

Thousand euro

11.- Current and non-current financial liabilities

The breakdown of non-current and current debt to banks and official agencies is as follows:

	06/30/2024	12/31/2023
Non current debt	**26,028**	**27,036**
Obligations and bonds	16,799	16,769
Govt. Agencies: R&D funding	9,229	10,267
Current debt	**10,321**	**12,825**
Credit facilities	4,850	6,458
Bank loan	2,490	3,226
Govt. Agencies: R&D funding	1,929	2,435
Interest and others	1,052	706
Total financial debt	**36,349**	**39,861**

Thousand euro

In the first half of 2024, loans from banks and official agencies amounting to €2.6 million were repaid, and new loans from official agencies in the amount of €0.4 million were arranged to fund R&D projects.

The Group's debt is not subject to covenants or secured by its assets.

The Group has credit lines with a limit of €16.5 million of which €11.6 million were available as of June 30.

12.- Current and non-current deferred revenues

As of June 30, 2024, current deferred revenue amounts to €15.0 million (€24.9 million as of December 31, 2023) and non-current deferred revenue amounts to €20.2 million (€22.1 million as of December 31, 2023). Those amounts include mainly the part of the upfront and milestone payments under licensing agreements signed by the Group that, in accordance with IFRS 15, have not yet been recognized as revenue in the income statement.

Revenue amounting to €11.5 million was recognized in the first half of 2024 under the licensing agreement for Zepzelca signed with Jazz Pharmaceuticals in 2019 (€12.1 million in the first half of 2023).

13. Revenue

The breakdown of Group net revenue is as follows:

	6/30/24	6/30/23	Var.
RECURRING REVENUE	**68,507**	**67,326**	**2%**
Oncology sales	42,020	43,389	-3%
Other sales	0	1,144	-100%
Royalties	26,487	22,793	16%
NON RECURRING REVENUE	**12,331**	**12,863**	**-4%**
License Agreements	11,963	12,679	-6%
Other	368	184	100%
TOTAL REVENUES	**80,838**	**80,189**	**1%**

Thousand euro

Group revenue:

Group revenue totaled €80.8 million in H1' 24, 1% more than in the same period of 2023 (€80.2 million). The breakdown of that figure is as follows:

Recurring revenue, i.e. net sales plus royalties from sales by partners, increased to €68.5 million in the first half of 2024, from €67.3 million in the same period of of 2023, i.e. an increase of 2%, as detailed below.

Net revenue in the oncology segment amounted to €42.0 million in the first half of 2024, 3% less than in the same period of 2023 (€43.4 million). The breakdown of net sales is as follows:

i) Net sales of Yondelis in the European market. Yondelis sales in Europe amounted to €9.8 million in the first half of 2024 (€14.2 million in the same period of 2023).

ii) Lurbinectedin revenue in Europe in the first half of 2024:

   a. This item amounted to €12.3 million (€21.0 million in the same period of 2023), mostly from the French compassionate use program. The difference between periods is due to reversal, in the first half of 2023, of overprovisions for deductions applicable under that program.
   b. Additionally, commercial sales of Zepzelca amounted to €4.8 million.

iii) Sales of raw materials, both Yondelis and Zepzelca, to our partners. This item amounted to €15.2 million in the first half of 2024, compared with €8.2 million in the same period of 2023. The increase reflects our partners' preparations for commercial sales.

Royalties revenue amounted to €26.5 million in the first half of 2024, a 16% increase on the €22.8 million recognized in the same period of 2023. That figure includes royalties from Zepzelca sales by our US partner, Jazz Pharmaceuticals, which increased by 15% year-on-year to €24.2 million in the first half (€21.0 million in the same period of 2023). Royalties in the quarter are 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 in the amount of €2.3 million were received in H1 '24 for sales of Yondelis by our partners in the United States and Japan (€1.8 million in the same period of 2023).

Non-recurring revenue, mainly from out-licensing agreements, amounted to €12.3 million in H1 '24, of which €11.5 million relate to deferred revenue under the 2019 licensing agreement with Jazz Pharmaceuticals in connection with Zepzelca. (€12.9 million and €12.1 million, respectively, in the same period of the previous year).

14. Deferred tax assets and Income tax

The Group calculated its deferred tax assets as a function of the amount it estimates it will be able to recover against projected future profits; there were no changes with respect to the calculations as of December 31, 2023.

Each Group company calculates its tax expense using the tax rate applicable in each country. Effective tax rates were not used to calculate income tax presented in the consolidated income statement.

To calculate income tax, the Group availed itself of a reduction factor for revenues from the assignment of the right to use or exploit patents. The balance of the income tax item includes the €5.0 million in revenue arising from monetizing research and development tax credits.

15. Subsequent events

No material events have occurred since June 30 that might affect the content of the financial statements or require disclosure.

16. Risks and uncertainties in the second half of the year

As regards the activities within the biopharmaceutical area, there is the inherent risk that research and development processes may not be completed successfully, as well as the risk that a project, once completed, may not be approved by the regulatory authorities.

Pressure on drug prices and discounts in Europe as a result of the adjustment measures being adopted in the countries where our product is commercialized.

Risk of legislative changes that may alter the initial conditions of regulatory requirements, prices and discounts or qualitative requirements.

Risk of the entrance of generics as a result of patent expiration, and risk of loss of market exclusivity granted by regulatory agents.

Additionally, the approval of new rival products may reduce net sales of our products.

17. Related-party disclosures

See section 14 of Chapter IV Selected financial information.

INCOME STATEMENT BY FUNCTION

As provided in IAS 1.88, expenses in the income statement may be classified on the basis of their nature or function. In its consolidated financial statements, the PharmaMar Group elects to classify expenses by function. For this reason, this section contains a consolidated income statement as of June 30, 2024, by function, with the comparable figures for June 30, 2023. There is also a table reconciling expenses by nature from chapter IV with the expenses by function in the income statement used by the Group to draw up its consolidated financial statements.

The other components of the consolidated financial statements drawn up by the Group conform to the forms presented in Chapter IV of this report.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS		
(Thousand euro)	**June 30, 2024**	**June 30, 2023**
Revenue:		
Revenue from contracts with customers	42,020	44,533
Revenue from licensing and development agreements	11,963	12,679
Royalties	26,487	22,793
Other	368	184
	80,838	**80,189**
Cost of sales	(4,861)	(4,018)
Gross Result	**75,977**	**76,171**
Marketing expenses	(11,385)	(12,108)
General and administrative expenses	(11,876)	(9,393)
Research and development expenses	(51,270)	(46,647)
Net impairment on financial assets	172	(193)
Other operating expenses	(7,112)	(6,852)
Other results	1,588	497
Operating Result	**(3,906)**	**1,475**
Finance costs - net	**2,460**	**(195)**
Result of the period before income taxes	**(1,446)**	**1,280**
Income tax benefit / (expense)	4,983	5,155
Result for the period	**3,537**	**6,435**

Reconciliation of expenses by nature with expenses by function:

June 2024	Cost of sales	Marketing & commercial organisation expenses	General and administration expenses	Research & development expenses	Other operating expenses	Other operating revenues	Total
(+/-) Change in inventories of finished products and work in progress	(4,861)	0	13,916	(1,109)	0	0	7,946
(+) Work carried out by the company for its assets	0	0	0	0	0	0	0
(-) Supplies	0	(89)	(13,059)	(2,609)	(0)	0	(15,758)
(+) Other operating income	0	0	0	0	0	37	37
(-) Personnel expenses	0	(5,853)	(7,840)	(12,074)	(3,256)	0	(29,022)
(-) Other operating expenses	0	(5,009)	(4,075)	(33,859)	(3,455)	0	(46,399)
(-) Depreciation and amortization	0	(434)	(818)	(1,619)	(229)	0	(3,099)
(+) Allocation of grants for non-financial and other investments	0	0	0	0	0	806	806
(+/-) Impairment and gains or losses on disposal of fixed assets	0	0	0	0	0	(18)	(18)
(+/-) Other income	0	0	0	1	(1)	762	763
Total	**(4,861)**	**(11,385)**	**(11,876)**	**(51,270)**	**(6,940)**	**1,588**	**(84,745)**