PharmaMar Group reports first quarter 2021 earnings as of March 31st, 2021

- **PharmaMar Group's net sales increased by 39% to €34.4 million in the first quarter.**
- **Oncology net sales increased by 45% to March 31st.**
- **Group reports net income of €24 million in the first quarter of 2021.**
- **The cash and cash equivalents position at the end of March was €231 million.**

Madrid, May 5th, 2021. – PharmaMar Group (MSE: PHM) reported net revenues of €34.4 million at the end of 1Q2021, up 39% year-on-year. The increase in sales was mainly due to the oncology division, which grew by 45% in the quarter to €33.2 million. Sales of Yondelis® (trabectedin) in Europe continued to grow and totaled €18.9 million in the 1st quarter, an increase of 3% over 2020. Sales of lurbinectedin in Europe (under the temporary use authorization program), increased from €2.2 million in the first quarter of 2020 to €8.4 million (+288%) in the first quarter of 2021.

Royalty income reached €8.7 million during the first quarter of 2021, compared to €0.7 million in the same period of 2020. This significant increase is mainly due to royalty revenues received from our U.S. partner, Jazz Pharmaceuticals, for sales of Zepzelca® (lurbinectedin) in the United States.

Meanwhile, revenue from licensing agreements during the first quarter of 2021 amounted to €8.1 million, compared with €73.9 million during the same quarter of 2020. This difference is due to the income from the upfront payment for the license agreement with Jazz Pharmaceuticals that occurred during the first quarter of last year. In both cases, the licensing agreement item corresponds to the accounting for the aforementioned agreement.

GENOMICA reported sales of €1.2 million through March 31st, 2021, compared with €1.9 million in the same period last year. This difference reflects the effect of lower demand for COVID-19 diagnostic tests that healthcare administrations had stockpiled in previous quarters.

Thus, total revenues for the PharmaMar Group at March 31st, 2021 amounted to €51.3 million, compared with €99.5 million in 1Q2020.

The Group's R&D expenditure increased by 19.6% to €14.7 million at the end of March 2021, compared with €12.3 million in the first quarter of 2020. This increase is mainly due to the development of plitidepsin for the treatment of COVID-19. In oncology, during this first quarter, progress was made in the trials of lurbinectedin in combination with different therapeutic agents, as well as in the design of new Phase III trials in indications other than small-cell lung cancer.

Other operating expenses as a whole were down 13% year-on-year at March 31st, from €14.8 million to €12.9 million. This decrease is mainly due to the reduction in corporate expenses which in March 2020 recorded the impact of the Jazz licensing agreement costs.

The PharmaMar Group ended the first quarter with cash and cash equivalents plus financial investments of €231 million and total debt of €50 million. This represents total net cash of €180 million, which sees a net cash increase of €17 million in the first quarter of 2021

As a result, the PharmaMar Group reported net income of €24 million for the first quarter as at March 31st, 2021.

PharmaMar management will host a conference call and webcast for investors and analysts today, May 5th, 2021, at 14:00 CET (08:00 AM, ET) as follows. The numbers to connect to the teleconference are +34 91 901 16 44 (from Spain), +1 646 664 1960 (from USA or Canada) or +44 20 3936 2999 (other countries). Participant access code: 638828.

Once the teleconference is over, the recording will be available on PharmaMar's website, by visiting the Events Calendar section of the company's website at www.pharmamar.com.

Legal warning

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

About PharmaMar

PharmaMar is a biopharmaceutical company focused on the research and development of new oncology treatments, whose mission is to improve the healthcare outcomes of patients afflicted by serious diseases with our innovative medicines. The Company is inspired by the sea, driven by science, and motivated by patients with serious diseases to improve their lives by delivering novel medicines to them. PharmaMar intends to continue to be the world leader in marine medicinal discovery, development and innovation.
PharmaMar has developed and now commercializes Yondelis® in Europe by itself, as well as Zepzelca® (lurbinectedin), in the US; and Aplidin® (plitidepsin), in Australia, with different partners. In addition, it has a pipeline of drug candidates and a robust R&D oncology program. PharmaMar has other clinical-stage programs under development for several types of solid cancers: lurbinectedin, PM184 and PM14. Headquartered in Madrid (Spain), PharmaMar has subsidiaries in Germany, Italy, France, Switzerland, Belgium, Austria and the United States. PharmaMar also wholly owns other companies: GENOMICA, a molecular diagnostics company; and Sylentis, dedicated to researching therapeutic applications of gene silencing (RNAi). To learn more about PharmaMar, please visit us at www.pharmamar.com.

About Yondelis®

Yondelis® (trabectedin) is a novel, synthetically produced antitumor agent originally isolated from *Ecteinascidia turbinata*, a type of sea squirt. Yondelis® exerts its anticancer effects primarily by inhibiting active transcription, a type of gene expression on which proliferating cancer cells are particularly dependent.

About lurbinectedin

Lurbinectedin (Zepzelca®), also known as PM1183, is an analog of the marine compound ET-736 isolated from the sea squirt *Ecteinacidia turbinata* in which a hydrogen atom has been replaced by a methoxy group. It is a selective inhibitor of the oncogenic transcription programs on which many tumors are particularly dependent. Together with its effect on cancer cells, lurbinectedin inhibits oncogenic transcription in tumor-associated macrophages, downregulating the production of cytokines that are essential for the growth of the tumor. Transcriptional addiction is an acknowledged target in those diseases, many of them lacking other actionable targets.

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REPORT AT 31 MARCH 2021

5 May 2021

1Q21 MILESTONES

Corporate

- Group net revenues amounted to €34.4 million, 39% more than in the first quarter of 2020 (€24.9 million).
- Royalties from sales of Yondelis and Lurbinectedin by our partners in their respective territories amounted to €8.7 million, up from €0.7 million in the year-ago quarter.
- Licensing revenues totaled €8.1 million, from the licensing agreement for Zepzelca signed with Jazz Pharmaceuticals in 2019 (€73.9 million in the year-ago quarter).
- Group revenues amounted to €51.3 million in the first quarter of 2021 (€99.5 million in the year-ago quarter).
- Net cash balance increased €17.2 million in the first quarter.
- Rating agency Axesor upgraded PharmaMar's long-term rating by two notches from "BB-", outlook positive, to "BB+", outlook stable.

Oncology

- At the International Association for the Study of Lung Cancer (IASCL) meeting, PharmaMar presented data from the Phase Ib/II trial with Zepzelca in combination with irinotecan in small cell lung cancer.
- PharmaMar signed a licensing agreement with ADIUM for marketing lurbinectedin in Latin America.
- The Therapeutic Goods Administration (TGA), which is the Australian regulator, approved Yondelis for treating patients with liposarcoma or leiomyosarcoma.

Diagnostics

- Genómica's qCOVID-19 Respiratory COMBO kit has been validated for use with direct saliva samples.

RNAi

- The US Food and Drug Administration (FDA) authorized the commencement of a Phase III clinical trial with SYL1001 to treat dry eye disease associated with Sjögren's syndrome.

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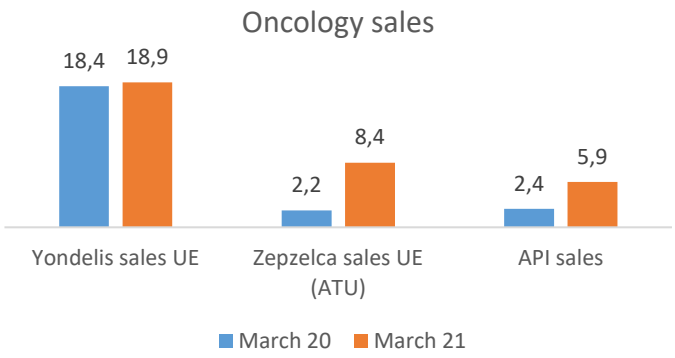
FIGURES TO MARCH 2021

	03/31/2021	03/31/2020	Var.
Oncology Sales	33.201	22.898	45%
Commercial Sales	*27.287*	*20.541*	33%
API & vials sales	*5.914*	*2.357*	151%
Diagnostics Sales	1.212	1.903	-36%
Sales	**34.413**	**24.801**	**39%**
Royalties	**8.671**	**665**	**1204%**
Licences	**8.140**	**73.923**	
Other	**37**	**64**	**-42%**
TOTAL REVENUES	**51.261**	**99.453**	**-48%**

Thousand euro

Group revenues:

Group net revenues amounted to €34.4 million in the first quarter of 2021, up 39% on the year-ago quarter (€24.8 million). This increase was due to good performance of oncology sales, where Yondelis sales reached €18.9 million in the first quarter, up from €18.4 million in the first quarter of 2020 (+3%). Sales of Zepzelca in Europe (under the Temporary Authorisation for Use) also increased, to €8.4 million, in the first quarter of 2021 (+288% year-on-year).Sales of the Yondelis and Zepzelca API to partners amounted to €5.9 million in the first quarter (up +151% on the €2.4 million registered in the year-ago quarter). Diagnostic sales were affected by lower demand for COVID-19 diagnostic tests due to stockpiling by the healthcare administrations in previous quarters, while conventional sales have not yet returned to normal due to the lower level of hospital activity in our traditional diagnostics area; as a result, this item declined by €0.7 million compared with the first quarter of 2020.



Royalties revenues amounted to €8.7 million in the first quarter of 2021, up from €0.7 million in the year-ago quarter. That figure includes royalties from Yondelis sales by our partners in the United States and Japan (€0.7 million) and from Zepzelca sales by our US partner Jazz Pharmaceuticals (€8 million in the first quarter).

Licensing revenues amounted to €8.1 million in the first quarter of 2021, compared with €73.9 million in the year-ago quarter. In both cases, those figures relate to Zepzelca under the agreement with Jazz Pharmaceuticals, revenues from which are recognized in the P&L as a function of the degree of progress with the contractual commitments.

R&D

Group net **R&D** spending increased by 19.6% year-on-year to €14.7 million in the first quarter of 2021 (€12.3 million in the year-ago quarter).

Oncology invested €13 million in the first quarter of 2021, including €2.2 million of costs incurred in clinical trials to develop plitidepsin (Aplidin) for the treatment of COVID-19. The Oncology area made progress with trials of lurbinectedin in combination with other therapeutic agents, and in the design of Phase III trials for indications other than small cell lung cancer.

The RNA interference segment increased capital expenditure to €1.5 million in the first quarter, reflecting preparatory work for the Phase III trial in the US with tivanisiran on dry eye disease associated with Sjögren's syndrome as well as the necessary expenditure to commence the Phase I trial in Spain with SYL18001 in macular degeneration.

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

	03/31/2021	03/31/2020	Difference	
R&D expenses	**14.703**	**12.289**	**2.414**	**19,6%**
Oncology	12.972	11.477	1.495	13,0%
Diagnostics	241	141	100	70,9%
RNAi	1.490	671	819	122,1%

(Thousand euro)

Other operating expenses

Other operating, commercial, administrative and corporate expenses amounted to €12.9 million in the first quarter of 2021, a reduction of 12.5% with respect to the year-ago quarter (€14.8 million). This decline was mainly due to corporate expenses incurred last year in connection with the licensing agreement with Jazz Pharmaceuticals.

EBITDA

Group EBITDA amounted to €19.4 million in the first quarter of 2021 (€72.6 million in the year-ago quarter).

	3/31/21	3/31/20
Net Result	**24.181**	**70.567**
Income tax	(2.302)	338
Net financial income	(3.773)	(405)
Depreciation and amortization	1.327	2.052
EBITDA	**19.433**	**72.552**

(Thousand euro)

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

The variation in EBITDA reflects the lower amount of revenues recognized from licensing agreements (€65.8 million less than in the year-ago quarter), which was partly offset by higher sales and royalties (€17.6 million more than in the year-ago quarter). Overall, operating expenses (including R&D) remained stable.

Cash and Debt

As of 31 March 2021, cash and cash equivalents plus current financial assets and non-current financial assets amounted to €231 million (vs. €216.5 million at 2020 year-end).

Total interest-bearing debt was reduced by €2.7 million in the first quarter.

As a result, net cash flow in the first quarter amounted to €17.2 million.

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

	31/03/2021	31/12/2020	Var.
Non current debt	**34.132**	**37.732**	**-3.600**
Bank debt	2.278	3.561	-1.283
Obligations and bonds	16.613	16.600	13
Govt. Agencies: R&D funding	15.241	17.571	-2.330
Current debt	**16.235**	**15.313**	**922**
Credit facilities	4.585	4.771	-186
Effects and certifications	788	0	788
Bank loan	5.138	5.487	-349
Govt. Agencies: R&D funding	5.085	4.621	464
Interest and others	639	434	205
Total financial debt	**50.367**	**53.045**	**-2.678**
Cash&cash equivalents + non current and current financial investment	**230.988**	**216.504**	**14.484**
TOTAL NET CASH	**180.621**	**163.459**	**17.162**

(Thousand euro)

BUSINESS PERFORMANCE.

Below is an overview of research and development activities in the first quarter of 2021.

1.- Oncology segment: PharmaMar

Compounds:

A) Trabectedin (YONDELIS)

Soft tissue sarcoma
In the first quarter of 2021, 25 post-authorization trials were under way, 15 of them active (8 enrolling new patients). The other trials were in the process of closing or data analysis or were pending the presentation of results. Four additional trials are scheduled to commence in the coming months.

The preliminary results from the cohort of non-L soft-tissue sarcoma patients in the NiTraSarc Phase II trial to assess the efficacy of the combination of nivolumab with trabectedin will be presented at the ASCO meeting, which is scheduled for June 4-8 2021.

Ovarian cancer
There were a total of 13 trials in this indication: 7 were active, 2 were in the process of closing, and 2 were in the activation phase.

Other indications
Enrolment continued for the TOP-ART trial, which combines trabectedin and olaparib in treating solid tumors with DNA repair defects.

B) Lurbinectedin (ZEPZELCA)

Small-cell lung cancer

Contacts have been initiated with the regulators with a view to commencing a Phase III trial in small cell lung cancer aimed at obtaining full approval in the US and approval in Europe.

Additionally, the regulatory processing of the registration dossier for Zepzelca in this indication is advancing in several countries.

Combination trials with Zepzelca (lurbinectedin)

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

Combination trial with irinotecan:
PharmaMar presented the data from the trial with Zepzelca in combination with irinotecan in an oral session at the IASLC World Conference on Lung Cancer (IASLC WCLC), held on January 28-31 2021. The combination of lurbinectedin with irinotecan proved to be effective in patients with small cell lung cancer who had relapsed after first-line treatment, showing considerable activity in patients with resistant disease.

Data were presented from a total of 21 evaluable patients with small cell lung cancer who had experienced progression after receiving at least one line of platinum-based chemotherapy. The Objective Response Rate (ORR) was 62%, with median Progression-Free Survival (PFS) of 6.2 months. The combination was found to have a manageable safety profile.

Phase I trial in China

The Phase I trial, being conducted by our partner Luye and designed to ascertain the dose of Zepsyre® in Chinese patients, is recruiting satisfactorily.

C) Virology Unit: Plitidepsin (APLIDIN®)

Aplidin (plitidepsin)

The clinical report on the results from the APLICOV-PC proof-of-concept clinical trial with Aplidin® (plitidepsin) for treating adult patients with COVID-19 who required hospitalization is ready and will be sent to the agencies shortly; the goal is to accompany it with a publication in a peer reviewed journal.

In January 2021, Science published a research article confirming plitidepsin's strong efficacy against SARS-CoV-2 in a preclinical setting.

With regard to the multicenter, randomized, controlled Phase III clinical trial to determine the efficacy and safety of two dosages of plitidepsin versus control in adult patients requiring hospitalization for the treatment of moderate COVID-19 infection, we have decided to prioritize the trial in Europe, given that the proof-of-concept study was conducted in Spain. The NEPTUNE trial currently being initiated in Europe will also be extended to Latin America. We have already responded favorably to the most recent package of requests for clarification received via the European centralized procedure and, consequently, expect to complete the local administrative processes shortly with a view to beginning to recruit patients as soon as possible.

Progress is also being made with the design of a new Phase I/II protocol to assess the safety and reduction of the viral load achieved with a line of treatment with plitidepsin in adult patients with COVID-19 who are discharged from emergency departments.

D) PM14

The main endpoint of the Phase I trial with PM14 is to identify the optimal dose for administration in patients with advanced solid tumors, and to define the compound's safety profile and assess its pharmacokinetics and pharmacogenetics in treated patients. The expansion phase in selected tumors continues to enroll patients.

Phase I/II trials with this compound in combination are being designed and will commence this year.

2.- Diagnostics: Genómica

Genómica ended 1Q21 with €1.2 million in net revenues (€1.9 million in the year-ago quarter). This reduction, which is believed to be temporary, is due to the decrease in exports of diagnostic tests as a result of the pandemic, to lower revenues from COVID-19 tests caused by price cuts in the face of higher competition, and to a decrease in non-COVID-19 diagnostics being performed in the healthcare sector, also due to the hospital situation caused by the pandemic, which affects sales of the main Genómica kits: Papillomavirus, Herpes virus, Respiratory infections (non-COVID-19), STDs, etc.

In the area of R&D, in January 2021 Genómica validated its qCOVID-19 Respiratory COMBO test for use with direct saliva samples. This test detects SARS-CoV-2 in saliva samples.

The international market accounts for 18% of revenues.

3.- RNA interference: Sylentis

Clinical development of tivanisiran for treating dry eye disease continued in the first quarter of 2021. In March 2021, the US Food and Drug Administration (FDA) authorized the SYL1001_V Phase III trial in treating dry eye disease associated with Sjögren's syndrome. A total of 31 hospitals in the US are participating and the trial plans to recruit 200 patients. This is a randomized, double-masked, placebo-controlled trial whose primary and secondary end-points are, respectively, the efficacy (signs and symptoms) and safety of tivanisiran in patients with dry eye disease associated with Sjögren's syndrome.

Additionally, the Spanish Agency of Medicines and Medical Devices (AEMPS) has authorized a Phase I trial with SYL1801 for the treatment and/or prevention of choroid neovascularization associated with pathologies such as age-related macular degeneration (AMD) and diabetic retinopathy. This Phase I trial involving 36 healthy volunteers is being conducted at Hospital Universitario Ramón y Cajal in Madrid. The trial will assess the safety of several doses of SYL1801 and the product's pharmacokinetics. SYL1801 is a drug based on interference RNA (RNAi), administered in the form of eye drops, that blocks synthesis of the Notch-regulated ankyrin repeat protein (Nrarp) receptor.

BALANCE SHEET *(Thousand euro)*	03/31/2021	12/31/2020
ASSETS		
Non-current assets	**83.681**	**84.607**
Property, plant & equipment	22.806	21.947
Investment properties	845	845
Intangible assets	3.714	3.860
Right-of-use assets	3.947	3.552
Long-term financial assets	20.928	20.988
Deferred tax assets	31.440	33.416
Current assets	**261.420**	**245.650**
Inventories	8.722	11.933
Customer and other receivables	26.850	24.054
Current financial assets	103.627	99.306
Other current assets	15.788	14.148
Cash & cash equivalents	106.432	96.210
TOTAL ASSETS	**345.102**	**330.257**

BALANCE SHEET *(Thousand euro)*	03/31/2021	12/31/2020
EQUITY		
Shareholders' equity	**127.525**	**102.721**
Share capital	11.013	11.013
Share premium	71.278	71.278
Treasury shares	(22.323)	(21.453)
Revaluation and other reserves	17	14
Retained earnings and other reserves	67.541	41.870
TOTAL EQUITY	**127.525**	**102.721**
LIABILITIES		
Non-current liabilities	**133.784**	**132.617**
Financial debt	34.132	37.732
Lease liabilities	2.270	2.150
Non-current deferred revenues	97.205	92.560
Other non-current liabilities	177	176
Current liabilities	**83.793**	**94.919**
Supplier and other accounts payables	20.696	23.220
Financial debt	16.235	15.313
Lease liabilities	1.751	1.470
Provisions for other liabilities & expenses	4.220	6.411
Current deferred revenues	32.704	43.603
Other current liabilities	8.186	4.903
TOTAL LIABILITIES	**217.577**	**227.536**
TOTAL LIABILITIES AND EQUITY	**345.102**	**330.257**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS		
Thousand euro	**03/31/2021**	**03/31/2020**
Revenue:		
Revenue from contracts with customers	34.413	24.801
Revenue from licensing and development agreements (excluding royalties)	8.140	73.923
Royalties	8.671	665
Other	37	64
	51.261	**99.453**
Cost of sales	(5.932)	(2.058)
Marketing expenses	(5.474)	(6.365)
General and administrative expenses	(4.868)	(4.522)
Research and development expenses	(14.703)	(12.289)
Net impairment on financial assets	97	(34)
Other operating expenses	(2.601)	(3.918)
Other results	326	233
Net operating result	**18.106**	**70.500**
Net financial results	**3.773**	**405**
Result of the period before income taxes	**21.879**	**70.905**
Income tax benefit / (expense)	2.302	(338)
Result for the period from continuing operations	**24.181**	**70.567**
Result for the period	24.181	70.567
Equity holders of the parent company	**24.181**	**70.572**
Non-controlling interests	0	(5)

EUR (Thousand)	
CONSOLIDATED CASH FLOW STATEMENT	**03/31/2021**
TOTAL NET OPERATING CASH FLOW	**14.355**
Income before taxes	**21.880**
Profit before tax from continuing operations	*21.880*
Adjustments for:	**(2.482)**
Depreciation and amortization	1.357
Provision for impairment of accounts receivable	(29)
Finance income	(165)
Finance costs	721
Results on disposals of tangible/intangible assets	4
Share based payments	72
Deferred income - grants	(113)
Effects of exchange rate changes	(4.328)
Changes in working capital:	**(9.487)**
Inventories	3.210
Trade and other receivables	(2.767)
Other assets and liabilities	924
Trade and other accounts payable	(4.715)
Deferred or accrual items	(6.140)
Other cash flow from operations:	**4.445**
Financial expenses	(721)
Financial revenues	165
Income tax (collections/payments)	5.000
TOTAL NET INVESTING CASH FLOW	**(1.373)**
Investment payments:	**(1.373)**
Purchases of property, plant & equipment and intangible assets	(1.590)
Other financial assets	216
TOTAL NET FINANCING CASH FLOW	**(2.591)**
Collections and (payments) in connection with equity instruments:	**566**
Acquisition	(9.102)
Disposal	9.668
Collections and (payments) in connection with financial liabilities:	**(4.059)**
Refund and amortization	(3.579)
IFRS16 Payment	(480)
Other financing cash flow:	**902**
Other financing receipts / (payments)	902
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(168)**
TOTAL NET CASH FLOW	**10.223**
Beginning balance of cash and cash equivalents	96.210
ENDING BALANCE OF CASH AND CAHS EQUIVALENTS	**106.432**