PharmaMar Group reports 2023 annual results

- **In the face of the challenges in 2023, with the genericization of Yondelis and the historic investment in R&D, the Group has remained profitable in 2023.**
- **Royalty revenues up 4% in 2023 to €52.2 million, driven by Zepzelca revenues in the U.S.**
- **In 2023, the Group's total revenue reached €158.2 million (compared with €196.3 million in 2022), due to the impact of the arrival of generic trabectedin on the European market.**
- **R&D expenditure amounted to €99.3 million, 19% more than in the previous year.**
- **EBITDA at December 31st, 2023 was €2.1 million.**

Madrid, February 28th, 2024. – PharmaMar (MSE:PHM) reported total revenues of €158.2 million in 2023, compared with €196.3 million in the same period of the previous year. Recurring revenues, which result from the sum of net sales plus royalties on sales made by our partners, totaled €124.1 million, compared with €156.0 million in 2022. These changes in revenues are mainly due to the introduction of generic trabectedin (Yondelis®) products on the European market, which has put significant pressure on prices. Thus, Yondelis recorded net sales of €26.1 million at December 31st, 2023, compared with the €63.8 million reported the previous year.

Revenues from Zepzelca® (lurbinectedin) continued to grow. Both revenues in Europe and royalties from sales in the US recorded significant increases. Revenues from the early access program grew to €29.7 million at year-end, compared with €15.5 million in 2022. These revenues come mainly from France, although other early access programs are also open in countries such as Spain and Austria.

The increase in Zepzelca's revenues in Europe reflects a positive adjustment made by the French authorities in relation to the previous year's discounts.

In addition, revenues in Europe in 2023 reflect the first sales of Zepzelca in Switzerland since its commercial launch in the second half of the year.

The sale of raw materials of both Yondelis and Zepzelca to our partners is also included in recurring revenues. These sales reported revenues of €14.9 million at the end of 2023, compared with €21.4 million reported in the previous year. This difference is mainly due to the accumulation of stocks that some of our partners carried out in 2022.

It is important to highlight the growth in royalty revenues, which amounted to €52.2 million in fiscal year 2023. This revenue mainly includes royalties received from our partner Jazz Pharmaceuticals for lurbinectedin sales in the US, which amounted to €48.4 million, compared with the €46.9 million reported in 2022. Excluding the currency effect, royalty growth stood at 8%.

In addition to the royalties received from Jazz Pharmaceuticals, royalties on Yondelis sales from our partners in the US and Japan totaled €3.8 million in 2023, compared with €3.4 million in 2022.

Non-recurring revenues from licensing agreements amounted to €33.6 million at year-end 2023, compared with €40.2 million in the previous year. Most of this revenue came from Zepzelca licensing agreements for a total of €24.2 million, to which must be added the €9.4 million recorded in the last quarter of 2023 for the fulfillment of a commercial milestone under the contract signed with Janssen (Johnson & Johnson) for Yondelis in the United States.

At December 31st, 2023, R&D expenditure amounted to €99.3 million, an increase of 19% compared with the previous year. Of the total R&D investment in 2023, the amount earmarked for the oncology segment increased to €83.6 million compared with €68.1 million in 2022. This increase is largely related to the confirmatory Phase III trial of lurbinectedin in Small Cell Lung Cancer, called LAGOON, which is progressing in patient recruitment and where an additional effort is being made to open new centers. Part of this investment was also designated for a Phase IIb/III trial with lurbinectedin for the first-line treatment of Leiomyosarcoma, which began in the last quarter of the year. The Company continues to invest in the clinical development of other molecules at earlier stages. A Phase II clinical trial is under way with ecubectedin for solid tumors, and Phase I clinical trials are also under way with ecubectedin, PM534 and PM54 for the treatment of solid tumors.

Despite the pressure on Yondelis sales prices and the growing R&D effort, PharmaMar reported net income of €1.1 million at the end of 2023.

At 31st December 2023, PharmaMar Group had a cash and cash equivalents position of €168.6 million and a total debt of €39.9 million, which translates into net cash of €128.8 million. This cash position already reflects dividends paid and the €15 million acquisition in treasury stock, which the Company completed in January of this year 2024.

The Board of Directors of Pharma Mar, S.A. will propose to the General Shareholders' Meeting the distribution of a dividend of €0.65 per outstanding share that will be charged to unrestricted reserves (share premium), with a maximum distribution amount set at 11,930,689.55 Euros.

PharmaMar Results Conference Call for Investors and Analysts

PharmaMar management will host a conference call and webcast for investors and analysts on Thursday February 29th, 2024 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: 889062. Interested parties can also follow the webcast live via the following link: https://streamstudio.world-television.com/1052-1618-39091/en

A recording of the teleconference can be accessed on PharmaMar's website by visiting the Events Calendar section of the Company's website 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, ecubectedin, PM534 and PM54. It also has a preclinical and clinical program in virology. Headquartered in Madrid (Spain), PharmaMar has subsidiaries in Germany, France, Italy, Belgium, Austria, Switzerland and The United States. PharmaMar also wholly owns Sylentis, a company 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 Zepzelca®

Zepzelca® (lurbinectedin), also known as PM1183, is an analog of the marine compound ET-736 isolated from the sea squirt *Ecteinascidia 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 DECEMBER 2023

28 February 2024

MILESTONES

Corporate

- As of December 31, 2023, the total revenues of the Group amounted to 158.2 million euros (compared to 196.3 million euros in the same period of 2022), primarily reflecting the impact on prices due to the European market entry of generic trabectedin products.
- Royalties from sales of Yondelis and Zepzelca by our partners in their respective territories amounted to €52.2 million (€50.3 million in 2022).
- As of December 31, the Group recorded cash and financial investments totaling 168.6 million euros and a total financial debt of 39.9 million euros (compared to 231.8 million euros in cash and 39.0 million euros in debt as of December 31, 2022).

Oncology

Lurbinectedin (Zepzelca)

- Marketing approval for Zepzelca in new territories: In 2023, PharmaMar partners obtained full or conditional approval to market Zepzelca in the following territories: Mexico, Ecuador, Israel, Switzerland, Taiwan, Oman, Peru, Macao and Hong Kong. As a result, Zepzelca is now approved in 16 territories worldwide, including the United States, for treating small cell lung cancer.
- New Phase III clinical trial: In 2023, PharmaMar commenced a new Phase IIb/III adaptative design clinical trial (SaLuDo: Sarcoma patients treated with Lurbinectedin and Doxorubicin) with lurbinectedin in combination with doxorubicin for first-line treatment of patients with metastatic leiomyosarcoma.
- Orphan drug designation: The European Commission granted orphan drug designation to lurbinectedin for the treatment of soft tissue sarcoma.
- New licensing agreement: PharmaMar signed a new licensing agreement with Key Oncologics to market and distribute Zepzelca in South Africa, Namibia, Zimbabwe, Mozambique, Eswatini, Lesotho and Botswana.

New compounds in the clinical trial pipeline:

- In May 2023, PharmaMar initiated a new Phase I clinical trial for the treatment of patients with different types of solid tumors using a new molecule of marine origin: PM54. This is the first clinical trial with this new compound in humans, and it is being conducted in hospitals in Spain, Europe and the United States.

Sylentis

- Investment in a new plant for producing oligonucleotides begun in 2023.
- On February 9, 2024, it was announced that the Phase III trial with tivanisiran for treating dry eye disease associated with Sjögren's syndrome did not met its primary endpoint.

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FIGURES TO DECEMBER 2023

	12/31/2023	12/31/2022	Var.
RECURRING REVENUE	**124,051**	**155,990**	**-20%**
Oncology sales	70,681	100,759	-30%
Other sales	1,192	4,977	-76%
Royalties	52,178	50,254	4%
NON RECURRING REVENUE	**34,102**	**40,353**	**-15%**
License Agreements	33,590	40,169	-16%
Other	512	184	178%
TOTAL REVENUES	**158,153**	**196,343**	**-19%**

(Thousand euro)

Group revenue:

Group revenue totaled €158,2 million in 2023, compared with €196.3 million in 2022. The breakdown of that figure is as follows:

Recurring revenue, i.e. net sales plus royalties from sales by partners, went from €156.0 million in 2022 to €124.1 million in 2023. This 20% year-on-year change is mainly due to lower revenues from Yondelis as a result of price pressure from the entry of generic products into the Europeam market.

Net Sales in the oncology segment amounted to €70.7 million in 2023, down 30% on 2022 (€100.8 million). The breakdown of net sales is as follows:

i) Net sales of Yondelis in the European market. Yondelis sales in Europe amounted to €26.1 million in 2023 (€63.8 million in 2022). This variation is a consequence of the release of generic trabectedin on the market in the fourth quarter of 2022, resulting in significant pressure on prices. Yondelis received its first marketing authorization in 2007, so it has been on the market for more than fifteen years.

ii) Revenues from lurbinectedin in Europe amounted to €29.7 million in 2023 (€15.5 million in 2022), of which €28.5 million in France under the "Acces de Use Compasionel" compassionate use program (€14.7 million in 2022). This increase is due to the positive adjustment made by the French authorities in relation to the previous year's clawbacks. The number of units demanded under this program increased slightly compared to the previous year.

iii) Sales of raw materials, both Yondelis and Zepzelca, to our partners. This item amounted to €14.9 million in 2023, compared with €21.4 million in 2022. The change is due to inventory accumulation by partners in 2022.

Royalties revenue amounted to €52.2 million in 2023, a 4% increase on the €50.3 million recognized in 2022. That figure includes royalties from Zepzelca sales by our US partner, Jazz Pharmaceuticals, amounting to €48.4 million in 2023 (€46.9 million in 2022).

In addition, royalties were also received for sales of Yondelis by our partners in the United States and Japan in the amount of €3.8 million in 2023 (€3.4 million in 2022).

Non-recurring revenue, mainly **from out-licensing agreements**, amounted to €33.6 million in 2023, compared with €40.2 million in 2022.

In 2023, €23.0 million in revenue were recognized out of the USD 300 million received in 2020 under the Zepzelca license agreement with Jazz Pharmaceuticals, which is being recognized in revenue on the basis of the performance obligations (€29.5 million in 2022). Other revenue from Zepzelca licensing agreements for other territories amounted to €1.1 million in 2023 (€0.6 million in 2022). Revenue in the amount of USD 10 million (€9.5 million) was recognized in 2023 as a result of attaining a commercial milestone contemplated in the 2001 licensing and co-development agreement with Janssen (Johnson&Johnson) (USD 10 million, or €10.1 million, in 2022).

R&D

R&D spending increased by 19% year-on-year to €99.3 million in 2023, from €83.4 million in 2022.

Out of the total R&D investment though December 31st 2023, 72.9 million euros were from oncology activities, compared to 51.0 million euros as of December 31st, 2022. A significant portion of this is related to to the LAGOON Phase III confirmatory trial with lurbinectedin in small cell lung cancer, which continues to enroll patients. Another sizeable amount was allocated to the Phase IIb/III trial with lurbinectedin in combination with doxorubicin for first-line treatment of patients with metastatic leiomyosarcoma, which began enrolling patients last October. The company is also investing in early-stage clinical development of other molecules. A Phase II trial is under way with ecubectedin in solid tumors, as well as Phase I trials with ecubectedin, PM534 and PM54 for treating 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.

In 2023, a total of €10.8 million (€17.1 million in 2022) were spent on the clinical development of plitidepsin as an antiviral; this expenditure is recognized in the oncology segment.

The main R&D spending in 2023 for the RNA interference segment relates to Phase III clinical trials with tivanisiran in dry eye associated with Sjögren's syndrome. On February 9, 2024, it was announced that the Phase III trial conducted by Sylentis with *tivanisiran* for treating dry eye disease associated with Sjögren's syndrome did not met its primary efficacy endpoint.

A Phase II trial with SYL1801 for treating and/or preventing choroid neovascularization, a common cause of retinal diseases such as age-related macular degeneration (AMD) and diabetic retinopathy, has commenced.

	2023	2022
R&D expenses	**99,302**	**83,449**
Oncology	83,633	68,098
Diagnostics	-	2,318
RNAi	15,669	13,033

(Thousand euro)

Other operating expenses

Operating expenses: marketing and commercial, general and administrative expenses and other Group operating expenses amounted to €54.6 million in 2023, compared with €58.4 million in 2022.

Other operating expenses mainly include expenses relating to corporate functions, that expenses as of December 2022 also included amounts corresponding to the Genómica liquidation process.

	2023	2022
Other operating expense		
Marketing expenses	23,542	24,219
General and Administrative	18,263	19,022
Other operating expense (Corporate)	12,783	15,180

(Thousand euro)

EBITDA

Group EBITDA amounted to €2.1 million in 2023 (€51.4 million in 2022), calculated as follows:

	12/31/2023	12/31/2022
Net result	**1,137**	**49,356**
Income tax	(4,760)	(5,566)
Net financial income	(204)	281
Depreciation and amortization	5,911	7,350
EBITDA	**2,084**	**51,421**

(Thousand euro)

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

The variation in EBITDA is due mainly to the increase in R&D expenditure (€15.9 million) and the reduction in revenue (€38.2 million) between the two years, attributable mainly to the impact of the release of generic trabectedin (Yondelis) on the European market.

Cash and Debt

As of December 31, 2023, the total financial debt has increased by 0.9 million euros compared to December 31, 2022, remaining in the range of 39-40 million euros. In 2023, a total of 4.9 million euros in subsidized loans from official agencies were received (compared to 0.8 million euros in the same period of 2022). The repayments of various loans, both from banks and official agencies, amounted to 5.5 million euros (compared to 6.5 million euros in the same period of 2022).

This cash position includes dividend payments, the acquisition of own shares, as well as investment in the Sylentis oligonucleotide plant, as reflected in the cash flow statement on page 11 of this document

As of December 31, 2023, the Group had a positive net cash position of 128.8 million euros (compared to 192.8 million euros in December 2022). This level of net cash will enable the Group to address the planned R&D developments and investments without cash flow strains

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

	12/31/2023	12/31/2022	Var.
Non current debt	**27.036**	**25.883**	**1.153**
Bank debt	0	231	-231
Obligations and bonds	16.769	16.709	60
Govt. Agencies: R&D funding	10.267	8.943	1.324
Current debt	**12.825**	**13.125**	**-300**
Credit facilities	6.458	3.506	2.952
Bank loan	3.226	4.430	-1.204
Govt. Agencies: R&D funding	2.435	3.791	-1.356
Interest and others	706	1.398	-692
Total financial debt	**39.861**	**39.008**	**853**
Cash&cash equivalents + non current and current financial investment	**168.625**	**231.818**	**-63.193**
TOTAL NET CASH / (DEBT)	**128.764**	**192.810**	**-64.046**

(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.

If the outcome is positive, this could serve as a confirmatory trial in the United States and as a registration trial in other territories outside the United States, including the EMA's jurisdictions.

Recruitment continued in 2023 satisfactorily for the Phase III trial that our partner Jazz Pharmaceuticals and Hoffmann-La Roche are conducting with 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 trial will provide information on a potential new first-line treatment option for small cell lung cancer.

A retrospective data collection study in France that included patients who had received lurbinectedin as part of the "ATU nominative" (named-patient authorization) program is awaiting publication. This study, which was presented at the ASCO Meeting 2023, is being headed by Intergroupe Francophone de Cancérologie Thoracique and Groupe Français de Pneumo-Cancérologie. The study describes the clinical and demographic characteristics of these patients and evaluates real-life overall survival, progression-free survival, etc.

Leiomyosarcoma

The Phase IIb/III clinical trial with lurbinectedin in combination with doxorubicin for first-line treatment of patients with metastatic leiomyosarcoma commenced in October. The endpoint is to evaluate the compound as first-line treatment in patients with metastatic leiomyosarcoma.

The trial will involve 76 centers in the United States and several European countries, including Spain.

Patient enrolment is advancing on schedule.

Combination trials with Zepzelca (lurbinectedin)

Recruitment continues on schedule for the Phase I/II trials in combination with irinotecan and atezolizumab. The combination trial with irinotecan completed enrolment of the small cell lung cancer and synovial sarcoma cohorts of patients, while enrolment of the neuroendocrine tumor cohorts is continuing as planned.

Patient enrolment for the combination trial with pembrolizumab concluded and the results were presented in an oral session on small cell lung cancer at the ESMO 2023 meeting.

PharmaMar presented progress with Zepzelca at the main world conferences:

The 2023 World Conference on Lung Cancer, organized by the International Association for the Study of Lung Cancer (IASLC), was held in Singapore on September 9-12**.**
A number of abstracts on using Zepzelca® (lurbinectedin) to treat patients with small cell lung cancer were presented at the meeting:

- *"Efficacy of Platinum after Lurbinectedin + DOX or Topotecan/CAV in Sensitive Relapsed SCLC Patients in the ATLANTIS Trial".* Navarro et al.
- *"Efficacy of Platinum Given after Lurbinectedin in Sensitive Relapsed SCLC Patients".* Trigo et al.
- *"Effectiveness and Safety Profile of Lurbinectedin in Second-Line Small Cell Lung Cancer: A Real-world Study"*. Ganti et al.
- *"Real-world Safety and Dosing of Lurbinectedin-Treated Patients with Small Cell Lung Cancer: Jazz EMERGE 402 Preliminary Analysis".* Halmos et al.

PharmaMar also presented new data on lurbinectedin in treating small cell lung cancer (SCLC) at the European Society for Medical Oncology (ESMO) 2023 Meeting in Madrid on October 20-24:

- Notably, Dr. Antonio Calles gave an oral presentation in which he released the final data of the LUPER trial with lurbinectedin in combination with pembrolizumab immunotherapy as second-line treatment of SCLC. The communication was entitled "*Lurbinectedin (LUR) in combination with pembrolizumab (PBL) in relapsed small cell lung cancer (SCLC): the phase 1/2 LUPER study*"

Additionally, an abstract was presented titled "*A randomised, multicenter phase-III study comparing doxorubicin (dox) alone versus dox with trabectedin (trab) followed by trab in non-progressive patients (pts) as first-line therapy, in pts with metastatic or unresectable leiomyosarcoma (LMS): Final results of the LMS-04 study*". These results further support testing lurbinectedin in sarcoma.

B) Ecubectedin (PM14)

The first Phase I/II clinical trial with ecubectedin has reached the recommended 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 reached the recommended dose in patients with advanced solid tumors. An expansion Phase II basket trial with a number of tumor types is currently enrolling patients.

The Phase Ib trial in combination with atezolizumab is also enrolling satisfactorily.

C) PM54

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

E) Virology: Plitidepsin

COVID-19: Phase II

The **Nereida** Phase II trial to determine the efficacy and safety of plitidepsin in immunocompromised adult patients with symptomatic COVID-19 requiring hospitalization has been approved at 57 centers in 11 countries:

Pharma Mar attended the Society of Hematologic Oncology 2023 meeting in Houston on September 6-9, 2023, where Dr. Alicia Ortiz (MD Anderson Hospital Madrid) presented a poster on plitidepsin entitled *"Compassionate use of Plitidepsin in patients with Non-Hodgkin lymphoma and Sars-Cov2 infection"*.

Additionally, abstracts with data on Plitidepsin were presented at the following conferences: three posters presented at the *Congreso Nacional de Medicina Interna SEMI*, which was held in Valencia on November 15-17, 2023, and one oral presentation at the *Congreso Nacional de Hematología (SEHH),* which was held in Seville on October 26-28, 2023.

2.- RNA interference: Sylentis

In relation to tivanisiran, enrolment of the 200 patients with dry eye disease associated with Sjögren's syndrome, an autoimmune disease, involving more than 30 hospitals in the United States concluded in 2023. It was a randomized, double-blind, placebo-controlled study, with primary and secondary objectives to evaluate the efficacy (signs and symptoms) and safety of tivanisiran in patients with dry eye disease associated with Sjögren's Syndrome. On February 9, 2024, it was announced that this Phase III trial conducted by Sylentis did not meet its primary endpoints.

Additionally, a Phase I trial in healthy volunteers with SYL1801 for the treatment and/or prevention of choroid neovascularization associated with pathologies such as age-related macular degeneration (AMD) and diabetic retinopathy concluded, showing an acceptable safety and ocular tolerance profile. A Phase II randomized double-blind trial has commenced with SYL1801, in four European countries (Czech Republic, Poland, Slovakia and Hungary) in 90 patients with AMD, to compare the safety, tolerability and 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.

In 2023 Sylentis started the construction in Madrid of an oligonucleotide production plant that will enable the company to cover its own potential production needs as well as producing for third parties. The plant will be built in stages and production capacity will be expanded in line with demand.

CONSOLIDATED BALANCE SHEET (thousand euro)	31/12/23	31/12/22
ASSETS		
Non-current assets		
Property, plant and equipment	43,874	31,163
Investment property	845	845
Intangible assets	1,935	2,589
Right-of-use assets	3,733	3,552
Financial assets	6,062	49,398
Deferred tax assets	31,469	30,529
	87,918	**118,076**
Current assets		
Inventories	39,289	27,746
Trade receivables	27,554	29,328
Financial assets	102,538	32,607
Other assets	23,197	35,689
Cash and cash equivalents	60,024	149,813
	252,602	**275,183**
TOTAL ASSETS	**340,520**	**393,259**

CONSOLIDATED BALANCE SHEET (thousand euro)	31/12/23	31/12/22
EQUITY		
Share capital	11,013	11,013
Share premium account	71,278	71,278
Own shares	(31,091)	(15,865)
Revaluation reserves and other reserves	15	19
Retained earnings and other reserves	142,223	156,512
Total capital and reserves attributable to equity-holders of the controlling company	**193,438**	**222,957**
TOTAL EQUITY	**193,438**	**222,957**
LIABILITIES		
Non-current liabilities		
Interest-bearing debt	27,036	25,883
Lease liabilities	1,828	2,014
Deferred revenues	22,137	44,899
Other liabilities	193	186
	51,194	**72,982**
Current liabilities		
Supplier and other accounts payable	31,308	29,959
Interest-bearing debt	12,825	13,125
Lease liabilities	1,980	1,608
Provisions for other liabilities and expenses	8,989	8,603
Deferred revenues	24,946	24,666
Other liabilities	15,840	19,359
	95,888	**97,320**
TOTAL LIABILITIES	**147,082**	**170,302**
TOTAL EQUITY AND LIABILITIES	**340,520**	**393,259**

CONSOLIDATED INCOME STATEMENT		
(thousand euro)	**31/12/23**	**31/12/22**
Revenues from contracts with customers:		
Product sales	71,873	105,736
Licensing and development agreements	33,590	40,169
Royalties	52,178	50,254
Services provided	512	184
	158,153	**196,343**
Cost of goods sold	(9,613)	(13,639)
Gross income	**148,540**	**182,704**
Marketing expenses	(23,542)	(24,219)
Administrative expenses	(18,263)	(19,022)
R&D expenses	(99,302)	(83,449)
Net impairment of financial assets	271	(364)
Other operating expenses	(12,783)	(15,180)
Other gains/(losses), net	1,252	3,601
Operating profit	**(3,827)**	**44,071**
Financial expenses	(9,427)	(11,287)
Financial revenues	9,631	11,006
Net financial income	**204**	**(281)**
Income before taxes	**(3,623)**	**43,790**
Income tax	4,760	5,566
Profit or loss for the year	**1,137**	**49,356**
Attributable to:		
Equity-holders of the controlling company	1,137	49,356

Euro per share	**31/12/23**	**31/12/22**
Basic profit/(loss) per share		
- Attributable to equity holders of the controlling company	0.06	2.73
Diluted profit/(loss) per share		
- Attributable to equity holders of the controlling company	0.06	2.73

CONSOLIDATED CASH FLOW STATEMENT (thousand euro)	31/12/23	31/12/22
Income before taxes:	**(3,623)**	**43,790**
Adjustments for:	**6,823**	**21,532**
Depreciation and amortization	5,756	5,900
Change in provisions	(99)	15,083
Fixed asset impairment	(1,747)	1,483
Financial revenues	(4,103)	(875)
Financial expenses	2,416	2,376
Income from sale of fixed assets	1,933	(11)
Share-based payments	297	393
Deferred revenues - subsidies	718	313
Exchange differences	1,684	(3,108)
Other adjustments to income	(32)	(22)
Changes in working capital	**(34,923)**	**(28,220)**
Inventories	(11,542)	(17,210)
Customer and other receivables	1,783	21,612
Other assets and liabilities	(3,790)	(5,362)
Supplier and other accounts payable	1,825	1,786
Deferred and accrued items	(23,199)	(29,046)
Other operating cash flows:	**18,277**	**1,219**
Interest paid	(2,416)	(2,376)
Interest received	4,103	875
Income tax received/(paid)	16,590	2,720
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**(13,446)**	**38,321**
Investment payments:	**(330,284)**	**(228,051)**
Property, plant and equipment, intangible assets and investment property	(15,956)	(8,852)
Other financial assets	(314,328)	(219,199)
Divestment receipts:	**287,236**	**238,929**
Property, plant and equipment, intangible assets and investment property	-	11
Other financial assets	287,236	238,918
TOTAL NET INVESTING CASH FLOW	**(43,048)**	**10,878**
Receipts and (payments) in connection with equity instruments:	**(19,295)**	**7,049**
Acquisition	(37,901)	(50,178)
Disposal	18,606	57,227
Receipts and (payments) in connection with financial liabilities:	**(1,153)**	**(8,658)**
Loans received	6,391	1,543
Loans repaid	(7,544)	(10,201)
Payment of dividends and remuneration on other equity instruments	**(11,689)**	**(11,761)**
TOTAL NET FINANCING CASH FLOW	**(32,137)**	**(13,370)**
EFFECT OF EXCHANGE RATE FLUCTUATIONS	**(1,158)**	**636**
TOTAL NET CASH FLOW FOR THE YEAR	**(89,789)**	**36,465**
Beginning balance of cash and cash equivalents	149,813	113,348
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	**60,024**	**149,813**

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