



CNMV
Markets Directorate General
C/ Edison núm. 4
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Madrid, 25 March 2020

In accordance with article 226 of the recast Spanish Securities Market Act (*Ley del Mercado de Valores*), approved by Royal Legislative Decree 4/2015 of 23 October, article 2 of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the “**Delegated Regulation**”) and concordant provisions, is hereby reported the following

INSIDE INFORMATION

It is hereby informed that, under the authorization granted by the General Shareholders' Meeting held on June 26, 2019 for the derivative acquisition of treasury shares, Pharma Mar, S.A. (the “**Company**”) has agreed to carry out a program to buy-back treasury shares under the terms indicated below (the “**Buy-back Program**”).

The Buy-back Program will be carried out in accordance with the provisions of article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (“**Market Abuse Regulation**”) and the Delegated Regulation:

- (a) Purpose: the Buy-back Program is intended:
 - (i) To reduce the Company's share capital by amortizing the shares acquired by virtue thereof, thus improving the earnings per share and contributing to the shareholder's remuneration;
 - (ii) To comply with the obligations derived from the Share Plans for executives and employees of the Group.

- (b) Maximum number of shares and cash amount: the Buy-back Program will affect a maximum of 6,679,478 shares, representing approximately 3% of the Company's share capital on the date of this announcement, and its maximum cash amount amounts to € 30,000,000.00. The Company will dedicate (A) a maximum of 4,879,478 shares, representing approximately 2.19% of the Company's share capital on the date of this resolution, for the purpose described in section (a)(i) above and (B) a maximum of 1,800,000 shares, representing approximately 0.81% of the Company's share capital on the date of this resolution, for the purpose described in section (a)(ii) above.

The shares acquired in the exercise of the Buy-back Program until reaching the number of 1,800,000 shares will be destined for the purpose provided in section (a)(ii) above, while the following shares that are acquired until reaching the amount maximum of 6,679,478 shares will be destined for the purpose provided in section (a)(i) above.

- (c) Price and volume conditions: the shares will be purchased at market price, in accordance with the price and volume conditions established in article 3 of the Delegated Regulation and, in particular:
 - (i) Maximum acquisition price: the Company will not purchase shares at a price higher than the highest of the following: (A) the price of the last independent transaction; or (B) the highest independent offer at that time in the trading venues where the purchase is made.
 - (ii) Maximum volume: the Company will not purchase on any trading day more than 25% of the average daily volume of the shares of the Company traded in the 20 business days prior to the date of each purchase in the trading center where the purchase is made.
- (d) Duration: The Buy-back Program will have a maximum duration of one year, beginning on April 1, 2020 and remaining in effect until March 31, 2021. However, the Company may terminate the Buy-back Program if, prior to the effective date, it had acquired the maximum number of shares or the maximum cash amount authorized by the Board of Directors referred to in section (b) above or if any other circumstance that so advises occurs.

The interruption, termination or modification of the Buy-back Program, as well as the stock purchase operations carried out by virtue thereof, will be duly communicated to the National Securities Market Commission in accordance with the provisions of the Market Abuse Regulation and the Delegated Regulation.

The Buy-back Program will have JB CAPITAL MARKETS, SOCIEDAD DE VALORES, S.A.U. as its main manager.

The reduction of the Company's share capital by means of the amortization of the shares acquired under the Buy-back Program for such purposes will be subject to the execution of the capital reduction by the Board of Directors under the resolution that will be proposed to the next General Shareholders' Meeting.

Likewise, to enable the start of the Buy-back Program operation, the Company has agreed to temporarily suspend, with effect from April 1, 2020, the liquidity contract signed with JB CAPITAL MARKETS, SOCIEDAD DE VALORES, S.A.U., which entered into force on June 5, 2018, as communicated to the market through a relevant event dated June 4, 2018 (registration number 266,399).