PharmaMar Group reports nine months 2022 financial results

- **The Group's recurring revenues (sales plus royalties) were €119.3 million as of September 2022 (+3%).**
- **Royalty revenues grew by 30% in the period to €35.4 million.**
- **PharmaMar Group generated €40.4 million from operating activities in the first nine months, achieving a €201.2 million net cash position.**
- **PharmaMar Group continues to reduce its debt level to historical lows together with the increase in R&D investment.**

Madrid, October 27th 2022.- PharmaMar Group (MSE: PHM) reported total revenues of €141.4 million in the first nine months of 2022, compared with €140.3 million in the same period last year. Of total revenues, recurring revenues (sales plus royalties) increased by 3% to €119.3 million during the first nine months of the year. Of these revenues, sales of Yondelis® (trabectedin) continue to grow, with gross sales up 6% to September 30th. Despite pressure on prices, net sales rose of almost 1% to €52.2 million.

Revenues from Zepzelca® (lurbinectedin) under the "early access" program totaled €13.8 million as of September 30th (vs. €23.3 million as of September 2021). This amount includes the impact of the entry into force in France of the regulations governing the prices of drugs under the Temporary Authorization for Use (ATU) system, under which lurbinectedin is distributed in that country, and which has led to significant discounts since the beginning of the year.

Raw material sales to our partners of both trabectedin and lurbinectedin in the first nine months significantly increased to €17.8 million, 32% higher compared to the same period last year.

Royalty revenues to September 30th also grew significantly to €35.4m[1], an increase of 30% compared to the same period in 2021.

[1] As our partner, Jazz Pharmaceuticals, has not yet reported its financial results for the third quarter of 2022, the royalties recorded through the third quarter of this year are an estimate based on our available information.

The Group's non-recurring revenues, which are those from licensing agreements, totaled €22.1 million in the first nine months of the year (vs. €24.4 million at September 2021). These revenues relate to the recognition in income of the amounts received in 2020 as a result of the lurbinectedin license agreement with Jazz Pharmaceuticals ($300 million), which are recognized in the income statement depending on the degree of progress of the contractual commitments.

PharmaMar Group R&D expenditure as of September 30th 2022 was €57.1 million, 23% more than in the same period of the previous year. This increase is due to the progress of developments in the different research areas, where, among other trials, the Company is currently conducting 4 Phase III trials. Of the total amount allocated to R&D, the oncology area is the one with the highest investment, with a total amount of €48.4 million, compared to the €40.1 registered in the same period of the last year.

At September 30th 2022, the PharmaMar Group generated €40.4 million in cash from operating activities. Total debt also decreased by €5.8 million to €39.8 million in the period, which again marks a new 20-year low in debt. Thus, at September 30th 2022, the Group's cash and cash equivalents position stood at €241 million compared to €212.6 million at the end of the previous year, and net cash totaled €201.2 million, representing a 20% increase since the beginning of the current year.

On September 27th, the Board of Directors of PharmaMar Group decided to discontinue the diagnostics business, which was conducted through its wholly-owned subsidiary Genomica, S.A.U. Consequently, it agreed to initiate the corresponding procedures for the dissolution and liquidation of Genomica, S.A.U., subject to the legally or conventionally applicable procedures for negotiation with the employees.

Genomica closed the past fiscal year 2021 with negative operating and investment cash consumption of €3.2 million, revenues of €5.2 million and a net loss of €3.2 million, which reduced the consolidated operating margin by 4%.

Although the discontinuation of this activity will contribute to improving PharmaMar Group's operating margin in coming years, at September 30th 2022, the discontinuation process had a negative impact of €4.6 million on the income statement, as a result of adding the necessary provisions for closure costs to the losses from the diagnostics activity in that period.

Despite the costs related to the discontinuation of Genomica, PharmaMar Group reported a net profit of €43.4 million in the first nine months of 2022.

Results conference call for analysts and investors

PharmaMar will host a conference call for analysts and investors on Friday, October 28th, 2022, at 13:00 (CET). The numbers to connect to the teleconference are: +34 91 901 16 44 (from Spain), +1 646 664 1960 (from the US or Canada) or +44 20 3936 2999 (other countries). Participants' access code: 250969.

The teleconference and the recording of the webcast can be accessed on PharmaMar's website by visiting the Events Calendar section of the Company's website at www.pharmamar.com.

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 and ecubectedin. Headquartered in Madrid (Spain), PharmaMar has subsidiaries in Germany, France, Italy, Belgium, Austria, Switzerland 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.

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REPORT AT 30 SEPTEMBER 2022

27 October 2022

MILESTONES

Corporate

- Recurring revenues (sales + royalties) in the first nine months of 2022 were up 3% vs. the same period of 2021.
- Total Revenues totaled €141.4 million in the first nine months of 2022 (€140.5 million in the same period of 2021)
- Royalties from sales of Yondelis and Zepzelca by our partners in their respective territories amounted to €35.4 million, a 30% increase year-on-year (from €27.2 million).
- Operating cash flow amounted to €40.4 million in the first nine months of 2022 vs. €26.9 million in the same period of 2021.
- The net cash balance, after deducting net interest-bearing debt, amounted to €201.2 million, an increase of 20% on 2021 year-end (€167.0 million).
- The Board of Directors of PharmaMar resolved to discontinue the diagnostics business, carried on through Genómica, S.A.U.

Oncology

- In September, Lurbinectedin received the Innovation Passport designation from the UK's Medicines and Healthcare Products regulatory Agency (MHRA).
- Boryung Corporation, PharmaMar's partner in South Korea, received conditional approval from the South Korean Ministry of Food and Drug Safety (MFDS) to market Zepzelca® (lurbinectedin) for the treatment of adult patients with metastatic small cell lung cancer.
- In July, Pharma Mar's partner, Luye Pharma Group, obtained approval from the Chinese health authorities to use lurbinectedin in an early access program for the treatment of small cell lung cancer in the Hainan region of China.
- Several posters with results from clinical trials and real world data with Zepzelca (lurbinectedin) and Yondelis (trabectedin) were presented at the IASLC World Conference on Lung Cancer, European Society of Medical Oncology (ESMO) annual meeting and North America Conference of Lung Cancer (NACLC).

RNAi

- Documentation to commence a Phase II clinical trial of 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, has been submitted to the regulatory agencies of several European countries.

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FIGURES TO SEPTEMBER 2022

	09/30/2022	09/30/2021 (*)	Var.
RECURRING REVENUE	**119.279**	**115.885**	**3%**
Oncology sales	83.838	88.689	-5%
Diagnostics sales	0	0	
Royalties	35.441	27.196	30%
NON RECURRING REVENUE	**22.121**	**24.444**	**-10%**
License Agreements	22.115	24.420	-9%
Other	6	24	-75%
TOTAL REVENUES	**141.400**	**140.329**	**1%**

(Thousand euro)
(*) Recasted to show discontinued operations related to Genómica SAU

Group revenue:

Recurring revenues are the sum of the Group's net sales and royalties from sales from our partners in their respective territories. Recurring revenues in the first nine months of 2022 amounted to €119.3 million, a 3% increase with respect to the same period of 2021 (€115.9 million), driven mainly by higher royalties.

Net revenues in the Oncology segment amounted to €83.8 million in the first nine months of 2022 (vs. €88.7 million in the same period of 2021). The breakdown of net revenues is as follows:

i) Net revenues from Yondelis amounted to €52.2 million in the first nine months of 2022 (vs. €51.9 million in the same period of 2021).
ii) Revenues from Zepzelca in Europe under the early access program amounted to €13.8 million (vs. €23.3 million in the same period of 2021).
iii) Sales of both Yondelis and Zepzelca raw material to our various partners amounted to €17.8 million (vs. €13.5 million in the same period of 2021).

While unit sales of Yondelis increased by close to 6%, sales revenues remained stable year-on-year because of pressure on prices. The decrease in Zepzelca revenues in Europe (early access) is due to the entry into force in France of a regulation imposing significant discounts on the prices of drugs in the *Authorisation d'acces compassionel* system under which Zepzelca is distributed in that territory. Nevertheless, sales in terms of units were similar to the same period of the previous year. The increase in raw material sale s is mainly due to sales to our Yondelis partners in territories other than the United States and Japan.

Royalties amounted to €35.4 million in the first nine months of 2022, up from €27.2 million in the same period of last year (+30%). That figure includes royalties from Yondelis sales by our partners in the United States and Japan, totaling €2.5 million euro and from Zepzelca sales by our US partner Jazz Pharmaceuticals amounting to €32.9 million in 9M22. Royalties on sales by Jazz in third quarter are an estimate since the figures for that period were not available at the date of publishing this report.

Non-recurring revenue, from **out-licensing agreements**, amounted to €22.1 million in 9M22, compared with €24.4 million in the same period of 2021. Those figures relate to the recognition, on the basis of progress with the contractual commitments, of amounts collected in 2020 as a result of the €300 million licensing agreement for Zepzelca with Jazz Pharmaceuticals.

R&D

Group **R&D** spending increased by 23% year-on-year to €57.1 million in the first nine months of 2022 (€46.3 million in the same period of 2021).

Oncology spent €48.4 million on R&D in the first nine months of 2022, including €13.0 million on developing plitidepsin for the treatment of COVID-19, which is recognized in this segment. Expenditure directly on oncology in the period was related mainly to the LAGOON confirmatory Phase III trial with lurbinectedin in small cell lung cancer, as well as clinical trials of thi s molecule in combination with other agents. Also noteworthy was spending on the clinical trial of ecubectedin in solid tumors, and on pre -clinical trials to develop two new molecules for the clinical pipeline.

The interference RNA segment increased R&D spending to €8.6 million in the period (from €6.2 million in 9M21), reflecting progress with the first of two required Phase III trials in the US with tivanisiran in dry eye disease associated with Sjögren's syndrome, a safety trial associated with that Phase III trial, and the Phase I trial in Spain with SYL18001 in macular degeneration, which concl uded recently.

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

	09/30/2022	09/30/2021	Difª	
R&D expenses	**57.070**	**46.316**	**10.754**	**23%**
Oncology	48.428	40.145	8.283	21%
RNAi	8.642	6.171	2.471	40%

(Thousand euro)

Other operating expenses

Other operating, commercial, administrative and corporate expenses amounted to €36.7 million in the first nine months of 2022, an increase of 9% year-on-year (€33.7 million). This increase is due mainly to the increase in commercial activities, which resumed after the end of the COVID-19 restrictions.

EBITDA

Group EBITDA amounted to €44.5 million in the first nine months of 2022 (€55.0 million in same period of 2021).

	09/30/2022	09/30/2021
Net result of the period from continuing operations	**47.967**	**57.153**
Income tax	(1.356)	(2.673)
Net financial income	(5.912)	(2.633)
Depreciation and amortization	3.801	3.169
EBITDA from continuing operations	**44.500**	**55.016**

(Thousand euro)

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

The variation in EBITDA (-19%) is due mainly to the increase in R&D expenses (+€10.8 million) between the two periods.

Cash and Debt

As of 30 September 2022, cash and cash equivalents plus current and non-current financial assets amounted to €241.0 million (+13% vs. €212.6 million as of 31 December 2021). This increase is due mainly to the receipt, during the period, of a milestone payment in the amount of €22.4 million that accrued in December 2021 in connection with the Zepzelca license to Jazz Pharmaceuticals and also to good performance by our recurring revenues.

In the first nine months of 2022, loans from banks and official agencies amounting to €6.5 million were repaid and no new loa ns were arranged. As a result, total interest-bearing debt was reduced by €5.8 million (13%) with respect to December 2021, to €39.8 million vs. €45.6 million as of December 2021.

Net cash (cash and cash equivalents + current financial assets + non-current financial assets - current interest-bearing debt - non-current interest-bearing debt) increased by 20% with respect to the end of 2021.

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

	09/30/2022	12/31/2021	Var.
Non current debt	**26.059**	**33.386**	**-7.327**
Bank debt	287	4.669	-4.382
Obligations and bonds	16.695	16.654	41
Govt. Agencies: R&D funding	9.077	12.063	-2.986
Current debt	**13.776**	**12.212**	**1.564**
Credit facilities	3.312	3.745	-433
Bank loan	4.919	3.864	1.055
Govt. Agencies: R&D funding	3.955	4.077	-122
Interest and others	1.590	526	1.064
Total financial debt	**39.835**	**45.598**	**-5.763**
Cash&cash equivalents + non current and current financial investment	**240.994**	**212.602**	**28.392**
TOTAL NET CASH / (DEBT)	**201.159**	**167.004**	**34.155**

(Thousand euro)

Discontinued operations

On 27 September 2022, after evaluating several alternatives, the Board of Directors of PharmaMar decided to discontinue the diagnostics business, which was conducted through its wholly-owned subsidiary Genómica, S.A.U. As a result, the Board of Directors of PharmaMar resolved to initiate the procedures to dissolve and liquidate its subsidiary Genómica, S.A.U.

Genómica ended 2021 with negative operating cash flow and capital expenditure in the amount of €3.2 million, having reported a net loss of €3.2 million on €5.2 million in revenues. These losses reduced the consolidated operating result by 4%.

Although the discontinuation of this activity should improve the group's operating result in the future, the impact as of 30 September 2022 is negative in the amount of €4.6 million, which is the sum of the losses inherent in the business in this period plus the necessary provisions for closure costs. This compares with total losses of €2.5 million in the same period of 2021.

In the profit and loss account accompanying this report and in the statement of cash flows, the diagnostic business is recognized net as discontinued operations as of September 2022. The financial statements as of September 2021 have been restated for comparability.

RESEARCH AND DEVELOPMENT

Below is an overview of research and development activities.

1.- Oncology segment: Pharma Mar. Compounds:

A) Trabectedin (YONDELIS)

Soft tissue sarcoma

Twenty post-authorization trials were being managed at the end of the third quarter of 2022, six of which were recruiting new patients. The other trials were in the process of closing and data analysis or were pending the presentation of results. Another trial is currently in the activation phase.

The final results of the YONSAR trial, a non-interventional trial assessing the efficacy and safety of Yondelis® in real-life practice in Germany, were presented at the European Society for Medical Oncology (ESMO) meeting, which was held in Paris on 9–13 September.

Ovarian cancer

There are nine trials ongoing in this indication, four of them actively recruiting.

The initial results of the TOP-ART trial with the combination of trabectedin and olaparib in solid tumors with genetic defects in DNA repair, which continues to recruit patients, were also presented at the ESMO meeting.

B) Lurbinectedin (ZEPZELCA)

On 5 August, lurbinectedin received the Innovation Passport Designation from the UK's Medicines and Healthcare Products regulatory Agency (MHRA). This is the first step towards obtaining the MHRA's Innovative Licensing and Access Pathway (ILAP), which aims to accelerate time to market by providing patients with access to medicines. The criteria for this designation include cases where the disease is life-threatening or severely debilitating, or where there is a significant patient or public health need and the drug has the potential to offer benefits to patients (improved efficacy or safety, improved patient care or quality of life compared with other therapeutic options).

In September, Boryung Corporation, PharmaMar's partner for certain Asian territories, received conditional approval from South Korea's Ministry of Food and Drug Safety (MFDS) to market Zepzelca® (lurbinectedin) for the treatment of adult patients with metastatic small-cell lung cancer where the disease has progressed during or after platinum-based chemotherapy. This latest approval of lurbinectedin is based on clinical data from the single-arm, multicenter, open monotherapy trial conducted in 105 adult patients with relapsed metastatic small cell lung cancer (including patients with platinum-sensitive and platinum-resistant disease), which the Food and Drug Administration (FDA) used to grant accelerated approval of lurbinectedin in the United States.

Small-cell lung cancer

The LAGOON pivotal Phase III trial as second-line treatment for relapsed small cell lung cancer that had been agreed upon with the FDA began enrolling patients in the third quarter of 2022. This is a three-arm trial comparing lurbinectedin as monotherapy or in combination with irinotecan against investigator's choice of irinotecan or topotecan (iv or oral).

If the outcome is positive, the trial could confirm the benefits of lurbinectedin for treating small cell lung cancer when patients have experienced progression after first-line treatment with platinum in the USA, and would serve as a registrational trial for certain territories outside the USA.

The IMforte Phase III trial conducted by our partner Jazz Pharmaceuticals to assess Zepzelca in combination with a PD-L1 inhibitor for treating small cell lung cancer is enrolling satisfactorily. The trial, which is sponsored by 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 a single agent. This collaborative research will provide information on a potentially novel first-line maintenance treatment option for small cell lung cancer, a phase I/II with Nivo/Ipi in SCLC.

A retrospective data collection study continues in France in patients who have received lurbinectedin as part of the named-patient compassionate use program (*Autorisation d'acces compassionnel*); its goal is to describe the clinical and demographic characteristics of these patients by assessing overall survival, real-world progression-free survival, etc. This study is being headed by *Intergroupe Francophone de Cancérologie Thoracique* and *Groupe Français de Pneumo-Cancérologie*, and the principal investigator is Professor Nicolas Girard of the Institut Curie (Paris).

Combination trials with Zepzelca (lurbinectedin)

During the period, recruitment continued on schedule for the Phase I trials with lurbinectedin in combination with irinotecan, pembrolizumab and atezolizumab.

Specifically, the combination trial with irinotecan is advancing in the expansion process in small cell lung cancer, synovial sarcoma and neuroendocrine tumors, as planned.

Phase I trial in China

This trial is being conducted by our partner Luye and is designed to ascertain the dose of Zepzelca in Chinese patients. Patient enrolment has concluded and the trial is in the monitoring phase.

ESMO meeting

Three posters in connection with two different trials with lurbinectedin were presented at the European Society for Medical Oncology (ESMO) meeting held in Paris on 9-13 September 2022. In the first poster, entitled "Synthetic control arm (SCA) analysis of lurbinectedin compared to the standard of care (SoC) among patients with small cell lung cancer (SCLC) previously treated with platinum-based chemotherapy", the authors conclude that lurbinectedin offers potential benefit compared to the standard of care following platinum-based treatment in small cell lung cancer.

In the second poster, entitled "Real-world (RW) outcomes of second-line (2L) small cell lung cancer (SCLC) patients treated with lurbinectedin", the authors report that the outcomes of patients treated with second-line lurbinectedin monotherapy in a real-world setting are consistent with those found in the phase II clinical trial. They further conclude that lurbinectedin provides an additional treatment option for patients with relapsed small-cell lung cancer, including those with platinum-sensitive disease.

C) Ecubectedin (PM14)

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

Recruitment for the Phase I/II trial with this compound in combination with irinotecan is progres sing satisfactorily. The Phase Ib trial in combination with atezolizumab is also recruiting satisfactorily.

D) Virology: Plitidepsin

Plitidepsin

The NEPTUNO 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 continues with patient enrolment in Europe and Latin America.

Additionally, the NEREIDA Phase II, multicenter, open, randomized, controlled, basket and pragmatic clinical trial to determi ne the efficacy and safety of plitidepsin compared to control in immunocompromised adul t patients with symptomatic COVID-19 requiring hospitalization was submitted to the Spanish regulatory authorities (AEMPS and Ethics Committee) in late September .

Extension of the APLICOV-PC Phase II trial

The extension trial in a cohort of adult patients with SARS-CoV-2 infection who required hospitalization and had been treated with plitidepsin in the APLICOV-PC trial, in order to assess the frequency of post-COVID-19 morbidity and characterize the sequelae profile of participating patients, has concluded.

2.- RNA interference: Sylentis

The Phase III trial with tivanisiran for treating dry eye disease associated with Sjögren's syndrome, which aims to enrol 200 patients, continued in the third quarter of 2022. The number of participating centres was expanded from 31 to 35 hospitals in the United States. The primary endpoint is efficacy (signs and symptoms) and the secondary endpoint is safety.

In March, the first patient was enrolled in the USA in a new Phase III trial to assess the long-term safety of tivanisiran for treating the signs and symptoms of dry eye disease. This multicenter, randomized trial will enrol approximately 300 patients with mild to severe dry eye disease. Patient recruitment was advancing at a good pace at the end of Septem ber. The primary endpoint is to evaluate the safety of tivanisiran when administered in the form of eye drops in both eyes once daily for one year. Efficacy (signs and sy mptoms) will also be assessed in those patients. The design of the long-term safety study has been cleared by the FDA and will be part of the marketing application.

The first Phase I trial with SYL1801 for treating and/or preventing choroid neovascularization, a common cause of retinal dis eases such as age-related macular degeneration (AMD) and diabetic retinopathy, has concluded. It involved 36 healthy volunteers and was conducted at Hospital Universitario Ramón y Cajal in Madrid with two treatment intervals: a single ascending dose and multiple ascending doses for seven consecutive days. The final results show that all doses of SYL1801 administered as ophthalmic solution were safe and well tolerated in healthy volunteers. The regulatory documentation to commence the Phase II clinical trial was submitted in the third quarter.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(Thousand euro)*	Sept 30, 2022	December,31 2021
ASSETS		
Non-current assets		
Property, plant and equipment	25,178	26,961
Investment property	845	845
Intangible assets	2,724	3,233
Right-of-use assets	2,510	3,644
Non-current financial assets	54,644	10,722
Deferred tax assets	27,258	27,750
	113,159	**73,155**
Current assets		
Inventories	21,507	10,536
Trade and other receivables	29,154	50,908
Financial assets at amortised cost	56,917	88,532
Other assets	27,546	31,907
Cash and cash equivalents	129,433	113,348
	264,557	**295,231**
Assets classified as held for sale	**1,382**	**0**
TOTAL ASSETS	**379,098**	**368,386**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(Thousand euro)*	Sept 30, 2022	December,31 2021
EQUITY		
Share capital	11,013	11,013
Share premium	71,278	71,278
Treasury shares	(20,395)	(25,679)
Revaluation reserves	22	19
Retained earnings and other reserves	150,586	121,287
Total capital and reserves attributable to equity holders of the parent company	**212,504**	**177,918**
TOTAL EQUITY	**212,504**	**177,918**
LIABILITIES		
Non-current liabilities		
Borrowings	26,059	33,386
Lease liabilities	1,226	1,916
Non-current deferred income	49,185	68,634
Other non-current liabilities	184	186
	76,654	**104,122**
Current liabilities		
Trade and other payables	31,117	29,269
Borrowings	13,776	12,212
Lease liabilities	1,357	1,819
Outstanding remunerations	8,364	7,546
Current deferred income	28,025	29,667
Other current liabilities	7,301	5,833
	89,940	**86,346**
TOTAL LIABILITIES	**166,594**	**190,468**
TOTAL EQUITY AND LIABILITIES	**379,098**	**368,386**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS		
(Thousand euro)	**Sept 30, 2022**	**(*) Sept 30, 2021**
Revenue:		
Revenue from contracts with customers	83,838	88,689
Revenue from licensing and development agreements	22,115	24,420
Royalties	35,441	27,196
Other	6	24
	141,400	**140,329**
Cost of sales	(7,409)	(9,165)
Gross Result	**133,991**	**131,164**
Marketing expenses	(16,393)	(14,447)
General and administrative expenses	(11,749)	(11,098)
Research and development expenses	(57,070)	(46,317)
Net impairment on financial assets	(559)	151
Other operating expenses	(8,596)	(8,190)
Other results	1,075	583
Operating Result	**40,699**	**51,846**
Finance costs - net	**5,912**	**2,633**
Result of the period before income taxes	**46,611**	**54,479**
Income tax benefit / (expense)	1,356	2,673
Result for the period from continued operations	**47,967**	**57,152**
Result for the period from discontinued operations (*)	**(4,595)**	**(2,451)**
Result for the period	**43,372**	**54,701**

(*) Recasted to show discontinued operations related to Genomica

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (Thousand euro)	September 30,2022
Result before taxes:	**41,280**
Result before taxes from continuing operations	*46,609*
Result from discontinued operations	*(5,329)*
Adjustments for:	**2,741**
Depreciation and amortization	3,836
Provision for impairment of accounts receivable	(74)
Finance income	(480)
Finance costs	1,630
Share based payments	299
Deferred income - grants	93
Exchange differences on translation of foreign operations	(7,121)
Other adjustments to profit or loss	4,558
Changes in working capital:	**(15,359)**
Inventories	(11,880)
Trade and other receivables	21,799
Other assets and liabilities	(4,664)
Trade and other accounts payable	588
Deferred or accrual items	(21,202)
Other cash flows from operations:	**11,726**
Interest paid	(1,831)
Interest received	480
Income taxes paid	13,077
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	**40,388**
Acquisitions:	**(8,467)**
Property, plant and equipment, intangible assets and investment property	(2,620)
Other financial assets	(5,847)
Proceeds from:	**-**
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	**(8,467)**
Receipts and (payments) in connection with equity instruments:	**2,659**
Purchase of treasury shares	(35,570)
Proceeds from shares issued	38,229
Receipts and (payments) in connection with financial liabilities:	**(7,425)**
Proceeds from borrowings	72
Repayment of borrowings	(7,497)
Dividends paid	**(11,761)**
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	**(16,527)**
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**691**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**16,085**
Cash and cash equivalents at beginning of the period	113,348
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**129,433**

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	9/30/2022
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**4,848**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(541)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**4,307**

APPENDIX I: Alternative Performance Measures

In the course of the elaboration of the financial information, the Board of Directors has adopted a series of Alternative Performance Measures ("APM") in order to achieve a better understanding of the business performance.

APMs are important indicators both for the financial users but also for the Company in order to make strategic and operational decisions. Their purpose is to evaluate the financial performance, cash flows and/or financial situation of the Company based on comparable periods.

EBITDA ("Earnings Before Interest, Taxes, Depreciation and Amortization")

EBITDA includes all the revenues and costs except for amortization, provisions, financial results and taxes; being the base for calculation each of those items in the Profit and Loss Account.

The components and base for the calculation of this APM are the following items of the Profit and Loss Account: Net Result – Income tax – Net financial result + Depreciation and amortization.

This APM shows the operative performance of the Company, as it reflects the operational result before deducting interests, taxes, impairments and amortizations.

Cash / (Debt) Net Position

Net Cash is the cash, both current and non-current, that would be available for the Company after deducting all current and non-current financial debt.

The components and basis for calculation of this APM are the following items of the Balance Sheet: Cash and Cash equivalents + financial assets at amortized cost (current) + financial assets (non-current) – Financial Debt (non-current) – Financial Debt (current); being the base for calculation each of those items in the Balance Sheet.

This APM helps to determine:

(i) Net cash position: determines the company's liquidity after deducting financial obligations. It reflects the part of cash that remains available to use in the Company's business; the liquidity cushion.

(ii) Net debt position: determines the company's level of indebtedness after deducting available cash and cash equivalents, and therefore it reflects what part of the Company's activity is financed with external resources.

APPENDIX II: Glossary

In order to improve the quality of the information and also for a better and accurate understanding by the user of this information, a number of terms used by the Company are defined below:

Revenues:

Represents the consolidated net revenues. It is calculated as the sum of:

(i) Recurring revenues (oncology divison's net sales and oncology royalties),
(ii) Non-recurring revenues (oncology out-licensing agreements and other).

Recurring revenues:

This item includes:

(i) Oncology divison's net sales, with deductions of amounts related to returns, discounts and recalls
(ii) Royalties received from our partners' sales in their territories

Non-recurring revenues:

This item includes all the revenues from out-licensing agreements, mainly in the oncology segment, which are received or recognized on an irregular basis in the income statement. This could be the upfront fees, or a milestone payment, usually either clinical, regulatory or commercial, which are regulated in the agreements.

Oncology's net sales:

This recurring revenue includes:

(i) Net sales from finished products of PharmaMar, that could be commercial sales or revenues under "early access" program
(ii) Net sales of raw materials to our partners.

Royalties:

This recurring revenue includes royalties from sales of:

(i) Yondelis's sales from our partners outside of the territories where PharmaMar has its sales force
(ii) Zepzelca's sales from our partners ousidet of the territories where Pharma Mar has its sales force